

# 24<sup>th</sup> Annual Report

**BAJAJ  
HEALTHCARE  
LIMITED**

**2016-2017**









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

## Chairman's Message

Dear Shareholder's,

I am delighted to welcome you all for Twenty Fourth Annual General Meeting. We must record our sincere thanks and appreciation to all those who have stood by us with their investments. Your continued trust, encouragement, support and fair criticism based on data and facts are what give us energy, enthusiasm, confidence and motivation to strive for betterment!

Your Company believes in "Quality and Timely Delivery" and these have been pillars of our Success in the National and International Markets. The combination of operational excellence and improved quality were the key drivers of our Company which resulted in improved profitability.

Your Company, Bajaj Healthcare Limited, is a backward integrated pharmaceutical company with manufacturing and marketing capabilities in Active Pharmaceutical Ingredients (APIs), Intermediates and Finished Dosage Formulations (FDFs) with focus on Vitamins, Amino Acids, Anti-Convulsants and Finished Dosage Forms (FDFs) catering to various therapeutic segments.

Your Company has State - of - the - Art manufacturing and R&D facilities which will help us to make further inroads in highly regulated and challenging markets.

Your Company began its operations in the year 1993 with an API manufacturing unit in Tarapur, near Mumbai. Over the years we have expanded our scale and scope of operations and currently we have enlarged our wings up to five (5) manufacturing units for manufacture of APIs, Intermediates and Formulations. As part of this expansion, in the year 2006, we acquired a 46,000 sq. mtrs. plant in Savli, Vadodara for setting up one of our biggest API and Intermediate manufacturing units. In the year 2008, with a view to enter into manufacturing of FDFs, we acquired a 3,000 sq. mtrs. Formulations plant at Manjusar, Vadodara and we have converted it into a state-of-the-art WHO-GMP compliant facility. Keeping in momentum of the expansion, in the year 2013, we set-up yet another API and Intermediate manufacturing unit at Panoli, Ankleshwar. In the last fiscal, i.e. in F. Y. 14-15, with the growing demand for APIs, we decided to have a separate unit for Intermediate products so that the Savli and Panoli Units could concentrate on manufacture of APIs. Accordingly, in November 2014 we acquired and set-up an Intermediate Unit in Tarapur MIDC, near Mumbai.

Your Company's Sales/Income from operation (Gross) stood at Rs. 23,304.58 Lakhs as compared to Rs. 22,321.81 lakhs in the Previous Year.

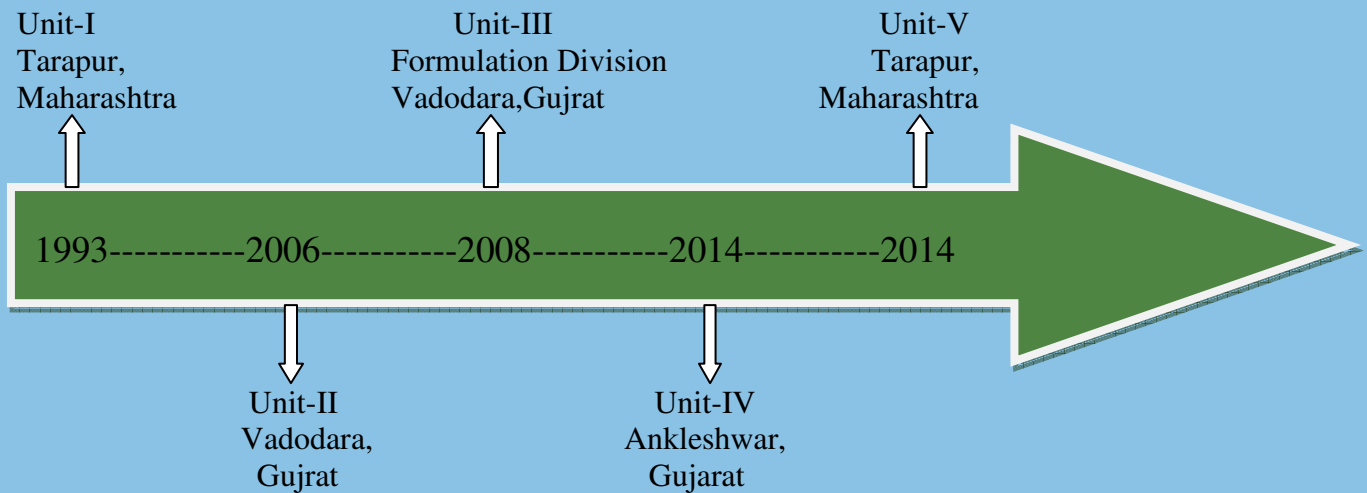
In conclusion, I would like to thank all our Stakeholders and Boards members for their continued trust, guidance and Support. I am also grateful to our Customers, Vendors, Bankers and Other Business Associates who have reposed their faith in us. I would also like to extend my appreciation to our employees for their commitment and contribution in our Company.

We remain focus about our future with a well balanced strategy and determination to make the most of the available opportunities, thereby creating greater value for all our Stakeholders

Your Sincerely,

Sd/-  
Sajankumar Bajaj  
Chairman & Managing Director

# Growth of Our Company:







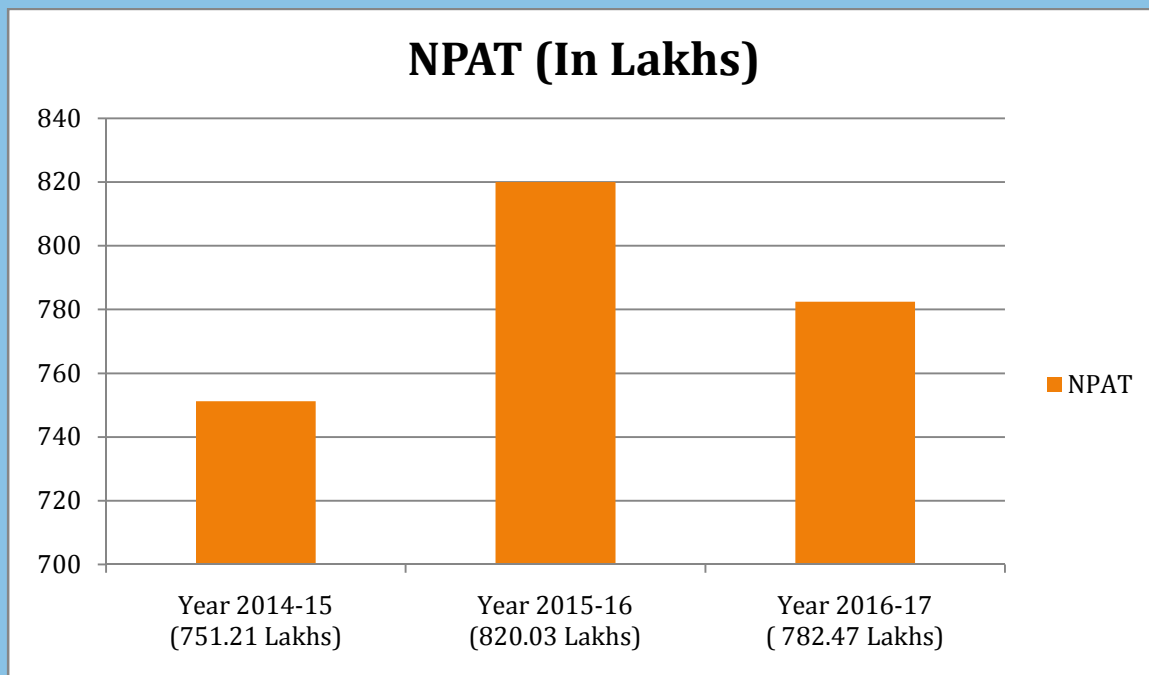
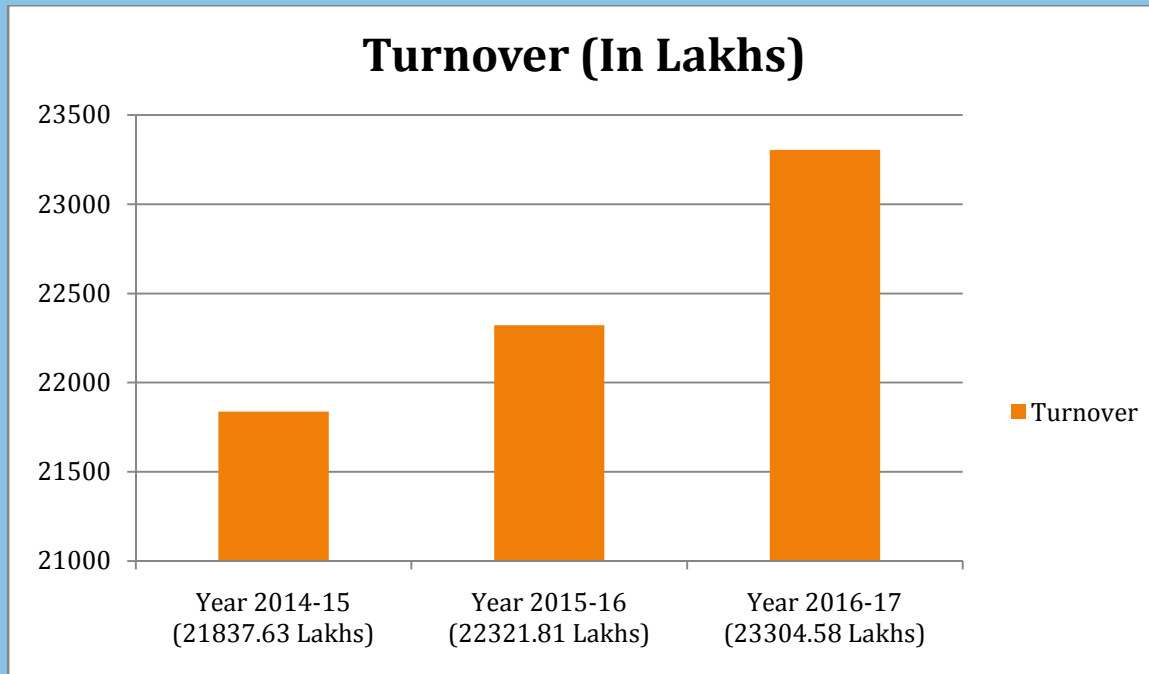
Manufacturing units:







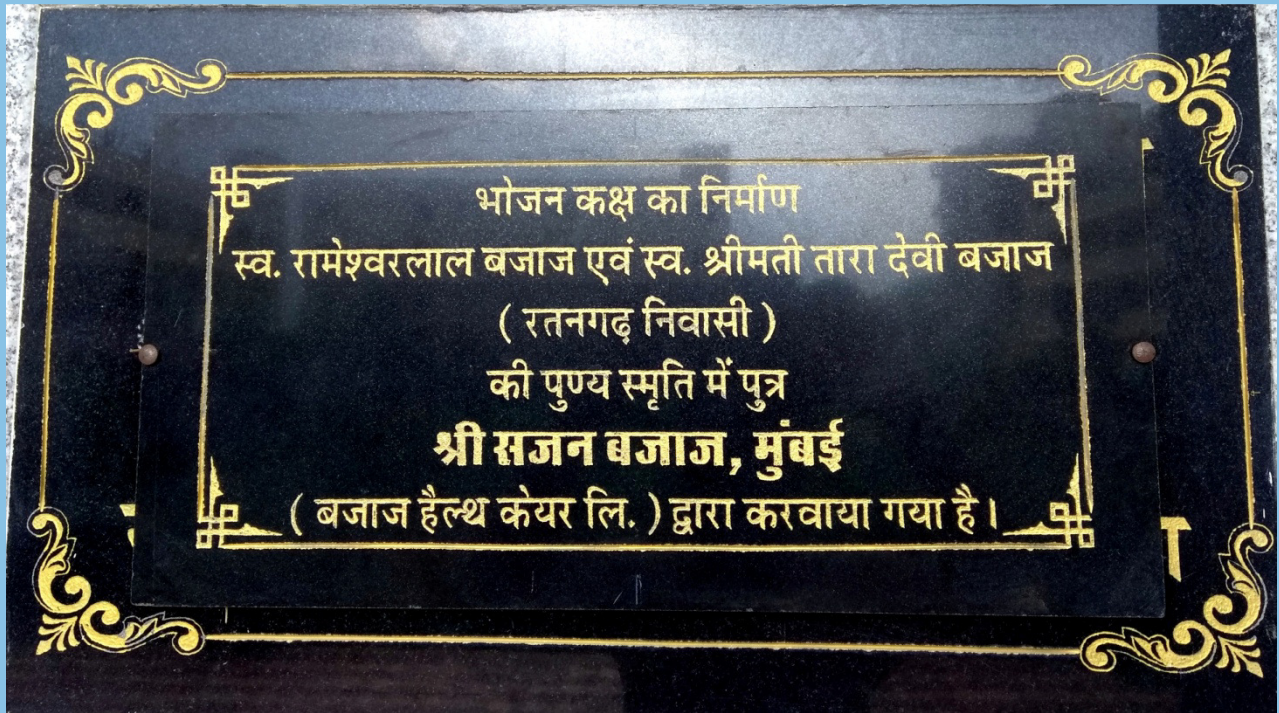
## Performance of Company:





# Corporate Social Responsibility:

Eradicating hunger and malnutrition's:





Hostels for adavasi women:





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. Vidyut J. Shah	- (Independent Director)
Mr. Hemant R. Karnik	- (Independent Director)
Mr. Ram B. Banarse	- (Independent Director)

COMPANY SECRETARY:

Ms. Avani Mehta

STATUTORY AUDITORS:

**M/s. Paresh Rakesh & Associates**  
Chartered Accountant  
103, Namrata CHS, Bldg No. 15,  
Shastri Nagar, Link Road, Goregaon (West),  
Mumbai- 400 104.

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-mailId:investors@bajajhealth.com  
Website: www.bajajhealth.com

REGISTRAR & TRANSFER AGENT:

Sharex Dynamic (India) Private Limited  
Unit No.1, Luthra Industrial Estate, Safed  
Pool, AndheriKurla Road, Andheri East,  
Mumbai- 400 072.  
E-mail Id: sharexindia@vsnl.com



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## DIRECTORS' REPORT

To,  
The Share Holders  
Bajaj Healthcare Limited

Your Directors have pleasure in presenting 24<sup>th</sup> Board Report together with the Audited Statement of accounts and the Auditors Report of your company for the financial year ended 31st March, 2017.

### **FINANCIAL PERFORMANCE OF THE COMPANY:**

(Rs. In Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Gross Income	23,304.58	22,321.81
Profit before Interest & Depreciation	3304.12	3030.56
Finance Charges	800.59	751.71
Provision for Depreciation	1134.55	928.97
Profit before Tax	1368.98	1349.89
Less: Current Tax /Deferred Tax	586.51	529.86
Net Profit after Tax	782.47	820.03
Surplus carried to Balance Sheet	782.47	820.03
Earnings Per Share	11.37	12.15

The Company's Gross Income for the year increased to Rs. 23,304.58 lakhs as compared to last year's Rs.22,321.81Lakhs, which includes the Domestic Turnover of Rs. 16,393.48 Lakhs as compare to last year's Domestic Turnover was Rs. 15,862.80 Lakhs and the Export Turnover of Rs.6671.99 Lakhs as compared to last year's export turnover of Rs. 6421.16 Lakhs.

The earning net profit after taxation of the Company during the year amounted to Rs.782.47Lakhs as compared to net Profit of Rs.820.03Lakhs in the previous year. The above change is reflected due to increase in depreciation on account of Capitalization of Capital Work in Progress during the year.

### **DIVIDEND AND RESERVES:**

To conserve the resources, your Directors have not recommended any dividend for the year ended 31st March, 2017.

### **FIXED DEPOSITS:**

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

### **CHANGE IN NATURE OF BUSINESS, IF ANY:**

There are no changes in Nature of Business of the Company during the year.

### **EXTRACT OF ANNUAL RETURN:**

As per provision of Section 134 of the Companies Act, 2013, the details forming part of the extract of the Annual Return is attached to this Report as "**Annexure-I**" in Form MGT-9.

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

The Company has not transferred any amount to General Reserves for the financial year 2016-2017.

### **MATERIAL CHANGES AND COMMITMENTS:**

#### **Initial Public Offer:**

The Company has made initial Public Offer (IPO) for 18,17,600 Equity Shares (consisting of an Offer for Sale of 16,68,000 Equity Shares and a Fresh Issue of 1,49,600 shares) for cash at price of Rs. 170 per share including a premium of Rs. 160/- per share aggregating to Rs. 3,089.92 lakhs.



**Listing of Shares on SME Platform of BSE Limited:**

Your directors are pleased to inform you that the Company's securities have now been listed on SME Platform of BSE Limited from 10th May, 2016.

**Change in Registered office:**

During the financial year 2016-17, the company has changed its registered office with effect from 31st August, 2016 to 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39 A/1, Rd No.23, Wagle Industrial Estate, Thane (West) - 400604 through Postal Ballot.

**Alteration in Object Clause of Memorandum of Association:**

On 31st August, 2016, the shareholders vide a postal ballot approved Alteration in Object Clause of Memorandum of Association for insertion of object clause of "Food Processing & Storage, Food Park, and Agro Based Products".

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

The Company has no Subsidiary, Joint venture or Associate Company as per Companies Act, 2013.

**SHARE CAPITAL:**

Listing of Equity Shares on SME Platform of BSE Limited

Your directors are pleased to inform you that the Company's securities have now been listed on SME Platform of BSE Limited from 10th May, 2016.

**DIRECTORS:****Composition and size of the Board:**

The Board has an optimum combination of Executive and Non-Executive Independent Directors. The total strength of the Board is of 8 Directors in the financial year 2016-17 comprising of five Executive Directors out of which one is woman director. Further, the Board also comprises of three Non-Executive Independent Directors pursuant to the Section 149 (4) of the Companies Act, 2013 (hereinafter referred as "Act") and rules made thereunder.

**Director retires by rotation:**

Mr. Dhananjay Hatle, Director retires by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company and offers himself for re-appointment. The Board recommends his re-appointment.

**Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors pursuant to Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 09th March, 2017 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 then Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

**Declaration by Independent Director(s):**

All Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

**Number of Meetings of the Board:**

During the year, 7 (Seven) Board Meetings and one meeting of Independent Directors were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

Dates of Board Meeting held during the year 2016-17:

02/04/2016	12/04/2016	06/05/2016	30/05/2016
20/07/2016	14/11/2016	09/03/2017	

Details of Board meetings attended by Board of Directors:

Sr.No.	Name of Directors	No. of Meetings attended
1	Mr. Sajankumar Bajaj	6/7
2	Mr. Anil Jain	6/7
3	Mr. Dhananjay Halte	7/7

4	Mr. Namrata Bajaj	7/7
5	Mr. Rupesh Nikam	7/7
6	Mr. Vidyut Shah	4/7
7	Mr. Hemant Karnik	4/7
8	Mr. Ram Banarase	4/7

### **COMMITTEES OF THE BOARD:**

During the year, your directors have constituted or re-constituted wherever required, the following committees of the Board in accordance with the requirements of the Companies Act, 2013. The composition, terms of reference and other details of all Board level committees have been elaborated in the report.

#### **1. Audit Committee :**

The Committee is comprises of two non-executive Independent Directors and one executive director as its members. The Chairman of the Committee is an Independent Director.

The audit committee assists the Board in the dissemination of the financial information and in overseeing the financial and accounting processes in the Company. The details of which are available on the Company's website [www.bajajhealth.com](http://www.bajajhealth.com)

In order to ensure that activities of the Company and its employees are conducted in a fair and transparent manner, the Company has adopted a Whistle Blower Policy & Vigil Mechanism.

Composition of Audit Committee and Number of Meetings during the year

Sr. No.	Names of Member	Designation	Category of Directors
1	Mr. Vidyut Shah	Chairman	Independent Director
2	Mr. Hemant Karnik	Member	Independent Director
3	Mr. Rupesh Nikam	Member	Executive Director

4 meetings of the Committee were held during the year under review on 30th May, 2016; 20th July, 2016; 14th November, 2016 and 9th March, 2017.

#### **Terms of Reference:**

The Terms of Reference of this committee cover the matters specified for Audit Committees under Section 177 of the Act and are as follows:

- (A) 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.
- (B) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (C) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - (a) Any changes in accounting policies and practices.
  - (b) Major accounting entries based on exercise of judgment by management.
  - (c) Qualifications in draft audit report, if any.
  - (d) The going concern assumption.
  - (e) Compliance with accounting standards.
  - (f) Compliance with Stock Exchange and legal requirements concerning financial statements.
  - (g) Any 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.
  - (h) Reviewing with the management, External and Internal auditors the adequacy of Internal Control System and the Company has in place its own in house internal audit department to review the adequacy of internal audit function, including the structure of internal audit department, staff and seniority of official's heading the department, reporting structure, coverage and frequency of internal audit.
  - (j) 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.



- (k) 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.
- (l) Reviewing the Company's financial and risk management policies.
- (m) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders in case of no nonpayment of declared dividends) and creditors.

## 2. Nomination and Remuneration Committee

The Committee was constituted as required under Section 178 of the Act and it comprises of three non-executive Independent Directors as its members. The Chairman of the Committee is an Independent Director.

### Terms of Reference

The Terms of Reference of this committee cover the matters as follows:

- (A) To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from the year to year.
- (B) To help in determining the appropriate size, diversity and composition of the Board;
- (C) To recommend to the Board appointment/reappointment and removal of Directors;
- (D) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- (E) To create an evaluation framework for Independent Directors and the Board;
- (F) Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

Composition of Nomination and Remuneration Committee and Number of Meetings during the year:

Sr. No.	Names of Members	Designation	Category of Director
1	Mr. Ram Banarase	Chairman	Independent Director
2	Mr. Hemant Karnik	Member	Independent Director
3	Mr. Vidyut Shah	Member	Independent Director

No meeting of Nomination and remuneration committee was held during the year.

### Familiarization Program

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of program for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company and related matters are put up on the website of the Company.

## 3. Stakeholders' Relationship Committee

The Board has formed Stakeholders' Relationship Committee pursuant to provisions of Section 178 of the Companies Act, 2013.

### Terms of Reference:

The Terms of Reference of this committee cover the matters as follows:

- (A) Redress Shareholders and Investors complaints.
- (B) Review all matters connected with the share transfers.
- (C) Review status of legal cases involving the investors where the Company has been made a party.

Composition of the Stakeholders' Relationship Committee and Number of Meetings during the year:

Sr. No.	Names of Members	Designation	Category of Director
1	Mr. Hemant Karnik	Chairman	Independent Director
2	Mr. Ram Banarase	Member	Independent Director
3	Mr. Anil Jain	Member	Executive Director

No meetings of the Committee were held during the year under review.

Details in respect of Compliance Officer:

Sr. No.	Name of Compliance officer	Designation of Compliance officer
1	Ms. Avani Mehta	Company Secretary

\* Mr. Vipul Dubey has resigned from the post of Company Secretary & Compliance officer with effect from 30th June, 2017.

#### 4. Corporate Social Responsibility Committee

Pursuant to Section 135 of Act and the rules made thereunder, the Board has constituted the Corporate Social Responsibility (CSR) Committee, with three members, out of which two are executive and one is non-executive.

##### Terms of Reference:

- (A) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- (B) To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

Composition of the Corporate Social Responsibility Committee and Number of Meetings during the year:

Sr. No.	Names of Members	Designation	Category of Director
1.	Mr. Sajankumar R Bajaj	Chairman	Executive Director
2.	Mr. Ram Banarase	Member	Independent Director
3.	Mr. Rupesh Nikam	Chairman	Executive Director

One meetings of the Committee were held during the year under review on 09th March, 2017.

#### RISK MANAGEMENT:

The Company implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system on risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep update and address emerging challenges. Risk management system followed by the Company is elaborately detailed in the MDA.

#### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company's internal control framework is designed specifically to help ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of law and regulations. The Company has put in place automated internal business control and a centralized global process framework that works and governs the day to day operation of key functions like research, procurement, manufacturing and supply chain, integrating them with key support like marketing, sales, finance, regulatory affairs of HR and to safeguard its assets and prevention of misappropriation and detection of fraud and or unauthorized use of assets and it has been designed to ensure preparation of reliable financial statement and maintaining all the assets. The Audit Committee of the Board deals with the significant issues relating to control raised by the Statutory Auditors.

#### PERFORMANCE EVALUATION OF THE BOARD:

The formal annual evaluation has been done by the board of its own performance and that of its committee 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 and non-independent Directors was also carried out by the Independent Directors at their separate meeting held as on 09<sup>th</sup> March, 2017 inter alia to:

- Evaluate the performance of non-independent directors and the Board as a whole;
- Evaluate performance of the Chairman and Managing Director of the Company; and
- 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 Non-executive 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.

## **AUDITORS**

### **Statutory Auditors & their Report:**

Paresh Rakesh & Associates, Chartered Accountants, who were appointed as the Statutory Auditors of the Company at the 22<sup>nd</sup> AGM held on 30th September, 2015 to hold office until the conclusion of the 27th AGM, are recommended for ratification of appointment for the Financial Year 2017-2018. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Paresh Rakesh & Associates, Chartered Accountants that their appointment, if made, would be in conformity with the limits specified in the said Section.

The Auditors' Report to the Shareholders for the year under review does not contain any reservation, qualification or adverse remark. The comments in the Auditors' Report to the Shareholders for the year under review are self-explanatory and does not need further explanation.

### **Cost Auditor & their Report:**

As per Section 148 of the Companies Act, 2013 ('Act'), read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Drugs & Pharmaceuticals business is required to be audited by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of N. Ritesh and Associates, Cost Accountants as the cost auditors of the Company for the year ending March 31, 2018.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. The Board seeks your support in approving the proposed remuneration plus out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2018.

M/s. N. Ritesh and Associates have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956. The Cost Audit Report of the Company for the Financial Year ended March 31, 2016 was filed in XBRL mode by the Cost Auditor.

The Cost Audit Report for FY 2016-17 was placed before Board Meeting and it does not contain any reservation, qualification or adverse remark.

### **Internal Audit:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee appointed Ms. Pooja Gupta as an internal auditor of the Company. The Internal Auditor submits her reports to the Audit Committee. Based on the report of Internal Audit, management undertakes corrective action in their respective areas and thereby strengthens the controls.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. H P Sanghvi & Co, Practicing Company Secretary, Mumbai as Secretarial Auditor to conduct Secretarial Audit of the Company. Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2017 is enclosed as **Annexure II** to the Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

## **REGISTRAR AND TRANSFER AGENT:**

The Board had appointed M/s. Sharex Dynamic (I) Private Limited as Registrar and Transfer Agent (RTA) at their meeting held on 19th January, 2016.

The Company's Registrar & Share Transfer Agents, M/s. Sharex Dynamic (I) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints.

## **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 Companies Act, 2013. 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 Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

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

Details of investments made by the Company have been given in the Financial Statements.

The Company has not given any guarantee or advanced any loans pursuant to the provisions of Section 186 of Companies Act, 2013.

**Cash Flow Analysis:**

In conformity with the Regulation 53 (b) of SEBI (LODR) Regulation, 2015, the cash flow statement for the year ended 31st March, 2017 is annexed with the financial statements.

**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.

**Particulars of Employees:**

Pursuant to the provisions of Section 136(1) of the Act and as advised, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure-III** and also will be available for inspection at the Registered Office of the Company during the business hours on working days and Members interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request.

**Disclosure under Sexual Harassment of Women:**

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 under review, there were no complaints from any of the employee.

**Significant and Material Orders passed by the Regulators or Courts:**

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.

**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 during the year under review.

**Details of Investors Complaints received during F.Y. 2016-17:**

Sr. No.	Nature of Complaints	No. of Complaints Received	No. of Complaints Redressed	Pending Complaints
1.	Non-Receipt of dividends	NIL	NIL	NIL
2.	Non-receipt of shares lodged for transfer/ transmission	NIL	NIL	NIL
3.	Non- Receipt of Annual Report	NIL	NIL	NIL

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **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 Managing Director at each Board Meeting. The Company ensures compliance of the ROC, SEBI Regulations and various statutory authorities.

### **CORPORATE GOVERNANCE**

The provisions of Corporate Governance as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule-V of SEBI (LODR) Regulation, 2015 are not applicable to the Company for the financial year ending 31st March 2017.

### **VIGIL MECHANISM / WHISTLEBLOWER POLICY:**

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable 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 could adversely affect 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.

### **INSIDER TRADING CODE**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from May 15, 2015 and it is applicable to the Company w.e.f. 10th May, 2016. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations. This Code is displayed on the Company's website

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.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place well defined and adequate internal financial control framework. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and the follow up action are reported to the Audit Committee.

### **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 Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2017 and confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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;
- c. 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;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. 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

f. 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 Companies Act, 2013 and the Company’s CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure -IV** which forms an integral part of this Report.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION 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 Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

##### **I. Conservation Of Energy:**

Many steps towards energy conservation has taken & implemented successfully:

- a. Automatic power factor control (APFC) panel installed to ensure power factor more than 99.5 %.
- b. New dedicated Cooling tower installed for Brine Plant to improve efficiency of Brine plant.
- c. All MS lines of compressed air replaced by PPRC lines to stop leakages. This stops minute leakages due to corrosion & substantial power is saved.
- d. Exhaustive audit of energy conservation is given to world class consultant, this shall give boost for power saving.
- e. Water quality is improved to reduce scaling of lines, hence increased cooling effect.
- f. Old inefficient air compressor is replaced by new latest technology based air compressor to improve efficiency.

##### **II. Technology Absorption, Adaption and Innovation:**

- a. Started using Decanter to isolate sludge from Effluent aeration tanks, initially we were using filter press.
- b. Trials has been taken to improve oxygen level in primary tank of ETP by use of high speed air purging system.
- c. New plant (plant 9) is commissioned in which most of the material transfer is achieved by gravitational transfer with least utilization of manpower.

##### **III. Research and Development**

- Our R&D Laboratory is approved by DSIR (Directorate of Scientific & Industrial Research) department of Indian Government
- R&D center is now equipped with scale up facility & many modern equipment like thin layer evaporators, Fume Cupboard are added to improve working of R&D section
- R&D work on many new molecules is going on. Some of the products commercialized on plant scale
- With the growing scale of business, our Company intends to increase our focus on R&D facilities. Our Company intends to reap the benefit of R&D not only in developing custom and consistent manufacturing process, but also to synthesise efficient and technologically advanced products.
- Our Company believes that its focus on R&D will result in development of high quality products and processes and will form the basis for various patents, which in turn will give our Company a significant boost in brand value

##### **IV. Foreign Exchange Earning and Outgo:**

Earnings:

Foreign Exchange inflow: Rs. 61,37,88,086/-

Outgo:

Foreign Exchange outgo: Rs. 66,03,69,130/-

#### **ACKNOWLEDGEMENTS:**

Your Directors would like express their sincere appreciation of the positive Co-operation received from the Governments and bankers. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers and staff of the company resulting in the successful performance during the year.





The board also takes this opportunity to express its deep gratitude for the continued co operation and support received from its valued shareholders.

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**

Sd/-  
Sajankumar Bajaj  
Chairman and Managing Director  
DIN:00225950

**Dated: 23<sup>rd</sup> August, 2017.**  
**Place: Thane**

## Annexure-I

### FORM NO. MGT-9

**Extract of the Annual Return as on the financial year ended March 31st, 2017  
(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014)**

#### I. Registration and other Details

- i. CIN : L99999MH1993PLC072892
- ii. Registration Date : 15th July, 1993.
- iii. Name of the Company : BAJAJ HEALTHCARE LIMITED
- iv. Category : Company Limited by shares  
Sub-Category of the Company : Indian Non-Government Company
- v. Address of the Registered Office and contact details : 602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B- 39A/1, Road No.23, Wagle Industrial Estate, Thane (West)-400 604  
Tel: (91) 22 66177400.  
Email: bajajhealth@vsnl.com;  
Website: www.bajajhealth.com
- vi. Whether Listed Company : Yes, Listed -BSE Limited on SME Platform on dated 10<sup>th</sup> May, 2016

#### vii. Name, Address and Contact details of Registrar and Transfer Agent:

M/s. Sharex Dynamic (India) Private Limited.  
Unit No.1, Luthra Industrial Premises,  
Safed Pool, AndheriKurla Road,  
Andheri East Mumbai-400 072 ,  
Email: sharexindia@vsnl.com

#### II. PRINCIPAL BUSINESS ACTIVITIES

All the business activities contributing 10 % or more of the total turnover of the Company

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1.	Manufacturing of Bulk Drugs & Pharmaceutical Products	9961	98.97

#### III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Not applicable					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	75000	75000	1.11	75000	-	75000	1.09	0.02
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Directors	-	4476000	4476000	66.31	3176000	-	3176000	46.03	(20.28)
DirectorsRelatives	-	1764000	1764000	26.13	1396000	-	1396000	20.23	(5.90)
Person Acting in Concern	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>-</b>	<b>6315000</b>	<b>6315000</b>	<b>93.55</b>	<b>4647000</b>	<b>-</b>	<b>4647000</b>	<b>67.35</b>	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>-</b>	<b>6315000</b>	<b>6315000</b>	<b>93.55</b>	<b>4647000</b>	<b>-</b>	<b>4647000</b>	<b>67.35</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>



<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
<b>i) Indian</b>	-	435000	435000	6.45	1486400	435000	1921400	27.85	-
<b>ii) Overseas</b>									
<b>b) Individuals</b>									
<b>i) Individual shareholders holding nominal share capital upto Rs. 1 lakh</b>	-	-	-	-	156800	-	156800	2.27	100%
<b>ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh</b>	-	-	-	-	174400	-	174400	2.53	100%
<b>c) Others (specify)</b>									
<b>Trusts</b>	-	-	-	-	-	-	-	-	-
<b>Clearing member</b>	-	-	-	-	-	-	-	-	-
<b>Market Maker</b>	-	-	-	-	-	-	-	-	-
<b>Foreign Nationals</b>	-	-	-	-	-	-	-	-	-
<b>Non Resident Indians (Repat)</b>	-	-	-	-	-	-	-	-	-
<b>Non Resident Indians (Non-Repat)</b>									-
<b>Foreign Companies</b>	-	-	-	-	-	-	-	-	-
<b>Overseas Corporate Bodies</b>	-	-	-	-	-	-	-	-	-
<b>Independent Directors</b>	-	-	-	-	-	-	-	-	-
<b>HUF</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	435000	435000	6.45	1817600	435000	2252600	32.65	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	435000	435000	6.45	1817600	435000	2252600	32.65	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	6750000	6750000	10100	6464600	435000	6899600	100	-

(ii) Shareholding of Promoters

Shareholders Name	No. of shares held at the beginning of the year (As on 01.04.2016)			No. of shares held at the end of the year (As on 31.03.2017)			%Change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Sajankumar Bajaj	3387000	50.18	N.A	2407000	34.88	N.A	15.30
Babita Bajaj	540000	8.00	N.A	376000	5.45	N.A	2.55
Namrata Bajaj	576000	8.53	N.A	404000	5.86	N.A	2.67
Nihita Bajaj	576000	8.53	N.A	404000	5.86	N.A	2.67
Anil C jain	507000	7.51	N.A	359000	5.20	N.A	2.31
Padma A. jain	108000	1.60	N.A	76000	1.10	N.A	0.50
S K R Bajaj HUF	540000	8.00	N.A	540000	7.83	N.A	0.17
Bajaj Health & Nutrition Private Limited	60000	0.89	N.A	60000	0.87	N.A	0.02
BansalPharma Limited	15000	0.23	N.A	15000	0.22	N.A	NIL
<b>TOTAL</b>	<b>6309000</b>	<b>93.47</b>	<b>N.A</b>	<b>4641000</b>	<b>67.27</b>	<b>N.A</b>	<b>-</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	No. of shares held at the beginning of the year (As on 01.04.2016)		Cumulative at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Sajankumar R. Bajaj</b>				
At the beginning of the year	3387000	50.18		
<b>Changes during the year:</b>				
Less: Offer for sale through IPO (06/05/2016) (980000 Shares)			2407000	34.88
<b>At the End of the year</b>			2407000	34.88
<b>Babita S. Bajaj</b>				
At the beginning of the year	540000	8.00		
<b>Changes during the year:</b>				
Less: Offer for sale through IPO(06/05/2016)(164000Shares)			376000	5.45
<b>At the End of the year</b>			376000	5.45
<b>Namrata S. Bajaj</b>				
At the beginning of the year	576000	8.53		
<b>Changes during the year</b>				
Less: Offer for sale through IPO(06/05/2016) (172000Shares)			404000	5.86
<b>At the End of the year</b>			404000	5.86

<b>Nihita S. Bajaj</b>				
At the beginning of the year	576000	8.53		
<b>Changes during the year</b>				
Less: Offer for sale through IPO (06/05/2016) (172000Shares)			404000	5.86
<b>At the End of the year</b>			404000	5.86
<b>Anil C jain</b>				
At the beginning of the year	507000	7.51		
<b>Changes during the year</b>				
Less: Offer for sale through IPO(06/05/2016) (148000Shares)			359000	5.20
<b>At the End of the year</b>			359000	5.20
<b>Padma A. Jain</b>				
At the beginning of the year	108000	1.60		
<b>Changes during the year</b>				
Less: Offer for sale through IPO (06/05/2016) (32000Shares)			76000	1.10
<b>At the End of the year</b>			76000	1.10
<b>S K R Bajaj HUF</b>				
At the beginning of the year	540000	8.00		
<b>Changes during the year</b>				
Add / Less:			NIL	NIL
<b>At the End of the year</b>			540000	7.83
<b>Bajaj Health &amp; Nutrition Private Limited</b>				
At the beginning of the year	60000	0.89		
<b>Changes during the year</b>				
Add / Less:			NIL	NIL
<b>At the End of the year</b>			60000	0.87
<b>BansalPharma Limited</b>				
At the beginning of the year	15000	0.23		
<b>Changes during the year</b>				
Add / Less :			NIL	NIL
<b>At the End of the year</b>			15000	0.22

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

	No. of shares held at the beginning of the year (As on 01.04.2014)		Cumulative at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. MaaSharada Distributors Private Limited</b>				
At the beginning of the year	435000	6.30		
Changes during the year			NIL	NIL
<b>At the End of the year</b>			435000	6.30
<b>2. E Tricks Enterprises Private Limited</b>				
At the beginning of the year				
Changes during the year	Nil	Nil		
Add: Buy ( IPO ) (47200 Shares) (06/05/2016)			47200	0.684
Add: Buy (80800 Shares) (13/05/2016)			128000	1.86



Add: Buy (159200 Shares) (20/05/2016)			287200	4.16
Add: Buy (31200 Shares) (28/10/2016)			318400	4.62
<b>At the End of the year</b>			318400	4.62
<b>3. Taxus Enterprises Private Limited</b>				
<b>At the beginning of the year</b>	Nil	Nil		
Changes during the year				
Add: Buy (IPO) (69600 Shares) (06/05/2016)			69600	1.10
Add: Buy (43900 Shares) (13/05/2016)			113500	1.65
Add: Buy (20900 Shares) (28/10/2016)			134400	1.95
Add: Buy (140000 Shares) (04/11/2016)			274400	3.98
<b>At the End of the year</b>			274400	3.98
<b>4. Escorp Industries Private Limited</b>				
<b>At the beginning of the year</b>	NIL	NIL		
Changes during the year:				
Add: Buy (IPO) (46400 Shares) (06/05/2016)			46400	0.68
Add: Buy (40000 Shares) (22/07/2016)			86400	1.25
Add: Buy (14400 Shares) (29/07/2016)			100800	1.46
Add: Buy (1600 Shares) (05/08/2016)			102400	1.48
Add: Buy (88800 Shares) (26/08/2016)			191200	2.77
Add: Buy (2800 Shares) (06/01/2017)			194000	2.81
Add: Buy (400 Shares) (13/01/2017)			194400	2.82
Less: Sold (1200 Shares) (20/01/2017)			193200	2.80
<b>At the End of the year</b>			193200	2.80
<b>5. SRK Trade links Private Limited</b>				
<b>At the beginning of the year</b>	NIL	NIL		
Changes during the year				
Add: Buy (156800 Shares) (23/12/2016)			156800	2.27
<b>At the End of the year</b>			156800	2.27
<b>6. Aryaman Capital Markets Limited</b>				
<b>At the beginning of the year</b>	NIL	NIL		
Changes during the year:				
Add: Buy (IPO) (91200 Shares) (06/05/2016)			91200	1.32
Add: Buy (2400 Shares) (13/05/2016)			93600	1.36
Add: Buy (800 Shares) (20/05/2016)			94400	1.37
Add: Buy (13600 Shares) (27/05/2016)			108000	1.57
Add: Buy (7200 Shares) (03/06/2016)			115200	1.67
Add: Buy (65600 Shares) (10/06/2016)			180800	2.62
Add: Buy (77600 Shares) (17/06/2016)			258400	3.75
Add: Buy (4800 Shares) (24/06/2016)			263200	3.82
Add: Buy (4000 Shares) (30/06/2016)			267200	3.87
Add: Buy (800 Shares) (01/07/2016)			268000	3.89
Less: Sold (3200 Shares) (08/07/2016)			264800	3.84
Add: Buy (6400 Shares) (15/07/2016)			271200	3.93
Add: Buy (5600 Shares) (22/07/2016)			276800	4.01
Less: Sold (6400 Shares) (29/07/2016)			270400	3.92
Add: Buy (1600 Shares) (05/08/2016)			272000	3.94
Add: Buy (6400 Shares) (12/08/2016)			278400	4.04
Less: Sold (2400 Shares) (19/08/2016)			276000	4.00
Less: Sold (14400 Shares) (26/08/2016)			261600	3.79
Less: Sold (13600 Shares) (02/09/2016)			248000	3.59
Less: Sold (5600 Shares) (09/09/2016)			242400	3.51

Add: Buy	(1600 Shares)	(16/09/2016)			244000	3.54
Less: Sold	(16800 Shares)	(23/09/2016)			227200	3.29
Less: Sold	(38400 Shares)	(30/09/2016)			188800	2.74
Add: Buy	(1600 Shares)	(07/10/2016)			190400	2.76
Add: Buy	(5600 Shares)	(21/10/2016)			196000	2.84
Less: Sold	(134400 Shares)	(28/10/2016)			61600	0.89
Add: Buy	(8800 Shares)	(04/11/2016)			70400	1.02
Add: Buy	(16400 Shares)	(11/11/2016)			86800	1.26
Add: Buy	(3200 Shares)	(18/11/2016)			90000	1.30
Less: Sold	(10400 Shares)	(25/11/2016)			79600	1.15
Add: Buy	(41200 Shares)	(02/12/2016)			120800	1.75
Add: Buy	(400 Shares)	(09/12/2016)			121200	1.76
Add: Buy	(8400 Shares)	(16/12/2016)			129600	1.88
Add: Buy	(2000 Shares)	(23/12/2016)			131600	1.91
Add: Buy	(8400 Shares)	(30/12/2016)			140000	2.03
Add: Buy	(4000 Shares)	(06/01/2017)			144000	2.09
Add: Buy	(20400 Shares)	(13/01/2017)			164400	2.38
Add: Buy	(9600 Shares)	(20/01/2017)			174000	2.52
Add: Buy	(11200 Shares)	(27/01/2017)			185200	2.68
Less: Sold	(1200 Shares)	(03/02/2017)			184000	2.67
Less: Sold	(1600 Shares)	(10/02/2017)			182400	2.64
Less: Sold	(400 Shares)	(17/02/2017)			182000	2.64
Add: Buy	(800 Shares)	(24/02/2017)			182800	2.65
Add: Buy	(1200 Shares)	(03/03/2017)			184000	2.67
Add: Buy	(400 Shares)	(10/03/2017)			184400	2.67
Less: Sold	(44800 Shares)	(17/03/2017)			139600	2.02
Less: Sold	(1200 Shares)	(24/03/2017)			138400	2.05
Less: Sold	(400 Shares)	(31/03/2017)			138000	2.00
<b>At the End of the year</b>					138000	2.00
<b>7. Tia Enterprises Private Limited</b>						
<b>At the beginning of the year</b>			NIL	NIL		
Changes during the year						
Add: Buy ( IPO )	(49600 Shares)	(06/05/2016)			49600	0.72
Add: Buy	(52000 Shares)	(13/05/2016)			101600	1.43
Add: Buy	(12800 Shares)	(16/09/2016)			114400	1.66
Add: Buy	(5600 Shares)	(16/09/2016)			120000	1.74
Add: Buy	(7200 Shares)	(04/11/2016)			127200	1.84
Less: Sold	(11600 Shares)	(02/12/2016)			115600	1.68
<b>At the End of the year</b>					115600	1.68
<b>8. MBM Bearing (Rajasthan) Private Limited</b>						
<b>At the beginning of the year</b>			NIL	NIL		
Changes during the year						
Add: Buy ( IPO )	(37600 Shares)	(06/05/2016)			37600	0.55
Add: Buy ( 30400 Shares )		(30/09/2016)			68000	0.99
<b>At the End of the year</b>					68000	0.99
<b>9. Shri Prasaram Holding Private Limited</b>						
<b>At the beginning of the year</b>			NIL	NIL		
Changes during the year						
Add: Buy	(156000 Shares)	(06/05/2016)			156000	2.26
Add: Buy	(46400 Shares )	(20/05/2016)			202400	2.93
Add: Buy	(18000 Shares )	(18/11/2016)			220400	3.19

Add: Buy (11600 Shares) (25/11/2016)			232000	3.36
Less: Sold (156800 Shares) (23/12/2016)			75200	1.09
Less: Sold (15200 Shares) (06/01/2017)			60000	0.87
Add: Buy (4000 Shares) (17/03/2017)			64000	0.93
<b>At the End of the year</b>			64000	0.93
<b>10. Ganga Devi Bansal</b>				
<b>At the beginning of the year</b>	NIL	NIL		
Changes during the year				
Add: Buy (IPO) (20800 Shares) (06/05/2016)			20800	0.30
Add: Buy (3200 Shares) (13/05/2016)			24000	0.35
Add: Buy (36000 Shares) (12/08/2016)			60000	0.87
<b>At the End of the year</b>			60000	0.87

(v) Shareholding of Directors and Key Managerial Personnel:

	No. of shares held at the beginning of the year (As on 01.04.2016)		Cumulative at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Sajankumar Bajaj</b>				
<b>At the beginning of the year</b>	3387000	50.18		
Changes during the year:				
Less: Offer for sale ( 980000 Shares)			2407000	34.88
<b>At the End of the year</b>			2407000	34.88
<b>Ms. Namrata Bajaj</b>				
<b>At the beginning of the year</b>	576000	8.53		
Changes during the year				
Less: Offer for sale ( 172000 Shares)			404000	5.86
<b>At the End of the year</b>			404000	5.86
<b>Mr Anil Jain</b>				
<b>At the beginning of the year</b>	507000	7.51		
Changes during the year				
Less: Offer for sale ( 148000 Shares)			359000	5.2
<b>At the End of the year</b>			359000	5.2
<b>Mr. Dhananjay Hatle</b>				
<b>At the beginning of the year</b>	6000	0.09		
Changes during the year	No Change During the year			
<b>At the End of the year</b>			6000	0.09
<b>Mr. Rupesh Nikam, Director &amp; CFO</b>				
<b>At the beginning of the year</b>	NIL	NIL		
Changes during the year	No Change During the year			
<b>At the End of the year</b>			NIL	NIL
<b>MrVidyut Shah (Independent Director)</b>				
<b>At the beginning of the year</b>	NIL	NIL		
Changes during the year	No Change During the year			
<b>At the End of the year</b>			NIL	NIL

<b>Mr. Hemant Karnik (Independent Director)</b>				
At the beginning of the year	NIL	NIL		
Changes during the year	No Change During the year			
At the End of the year			NIL	NIL
<b>Mr. Ram Banarase (Independent Director)</b>				
At the beginning of the year	NIL	NIL		
Changes during the year	No Change During the year			
At the End of the year			NIL	NIL
<b>Mr. Vipul Dubey (Company Secretary)</b>				
At the beginning of the year	NIL	NIL		
Changes during the year	No Change During the year			
At the End of the year			NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

	Secured Loans excluding deposits & LC	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	68,73,80,154	12,48,76,228	NIL	81,22,56,382
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>68,73,80,154</b>	<b>12,48,76,228</b>	<b>NIL</b>	<b>81,22,56,382</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	11,31,05,000	31,66,97,825	NIL	42,98,02,825
• Reduction	12,57,01,662	36,66,49,941	NIL	49,23,51,603
<b>Net Change</b>	<b>(1,25,96,662)</b>	<b>(4,99,52,116)</b>	<b>NIL</b>	<b>(6,25,48,778)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	67,47,83,492	7,49,24,112	NIL	74,97,07,604
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>67,47,83,492</b>	<b>7,49,24,112</b>	<b>NIL</b>	<b>74,97,07,604</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Particulars of Remuneration						(In Rs.)
	Mr. Sajankumar R. Bajaj (Chairman and Managing Director)	Mr. Anil C. Jain (Managing Director)	Mr. Dhananjay S. Hatle (Whole Time Director)	Ms. Namrata S. Bajaj (Whole Time Director)	Mr. Rupesh H. Nikam (Whole Time Director & CFO)	Total Amount
Gross salary						
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	18,00,000	10,91,000	9,00,000	13,41,001	99,32,001
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
Stock Option	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission - as % of profit - others	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total (A)</b>	<b>48,00,000</b>	<b>18,00,000</b>	<b>10,91,000</b>	<b>9,00,000</b>	<b>13,41,001</b>	<b>99,32,001</b>
<b>Ceiling as per the Act</b>	<b>As approved by the Shareholders, within the limit</b>					

### B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Total Amount			
	Mr. Vidyut J. Shah	Mr. HemantKarnik	Mr. Ram B. Banarse	Total Amount
Independent Directors				
• Fee for attending board / committee meetings	45000	45000	27500	117500
• Commission	-	-	-	-
• Others	-	-	-	-
<b>Total (1)</b>	<b>45000</b>	<b>45000</b>	<b>27500</b>	<b>117500</b>
Other Non-Executive Directors				
• Fee for attending board / committee meetings	-	-	-	-
• Commission	-	-	-	-
• Others	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>	<b>117500</b>	<b>-</b>	<b>-</b>	<b>117500</b>
<b>Total Managerial Remuneration</b>	<b>1,00,49,501</b>			
<b>Overall Ceiling as per the Act</b>	<b>NA</b>			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(In Rs.)

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	Mr. VipulDubey (Company Secretary)	Mr. Rupesh Nikam (CFO)	
Gross salary	2,40,000	13,41,001	15,81,001
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others	-	-	-
Others	-	-	-
<b>Total</b>	<b>2,40,000</b>	<b>13,41,001</b>	<b>15,81,001</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## Annexure- II

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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, Maharashtra.

We have conducted the secretarial audit of the compliance of applicable statutory provisions under the Companies Act, 2013, regulations laid down by the Securities and Exchange Board of India (SEBI), Foreign Exchange Regulations and other applicable laws listed herein below 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, 2017. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017, 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. We have relied on and examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us at its Registered office for the financial year ended on 31st March 2017, 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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    - (c) The 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment 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 our 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 We have also examined compliance with the applicable clauses of the Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the period under review 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.

**We 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.

We 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. 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 sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

**We further report that** during the audit period under report, following events/actions occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

Sr. No.	Date	Events
1	6th May, 2016	Allotment for 18,17,600 Equity Shares issued vide Initial Public Offering consisting of Fresh Issue of 1,49,600 Equity Shares by the Company and 16,68,000 Equity Shares by the Selling Shareholders for cash at a price of Rs. 170/- per share including a premium of Rs. 160/- per share
2	10th May, 2016	Listing of Company's securities on SME Platform of BSE Limited

**H. P. SANGHVI & COMPANY  
COMPANY SECRETARIES**

**Sd/-  
HARESH SANGHVI  
FCS 2259/CP No. 3675**

**Date: 18/08/2017  
Place: Mumbai.**

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



**ANNEXURE- A**

**List of applicable laws to the Company**

a) The Company has complied with the laws and regulations applicable specifically to the Company given its business:

The Drugs & Cosmetics Act, 1940  
The Drugs (Control), Act, 1950  
The Essential Commodities Act, 1955  
The Food Safety and Standards Act, 2006  
The Narcotics Drugs and Psychotropic Substances Act, 1985  
The Pharmacy Act, 1948  
The Drugs and Magic remedies (Objectionable Advertisements) Act, 1954  
The Poisons Act, 1919  
The Sales promotion Employees (Conditions of Services) Act, 1976  
The Petroleum Act, 1934  
The Legal Metrology Act, 2009  
The Indian Boiler Act, 1923

b) All General Laws related to Direct and Indirect Taxation, Labour Laws and other incidental laws of respective States

**H. P. SANGHVI & COMPANY  
COMPANY SECRETARIES**

**Sd/-  
HARESH SANGHVI  
FCS 2259/CP No. 3675**

**Date: 18/08/2017**

**Place: Mumbai.**

**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, Maharashtra.**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we 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. Our 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.

**H. P. SANGHVI & COMPANY  
COMPANY SECRETARIES**

Sd/-  
**HARESH SANGHVI**  
FCS 2259/CP No. 3675

**Date: 18/08/2017  
Place: Mumbai.**

**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 2016-17, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.**

(In Rs.)

Sr. No.	Name of the Director/KMP and Designation	Remuneration of Executive Director/ KMP for the financial year 2016-17	% increase in Remuneration in the financial year 2016-17	Ratio of the remuneration of each director to the median remuneration of the employees.
1	Mr. Sajankumar R. Bajaj (Chairman & Managing Director)	48.00 Lakhs	Nil	27.42
2	Mr. Anil C Jain (Managing Director)	18.00 Lakhs	Nil	10.28
3	Mr. Dhananjay S. Hatle (Whole Time Director (WTD))	10.80 Lakhs	Nil	6.17
4	Mr. Namrata S Bajaj (Whole Time Director (WTD))	9.00 Lakhs	Nil	5.14
5	Mr. Rupesh H Nikam (Whole Time Director (WTD) & Chief Financial Officer (CFO))	12.81 Lakhs	Nil	7.31
6	Mr. Vipul Dubey (Company Secretary) *	02.40 Lakhs	Nil	1.37

\* Mr. Vipul Dubey (Company Secretary) has resigned w.e.f. 30th June, 2017.

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

\*The % increase in median remuneration of employee is (4.61) %.

\*The above change is due to increase in number of employees

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

The detailed break-up of our employees is as under:

PARTICULARS	OFFICE / ADMIN STAFF	WORKERS	TOTAL
Corporate Office, Mumbai	82	0	82
Tarapur Unit	54	38	92
Savli Unit	211	117	328
Manjusar Unit	86	-	86
Panoli Unit	22	23	45
Intermediate Unit	14	19	33

**iv) The explanation on the relationship between average increase in remuneration and company performance**

The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness. Pay mix is designed to reflect the performance and is aligned to the long term interests of the shareholders.

The compensation decisions for each year are taken after considering the benchmark data and the approved compensation budget as per the financial plan for the year by the management.

**v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

There was no change in remuneration of all Key Managerial Personnel as compared to previous year – details as given in point No. (i) table. Whereas the profit after tax for the Current year is Rs. 782.47 Lakhs as compared to previous year's Rs. 820.03 which reflect downfall of 4.58 % profit as compare to previous year.

**vi) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.**

The market capitalization of the Company was 21733.74 lakhs as on March 31, 2017 as against Rs. 11475 lakhs as on March 31, 2016.

**vii) 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 0.78% during the year under review.

**viii) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;**

Name of the Key Managerial Personnel	% of revenue (16-17)	% of PAT (16-17)
Mr. Sajankumar Bajaj (Chairman & Managing Director)	0.21	6.13
Mr. Rupesh Nikam (Whole Time Director & CFO)	0.08	1.64
Mr. Vipul Dubey (Company Secretary) *	0.01	0.31

\*Mr. Vipul Dubey (Company Secretary) has resigned w.e.f. 30th June, 2017.

**ix) The key parameters for any variable component of remuneration availed by the directors:**

There are no variable components of remuneration.

**x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

Not applicable since no employee of the Company receives remuneration in excess of the highest paid director, i.e. Chairman & Managing Director.

**xi) Affirmation that the remuneration is as per the remuneration policy of the company**

Remuneration paid during the year ended March 31, 2017 is as per Remuneration policy of the Company.

\*\*\*\*\*



**ANNEXURE-IV**  
**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 programmers':**

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 will be within the broad framework of schedule VII of the Companies Act, 2013. In India, the CSR activity carried out by us are such as promoting education.

**2. The Composition of the CSR Committee:**

Mr. Sajankumar R Bajaj - Chairman

Mr. Ram Banarse - Member

Mr. Rupesh Nikam - Member

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

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

**3. Average net Profits for last three years: 2880.51 lakhs**

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): 57.61 lakhs**

**5. Details of CSR spent during the financial year:**

a) Total amount spent for the financial year: 150.24 Lakhs

b) Amount unspent, if any: NIL

c) Manner in which the amount spent during the year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local area (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs. Sub-heads (1)Direct expenditure (2) Overheads	Cumulative expenditure upto the date of reporting	Amount spent direct or through agency
1.	Donation to Shree Sadguru Swami Akhandand Trust -Opening a hostel for adivasi women	Promoting education, including special education And environment	Sad Guru Dham, Tiyiyodas Jyotiling Tirth, Taluka-Dharampur, Valsad (Gujrat).	Year wise- Rs. 1,20,00,000 Total Budget- Rs. 5,00,00,000	Rs. 1,09,24,000	Rs. 2,84,24,000	Directly
2.	Donation to Dhandhan Welfare Society for eradicating poverty and malnutrition's	Eradicating poverty & malnutrition	Village Dhandhan Dist. Sikar, Rajasthan	Year wise- Rs. 75,00,000 Total Budget- Rs. 5,00,00,000	Rs.41,00,000/-	Rs.41,00,000/-	Directly

**6. Reasons for not spending the 2% of average net profit of last three financial years. Not applicable**

**7. Responsibility statement of the CSR Committee:**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

# MANAGEMENT DISCUSSION ANALYSIS

## PHARMACEUTICAL SECTOR:

Pharmaceutical industry is one of the World's fastest growing industries and remains one of the biggest contributors to the world economy. The unprecedented expansion in global healthcare access over the past few years has seen hundreds of millions of people in low and middle income groups, benefiting because of governmental programmes and rising incomes.

The Indian pharmaceutical industry rank 3rd in global rankings in terms of volume but 14th in value of pharmaceutical products.

A significant increase in domestic consumption due to the higher incidence of lifestyle diseases, increasing health awareness, growing population, greater penetration in rural markets, and a nascent, yet fast growing health insurance industry, are some factors influencing the growth of pharmaceutical market. Moreover, the country low-cost production base and the patent cliff in the global arena significantly support the export market which plays an important role in the growth of the industry.

## OUTLOOK

The Economic Survey 2015-16 had predicted the Indian economy to register the GDP growth rate in the range of 7 to 7.75 per cent in the year 2016-17. The economy was indeed treading along that path and clocked 7.2 per cent in the first half of the current financial year, as per the estimates released by the Central Statistics Office (CSO). However, consequent upon the radical measures initiated in November 2016 in the form of demonetization of Rs. 1000 and Rs. 500 currency notes, the Indian economy experienced a slowdown in the growth rate that could be lower than the first advance estimates of CSO. The first advance estimates released in early January 2017 were arrived at mainly based on data prior to demonetization and largely reflect the economic situation prevailing in the first seven to eight months of the financial year. Even the likely reduction in the rate of real GDP growth of 1/4 percentage points to 1/2 percentage points relative to the baseline of about 7 per cent still makes India's growth noteworthy given the weak and unsettled global economy which posted a growth rate of a little over 3 per cent in 2016. At the sectorial level, growth of agriculture and allied sectors improved significantly in 2016-17 following the normal monsoon. Growth in the industrial sector moderated during 2016-17 while the service sector continued to be the dominant contributor to the overall growth of the economy (Source : Economic Survey 2016-17, January 2017 by Department of Economic Affairs, Ministry of Finance, Government of India).

The International Monetary Fund (IMF) expects global economy to grow by 3.4% in FY 2017 and 3.6 by FY 2018 versus 3.1% growth in FY 2016. The outlook for emerging market economies is expected to broadly improve, through volatility in capital flow will remain a challenge.

The Indian Pharmaceutical industry has been an important component of the pharma sector globally due to the recent changes in patent laws, rising use of generics, cost competitiveness, and availability of large scientific talent pool. The outlook of Pharmaceutical Industry remains largely positive over the next few years. India is the largest supplier of cost effective generic medicines to the developed world. With the varied range of medicines available for export and with the availability of largest number of approved pharmaceutical manufacturing facilities, India is all set to become the leader of pharmaceutical export to the world. The augment of pharmaceutical outsourcing and investments by multinational companies, allied with the country's growing economy, persistent health insurance, segments and better healthcare facilities, is expected to drive the market growth.

## OVERVIEW

Our Company, Bajaj Healthcare Limited, is a pharmaceutical company with manufacturing and marketing capabilities in Active Pharmaceutical Ingredients (APIs), Intermediates and Finished Dosage Formulations (FDFs) with focus on Vitamins, Amino Acids, Anti-Convulsants and Finished Dosage Forms (FDFs) catering to various therapeutic segments.

Our Company began its operations in the year 1993 with an API manufacturing unit in Tarapur, near Mumbai. Over the years we have expanded our scale and scope of operations and currently we operate five (5) manufacturing units for manufacture of APIs, Intermediates and Formulations. As part of this expansion, in the year 2006, we acquired a 46,000 sq. mtrs. Plant in Savli, Vadodara for setting up one of our biggest API and Intermediate manufacturing units. In the year 2008, with a view to enter into manufacturing of FDFs, we acquired a 3,000 sq. mtrs. Formulations plant at Manjusar, Vadodara

and we have converted it into a state-of-the-art WHO-GMP compliant facility. Keeping in momentum of the expansion, in the year 2013, we set-up yet another API and Intermediate manufacturing unit at Panoli, Ankleshwar. With the growing demand for APIs, we decided to have a separate unit for Intermediate products so that the Savli and Panoli Units could concentrate on manufacture of APIs. Accordingly, in November 2014 we acquired and set-up an Intermediate Unit in Tarapur MIDC, near Mumbai.

Our Company's present product portfolio consists of various APIs in the therapeutic categories of Neutraceutical (Amino Acids), Vitamins, Anti-Convulsants, Bactericidal & Bacteriostatic, Diuretic & Vasodilator, Mineral & Nutritional supplements, Bronchodilator / Anti-asthmatic and Nootropics. Our Formulations unit manufactures tablets, capsules and sachets for our own brands as well as under Loan License (job work) for other pharmaceutical companies. Currently, we manufacture formulations for GlaxoSmithKline Pharmaceuticals Limited (GSK) and USV Limited (USV) on a Loan License basis. The formulations manufactured for our own brands are manufactured and marketed under a separate division of Bajaj Medicare and we also have manufacturing tie-up with TTK Healthcare Limited. The FDFs manufactured by us cover various therapeutic segments like Antibiotics, Anti-Arrhythmia, Anti-Convulsants, Anti-Diabetes, Anti-Platelets, NSAIDs, Vitamins & its Derivatives, Anti-Hypertensive, Anti-Bacterial, Anti-Malarial, Cholinesterase Inhibitors, etc. With the combined production of our API facilities and that of our Formulation unit, our Company's product portfolio consists of APIs and FDFs which shall be marketed in domestic and international markets as branded generics. Presently we are supplying our APIs and FDFs both domestically and exporting to various countries in regions like, Europe, USA, Australia, Africa, South America, etc.

With our long standing operations and quality products, we have built a strong relationship with our customers for both APIs and FDFs. Some of our major clients include nationally and internationally known pharmaceutical companies like Glaxo Smithkline Consumer Healthcare Ltd., Ava Inc., Abbott Healthcare Pvt.Ltd., Piramal Enterprises Ltd., Pfizer Ltd., Colgate Palmolive India Ltd., Lupin Ltd. and Intas Pharmaceuticals to name a few.

We have an in-house R&D facility at our Tarapur, Savli and Manjuser manufacturing units and a dedicated QC / QA & microbiology laboratory in all our Units to support technology transfer for new products and on-site process improvement. As on date of this Prospectus, we have dedicated teams actively involved in R&D and QC / QA Lab activities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new APIs, Intermediates and FDFs. The QC/ QA and microbiology laboratories ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

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## **OUR STRENGTHS**

### **Experienced Promoter:**

Our Promoter is engaged in the pharmaceutical business for the last 23 years and has a proven background and rich experience in the pharmaceutical industry. Our Promoter, Mr. Sajankumar R. Bajaj started his career in pharmaceutical industry in the year 1985. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the pharmaceutical manufacturing business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent agents, and fluctuations in chemical prices.

**Established Marketing Setup and Diversified Customer Base:**

Our Company was incorporated in the year 1993 and we are engaged in the manufacturing of APIs since incorporation. Currently, we have five (5) manufacturing units with manufacturing capabilities for a wider range of APIs and also Intermediates and FDFs. With our expanding business scope, we have, over these years established strong customer base and an unyielding marketing setup. Further, each of our manufacturing unit functions as an independent marketing division garnering clients for its products and building strong relations with them. This is controlled and supervised by our Marketing Head and our Directors.

We have a dedicated marketing division which oversees the marketing of different types of APIs and Formulations for various geographical locations. We deal in APIs of varied therapeutic segments including Neutraceutical, Anti - Convulsants, Broncodilator / Anti - Asthmatic, Antacid, Bactericidal / Bacteriostatic, Nootropic, etc. which need a different marketing approach. Further, we also deal in different kinds of FDFs catering to various therapeutic areas like Antibiotics, Anti-Arrhythmia, Anti-Convulsants, Anti-Diabetes, Anti-Platelets, NSAIDs, Vitamins & its Derivatives, Anti-Hypertensive, Anti-Bacterial, Anti-Malarial, Cholinesterase Inhibitors, etc. which we manufacture under job work and sell under our own brand and also have marketing tie-up with TTK healthcare for the same. Our clientele includes formulation and pharmaceutical companies from national as well as international markets covering various countries in Europe, USA, Australia, Africa, South America, etc. Some of our top customers include GlaxoSmithkline Consumer Healthcare Ltd., Ava Inc., Abbott Healthcare Pvt.Ltd., Piramal Enterprises Ltd., Pfizer Ltd., Colgate Palmolive India Ltd., Lupin Ltd. and Intas Pharmaceuticals. Our marketing team also works to maintaining the existing clients and acquiring new clients for our manufactured APIs and FDFs.

**Wide range of products - APIs & FDFs:**

We manufacture and market a variety of APIs & chemicals to our clientele for their customized formulation needs. In the year 2008, we started a Formulations Unit for manufacturing of a variety of FDFs in the form of tablets, capsules and powder sachets. With five (5) manufacturing units for APIs and Formulations, we are in a position to always provide the latest products for our customers and also conduct market expansion activities for our suppliers. We manufacture various types of APIs, which are used for varied purposes and types of formulations including Anti-Convulsant drugs, Psychoactive Drugs, Anti - Asthmatic / Broncodilator drugs, Neutraceutical (Amino Acids), Antacids, Venotropic Agent, Minerals and Nutritional supplements, Bactericidal / Bacteriostatic, etc. The FDFs manufactured by us include various therapeutic segments like Antibiotics, Anti-Arrhythmia, Anti-Convulsants, Anti-Diabetes, Anti-Platelets, NSAIDs, Vitamins & its Derivatives, Anti-Hypertensive, Anti-Bacterial, Anti-Malarial, Cholinesterase Inhibitors, etc. We are a multi product API & FDF manufacturing company with a diverse product range including Carbamazepine, Oxcarbazepine L-Lysine Mono Hydrochloride, Calcium Citrate Malate, Acepifylline, Theophylline Sodium Glycinate, Calcium Dobesilate Monohydrate, Magnesium Citrate, Choline Bitartrate, Choline Dihydrogen Citrate, Ascorbic Acid Chlorohexidine Base, Citicoline Sodium.

**Facility designed to serve multiple products range:**

We are presently manufacturing a wide range of APIs and FDFs and have five (5) manufacturing units catering to different product portfolio. Our Savli unit is spread across an area of 46,000 sq. mtrs. having ten (10) API manufacturing plants, including effluent treatment plants, while our Tarapur Unit has four (4) API manufacturing plants within an area of 3,700 sq. mtrs. Further, in the year 2013, we set-up another API manufacturing unit in Panoli having an area of 2,500 sq. mtrs. These units are designed to cater to various therapeutic segments and thus are equipped with the latest machinery to manufacture more than one product of any particular category / segment. For e.g., our Savli unit has manufacturing facilities for Neutraceutical APIs and the product range includes different APIs like Choline Bitartrate, Choline Dihydrogen Citrate, Ascorbic Acid, Sodium Ascorbate, Calcium Ascorbate, Ferrous Ascorbate, etc. These products are manufactured based on the orders received and thus our facilities are not kept idle for orders pertaining to a single product.

Also, our Formulations Unit is a state-of-the-art plant designed with latest GMP equipments & with modern civil structure. This unit has facilities for manufacture of Tablets, Capsules and Sachets of different grades and sizes, different packaging like strip, blister and bottle, and different therapeutic segments. Also, we have installed the latest machinery like capsule filling machines, single / double rotary tableting machine, automatic powder filling & sealing machine, auto coater, tablet / bottle packaging machine, etc. among others. These equipments allow us to produce a variety of FDFs by changing the process parameters, input mix and following cleaning validations procedures. Therefore, with our flexible manufacturing infrastructure and multiple product range, we can change our product mix in response to changes in the demands of our customers.

**Strategic Location of Manufacturing Units:**

Our Company has five (5) manufacturing units for APIs, Intermediates and FDFs in the States of Maharashtra and Gujarat, including our registered office in Tarapur and a registered office in Thane.



**All our Units are strategically located with the following benefits:**

The Maharashtra Units are located in proximity to the city of Mumbai and are approximately 100 km from Mumbai International Airport. Also, they are about 20 km from the main National Highway No. 8 connecting Northern & Western India. The Gujarat units are approximately 120 km from Ahmedabad International Airport and about 34 km from the main National Highway No. 8.

The manufacturing units situated in MIDC / GIDC primarily offer us the advantage of one window licence for our manufacturing facilities, including water, pollution and effluent treatment approvals.

Raw materials sourced domestically are easily available from the manufacturers located in Maharashtra and Gujarat and import of raw materials is easy due to close proximity to various ports in Gujarat & Maharashtra. Thus, procurement of raw materials is less time consuming and comparatively cheaper due to savings on time and freight.

Skilled and semi skilled workers are easily available in Tarapur, Maharashtra and in Vadodara, Gujarat in view of the large number of pharmaceutical & chemical industries located in these areas.

Government has created various infrastructural facilities conducive for growth of pharmaceutical companies Compliance with Quality Standards to serve international markets

**Tarapur Unit:**

Our Tarapur Unit is ISO 9001:2015 certified for the Manufacture and Supply of Bulk Drugs, Drug Intermediates, Fine Chemicals and Speciality Chemicals. Also, our Tarapur unit holds GMP certification for the manufacture of Bulk Drugs / API.

**Savli Unit:**

Our Savli Unit is also ISO 9001:2015 certified for its management system for Manufacture and Supply of Bulk Drugs, Drug Intermediates, Fine Chemicals and Speciality Chemicals.

Savli Unit also holds HACCP certification since 2012 which is issued by TUV NORD CERT GmbH, Germany, for manufacturing of various food products, Savli Unit also holds the Star-Kosher certification for exporting almost 34 products. It holds GMP certification issued by the state FDA for the manufacture of Bulk Drugs / API.

**Formulation Unit:**

Our Formulation Unit at Manjusar is ISO 9001:2008 certified for its Quality Management Systems and holds a WHO - GMP certification for the manufacturing of Capsules, Oral Powder and Tablets.

**Panoli Unit:**

Besides, the above listed Certifications our Company also holds a WHO - GMP Certificate issued by the Food & Drugs Control Administration, Gujarat for the manufacturing facility situated at Panoli and is also ISO 9001:2015 certified. We believe that such certifications and accreditations would allow us to market our products in regulated and semi - regulated markets.

**Consistency in Quality and Service Standards:**

We follow stringent quality standards in all our manufacturing units to ensure that our products meet required FDA standards and also the Good Manufacturing Practices (GMP) standards. FDA and GMP are essential for manufacturing any pharmaceutical product intended for human consumption. These standards ensure the quality consistency of the manufactured product by ensuring that we employ well trained staff, have sufficient premises and equipment for manufacturing.

Our Company follows a Standard Operating Procedure (SOP) for its plants across all units. This ensures that the quality and specifications of all APIs and FDFs manufactured meet the requirement of the customers and reduces the dependence on constant monitoring over the process. The SOPs are put up at all important places across the plant and the employees / workers are mandated to follow these procedures. Further, this also ensures the timeliness of manufacturing, delivery and availability of the products on a fixed schedule, which in turn enhances our product and service quality to our customers.

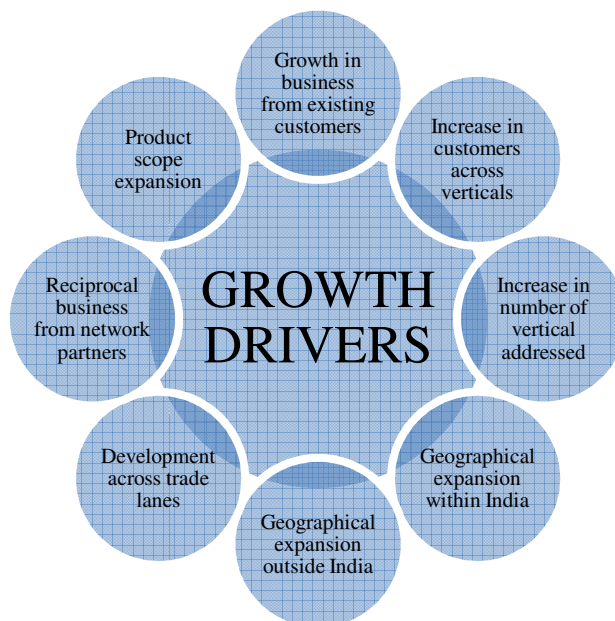
**In-house QA/QC and R&D for quality control**

Our company is a quality and research driven company with continuous efforts focused on quality checks, analysis and developing latest process improvements and production cost efficiencies. Each of our Unit has a dedicated QC / QA and a microbiology laboratory for testing the raw materials employed in the manufacturing process and the finished products so manufactured. Our Company also devotes considerable resource in developing new molecules, thus improving the product quality and it's effective in pharmaceutical formulations. All our laboratories have a committed pool of employees with the required technical background who have garnered research efforts with expertise in a wide range of areas. Further, our laboratories are fully equipped to conduct pre and post manufacturing studies, prototype development, scale-up and optimization procedures

**OUR STRATEGIES:**

Our strategic objective is to improve and consolidate our position as a Pharmaceutical manufacturer with a continuous growth philosophy. The diagram below represents our continuous growth philosophy being implemented on a day-to-day basis.

Our continuous growth philosophy is being driven with the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation and marketing.



**Increasing Operational efficiency:**

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, QC/ QA activities, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

**Increase our penetration into international markets including regulated markets:**

We seek to leverage our R&D capabilities to expand further into international markets, including regulated markets where our strategy is primarily to become the preferred supplier of APIs to pharmaceutical companies and also market our FDFs. We have obtained CDSCO approval for sale of certain of our products from the Tarapur Unit to the European Union. We also intend to develop long term manufacturing and marketing relationships with international customers. We have excellent relationship with our existing customers; for marketing and job work and we would work to strengthen our relationship further with these companies.

Further, our Company currently caters to customers majorly across the States of Maharashtra and Gujarat. As part of our growth strategy, we intend to spread our marketing reach to northern and southern parts of India and have

identified high pharmaceutical growth states in these regions. While Andhra Pradesh had taken a lead in the southern region to establish a pharmaceutical and biotechnology hub in the country, many other states in the north are following its lead. Northern states like Himachal Pradesh and Uttarakhand have done exceptionally well to build a concrete industrial base for pharmaceutical sector. Accordingly, we have, as an initial step, identified cities like Baddi (Himachal Pradesh) and Roorkee (Uttarakhand) in northern India and Hyderabad (Andhra Pradesh / Telangana) in southern India, where we intend to expand the reach of our products.

**Expand our manufacturing scope by adding more products:**

We currently have manufacturing units in Tarapur, Maharashtra and in Vadodara and Ankleshwar, Gujarat. These units have capabilities for manufacture of various APIs like Choline Bitartrate, Choline Dihydrogen Citrate, Ascorbic Acid, Sodium Ascorbate, Calcium Ascorbate, Ferrous Ascorbate, Carbamazepine, L-Lysine Mono Hydrochloride, Calcium Citrate, Citicolin Sodium, etc. and FDFs catering to different therapeutic segments like Antibiotics, Anti-Arrhythmia, Anti-Convulsants, Anti-Diabetes, Anti-Platelets, NSAIDs, Vitamins & its Derivatives, Anti-Hypertensive, Anti-Bacterial, Anti-Malarial, Cholinesterase Inhibitors, etc. We have over the past 20 years expanded by acquiring new Units and expanding the product portfolio therein. With our current facilities, we intend to increase our product range further and thus cater to more therapeutic segments and enhance our reach to diversified customers.

Our Company believes that expanding our scope by manufacturing more APIs like oncology, cardiology and other high value APIs, will enable us to utilize our capacities, manpower and other resources better. The marketing of the new products will be aided by our existing customer base, long standing trade relations and overall goodwill in the pharmaceutical industry. Also, our intention of tapping various geographical markets including international and regulated markets will be possible only once we have a broad product base.

**Expansion of Formulations manufacturing activity:**

Our Company started its operation in the year 1993 with manufacturing of APIs at Tarapur and has since then set-up 3 more manufacturing units for APIs and intermediates. Our APIs pertaining to Vitamin C and derivatives, Nutraceutical, Anti-Convulsants, etc. are already widely accepted in the market, domestic as well as international. In the year 2008, our Company entered the Formulations manufacturing by setting up a FDF manufacturing unit at Manjusar, Vadodara. However, our income from sale in the Formulation Unit is not very significant to our total sales figure currently. We now intend to increase our focus on this segment by increasing the products under own brands and also increase the loan licensing work.

We currently manufacture formulations for GlaxoSmithKline Pharmaceuticals Limited (GSK) and USV Limited (USV) on a loan license basis. We will be exploring other major pharmaceutical companies for Loan Licensing and thus increasing our production in this segment. Under our own brands, we intend to increase the reach of our existing brands by employing the aid of Medical Representatives and other marketing activities and also add new products and brands.

**Focusing on R&D capabilities:**

With the growing scale of business, our Company intends to increase our focus on R&D facilities. Our Company intends to reap the benefit of R&D not only in developing custom and consistent manufacturing process, but also to synthesise efficient and technologically advanced products. Our Company believes that its focus on R&D will result in development of high quality products and processes and will form the basis for various patents, which in turn will give our Company a significant boost in brand value.

Our increased R&D effort will be aimed at pre formulation studies, prototype development, scale-up and process optimization.

**HUMAN RESOURCES:**

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in Maharashtra and Gujarat. As on March 31, 2017, our Company had 666 employees.

The detailed break-up of our employees is as under:

Particulars	Office / Admin Staff	Workers	Total
Corporate Office, Mumbai	82	0	82
Tarapur Unit	54	38	92
Savli Unit	211	117	328
Manjusar Unit	86	-	86
Panoli Unit	22	23	45
Intermediate Unit	14	19	33

**COMPETITION:**

Pharmaceutical being a global industry, we face competition from various domestic and international manufacturers and traders. Competition emerges from small as well as big players in the pharmaceutical industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in our line of business are technology, consistent and quality products prompt availability and strong relations formulators and pharmaceutical manufacturers. We compete against our competitors by establishing ourselves as a knowledge-based pharmaceutical company with manufacturing capabilities of a wide variety of APIs and Formulations through five manufacturing units in the States of Maharashtra and Gujarat, which enables us to provide our clients with bulk quantities at reasonable rates to meet their requirements.

**FACTORS AFFECTING OUR RESULT OF OPERATION:**

Except as otherwise stated, the following important factors could cause actual results to differ materially from the expectations include, among others:

**Revenue Generation:**

We earn majority of our revenue from manufacture and sale of pharmaceutical APIs and Formulations. We are engaged in the business of manufacture of Bulk Drugs - Active Pharmaceutical Ingredients ("API") at various units in Tarapur, Maharashtra and in Baroda and Ankleshwar, Gujarat and manufacture of formulations at our facility in Manjusar, Gujarat. Our customers for APIs include various formulators other chemical manufacturers. Our formulations are sold under our own brand and also we manufacture for job work.

We have a robust marketing team allocated amongst different units / divisions, each handled by well trained Managers who are in turn headed by the Board of Directors.

**Direct Expenses:**

Raw Material costs are the largest component of our cost structure. Our Company manufactures various APIs and Formulations and require a variety of inputs for the manufacturing process.

Our raw materials are procured from both domestic as well as international market at very competitive prices from various suppliers. We generally maintain adequate stock of raw material to cover the existing order book position, which mitigates any adverse effect due to price fluctuation.

**Our Financial Expenses:**

We have term loan and working capital facilities from our bankers and also certain unsecured borrowings from our Directors and other associate concerns (ICDs). Our profitability is significantly impacted by our financial costs. For the fiscal 2016, 2015 and 2014, our financial expenses were Rs. 751.71 Lakhs, Rs. 788.95 lakhs, Rs. 719.77 lakhs. Our financial growth depends on how well we manage and service our debts.

**Our ability to successfully implement its strategy and its growth and expansion plans:**

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

**Increasing competition in the industry:**

Our Company faces competition from local, national and international pharmaceutical manufacturers and traders. Our Company operates in competitive environment which may force us to reduce the prices of our products and it may have an effect on our margins.

**General economic and business conditions:**

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect pharmaceutical industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

**GROWTH DRIVERS:**

**Rising life expectancy:**

Global life expectancy is projected to increase from an estimated 72.7 years in 2013 to 73.7 years by 2018. Much of the gain in life expectancy can be attributed to medical advancements, which further, would lead to enhanced need for pharmaceutical products.

**Ageing population:**

The global population aged 65 and over will grow faster than any other age segment, and will account for almost 30% of overall population growth till FY 2018. This will drive demand for pharmaceutical products.

**Rising income of households:**

Rising per capita income in emerging economies provide a healthy prospect for the pharmaceutical industry. Household incomes in emerging economies will jump by more than US\$ 8.5 trillion between 2010 and 2020, accounting for nearly 60% of the global increase over this period, in real terms. Growth in incomes will directly increase consumption and demand, making medical services and healthcare facilities more affordable to the masses.

**Improved healthcare access reforms:**

More than one billion people worldwide lack access to modern healthcare systems. Healthcare awareness has found the much required acceptance during recent times; following which several governments have announced subsidized health protection programs. Rising healthcare awareness means rising demand for pharmaceutical products.

**Regulatory and technological advancements:**

As drug compositions become more and more complex, the pharmaceutical industry is evolving fast to become highly technological and regulated. The latest regulatory and technological requirements of the industry mandates considerable investments in building critical capabilities and also higher capital investments leading to market consolidation and greater headroom for large organized participants.

**Growing incidence of chronic diseases:**

Aging population increases the necessity for more healthcare spending. Besides, chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases. As per WHO projections, by 2020, chronic diseases will account for almost three-quarters of all deaths worldwide.

**RESULTS OF OUR OPERATIONS**

(Rs. in lakhs)

Particulars	March 31, 2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income
<b>REVENUE:</b>										
Revenue from Operations	23,065.46	98.97	22,283.97	99.83	21,830.17	99.97	20,490.67	99.95	17,077.86	99.93
Other Income	239.11	1.03	37.84	0.17	7.47	0.03	9.96	0.05	12.39	0.07
<b>Total revenue</b>	<b>23,304.57</b>	<b>100.00</b>	<b>22,321.81</b>	<b>100.00</b>	<b>21,837.63</b>	<b>100.00</b>	<b>20,500.64</b>	<b>100.00</b>	<b>17,090.25</b>	<b>100.00</b>
<b>EXPENSES:</b>										
Cost of materials consumed	13,149.51	56.42	12,889.99	57.75	16,622.33	76.16	16,634.01	81.14	13,722.43	80.29



Particulars	March 31, 2017	% of Total Income	2016		2015		2014		2013	
				% of Total Income		% of Total Income		% of Total Income		% of Total Income
Other Direct Expenses	3,604.07	15.47	1129.26	5.06	758.42	3.47	837.61	4.09	773.08	4.52
Changes in inventories of finished goods , WIP and stock - in trade	314.58	1.35	(50.75)	-0.23	134.84	0.62	(171.89)	-0.84	213.58	1.25
Employee benefits expense	1956.72	8.40	1692.50	7.58	1,445.35	6.62	1,257.51	6.13	1,091.00	6.38
Finance cost	800.59	3.44	751.71	3.38	788.95	3.61	719.77	3.51	632.65	3.70
Depreciation and amortization expense	1134.55	4.87	928.97	4.16	886.07	4.06	894.70	4.36	810.71	4.74
Other expenses	975.59	4.19	1129.26	5.06	758.42	3.47	837.61	4.09	773.08	4.52
Total expenses	21935.60	94.13	20971.92	93.95	20,635.95	94.50	20,171.70	98.40	17,243.45	100.90
Net Profit / (Loss) before Tax	1368.98	5.87	1349.89	6.05	1,201.68	5.50	328.94	1.60	(153.19)	-0.90
Less: Provision for tax										
Current tax	583.83	2.51	450.00	2.02	420.00	1.92	90.00	0.44	-	-
MAT Credit Receivable	-	-	-		-		-		-	-
Deferred tax	2.68	0.01	79.45	0.35	30.19	0.14	41.79	0.20	(47.61)	-0.28
Total	586.51	2.52	529.45	2.37	450.19	2.06	131.80	0.64	(47.61)	-0.28
Net Profit / ( Loss ) for the period after tax but before extra ordinary items	782.47	3.36	820.03	3.68	751.48	3.44	197.14	0.96	(105.58)	-0.62
Extraordinary Items	-	-	-	-	-		-		-	
Net Profit / ( Loss ) for the period after tax and after extra ordinary items	782.47	3.36	820.03	3.68	751.48	3.44	197.14	0.96	(105.58)	-0.62

## **MAIN COMPONENTS OF OUR PROFIT AND LOSS ACCOUNT:**

### **Income**

Our total income comprises of revenue from operations and other income:

#### **Revenue from Operations:**

Our revenue from operations as a percentage of total income was 98.97%, 99.83%, 99.97%, 99.95%, 99.93%, 99.92% and 99.98% for year ending March 31, 2017 and fiscals 2016, 2015, 2014, 2013, 2012, 2011 respectively.

#### **Other Income**

Our other income includes mainly interest on bank deposits, scrap sale, excise duty reversal and sundry balances written back. Other income, as a percentage of total income was 1.03%, 0.017%, 0.03%, 0.05%, 0.07%, 0.08% and 0.12% for year ending March 31, 2017 and fiscals 2016, 2015, 2014, 2013, 2012 and 2011 respectively.

### **Expenditure**

Our total expenditure primarily consists of Purchases & Direct Expenses (Cost of Materials & Direct Expenses), Employee Benefit Expenses, Finance cost, Depreciation & Amortisation Expenses and Other Expenses.

#### **Purchases & Direct Expenses**

Costs of Purchases are primarily in relation to purchases of raw materials including chemicals, solvents, and APIs for the manufacturing of APIs and Formulations & Direct Expenses including Power Charges, Fuel Charges, Stores and Spares, Repair & Maintenance Plant and Machinery, Freight, Transportation & Forwarding expenses.

#### **Employee Benefit Expenses**

Expenses in relation to employees' remuneration and benefits include salary, bonus and staff welfare expenses, statutory contributions, etc.

#### **Financial Cost**

Financial Cost primarily consists of interest payable on loans availed by our Company from various banks, financial institutions and entities and also includes Bank Charges.

#### **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Plant and Machinery, Factory and Office Buildings, Vehicles, Furniture and fixtures, Computers and Office Equipments.

#### **Other Expenses**

Other expenses primarily include Rent, Insurance, Electricity charges, Advertising expenses, Office expenses, Legal expenses, Foreign Travel expenses, etc.

#### **Provision for Tax**

Income taxes are accounted for in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" ("AS-22"), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

## **RISKS AND CONCERNS:**

The road ahead is challenging for the global and Indian pharmaceutical sector. The competition is expected to be more aggressive leading to price pressures. Uncertainty in global economic growth coupled with inflationary pressures is expected to impact the growth rate in India and consequently the Company's operations. Pharmaceuticals markets both domestic and international are more prone to regulatory risks apart from the regular business risks. Risk management is

integral part of the company's plans, business strategies, monitoring systems and results. It takes in all organizational processes geared to early risk detection, identification and timely implementation of appropriate counter-measures. Your company constantly reviews its policies and procedures to adhere to ensure conformity to the various regulatory approvals for its manufacturing facilities.

#### **RISK MANAGEMENT:**

Company leverages its deep domain and management insight to undertake proactive counter-measures that strengthen its viability across verticals, products, Geographic's and market cycle. The Company has implemented an integrated risk management approach through which it reviews and assesses significant risk on regular basis to help ensure that there is robust system of internal control in place. Governed by a strong compliance ethic, it relies heavily on risk management and forecasting framework to manage competitive, economic, financial, geo-political and social risks. Company has in place response mechanism that mitigates environmental, operational and business risk and minimizes impact on business.

#### **Changing global political and economic conditions risk:**

Risk of exposure to various external political and economic conditions exists as well as natural disasters that may hit the Company's work performance and capability to achieve its objectives. Additionally, the Company operates across a broad range of markets and these markets have the potential to come across natural disasters that could impact business operations. The extent of our Company's portfolio and geographic footprint support in mitigating our coverage to any specific localised risk to a certain degree. External uncertainties are carefully measured when developing strategy and reviewing performance.

#### **Competition Risk**

The Company's product face intense competition from products of other pharmaceutical Companies in India and abroad and introduction of new products by competitor may impair the Companies' competitive advantages and lead to erosion of revenue. The Company has unique capabilities to innovate on product offering across the market customized as per their need, which gives it an edge over its competition.

#### **Foreign Exchange Risk:**

The Company also derives its revenue in foreign currency, exposing it to fluctuation in currency movements. Such a scenario makes earning volatile. The Company's senior management team reviews and manages the foreign exchange risk in a systematic manner including regular monitoring of exposures proper advice from market experts, hedging of exposures, etc.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company's internal control framework is designed specifically to help ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of law and regulations. The Company has put in place automated internal business control and a centralized global process framework that works and governs the day to day operation of key functions like research, procurement, manufacturing and supply chain, integrating them with key support like marketing, sales, finance, regulatory affairs of HR and to safeguard its assets and prevention of misappropriation and detection of fraud and or unauthorized use of assets and it has been designed to ensure preparation of reliable financial statement and maintaining all the assets. The Audit Committee of the Board deals with the significant issues relating to control raised by the Statutory Auditors.

#### **CAUTIONARY STATEMENT**

Certain statement in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results vary significantly from the forward looking statements contained in the documents due to various risk and uncertainties. These risk and uncertainties include the effect of economical and political condition in India, volatility in interest rates, new regulations, and Government policies that may impact the Company's business as well as its ability to implement strategy. The Company does not undertake to update these statements.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Bajaj Healthcare Limited  
Report on the Financial Statements**

We have audited the accompanying financial statements of Bajaj Healthcare Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion:**

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, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 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 on its financial position in its financial statements – Refer Note 30 to the 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.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Paresh Rakesh & Associates**  
**Chartered Accountants**  
**(Firm Registration no. 119728W)**

Sd/-  
**Rakesh Chaturvedi**  
**Partner**  
**Membership No.: 102075**

**Mumbai**  
**Date: 30/05/2017**



**“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.**

- 1) In respect of its fixed assets :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets 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. As informed to us, prima - facie no material discrepancies were noticed on such physical verification.
  - c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.
- 2) In respect of its Inventories :
  - a) According to the information’s and explanation given to us, Physical verification of inventory has been conducted at reasonable intervals by the management.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. Stock not in possession of the Company are not physically verified by the Company, however the same is certified by the Company to be correct.
  - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records, having regards to the size of the operations of the company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- 4) In respect of loans, investments, guarantees and security given by the Company:
  - a) Company has not directly or indirectly advanced loan to the persons or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act.
  - b) Company has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under subsection (1) of Section 148 of the Act [ applicable in respect of certain activities undertaken by the company] and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7) In respect of Statutory dues :

- a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, and according to the books and records as produced and examined by us following disputed amount of tax demanded have not been deposited with concern authorities as on 31st March,2017.

Sr. No	Nature of Liability	Name of Statute	Amt (in Rs)	Period which the amount relates	Forum where the dispute pending
1	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	40,97,927/-	2010-11	Deputy Commissioner of Commercial Tax (Appeals), Baroda
2	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	34,65,158/-	2011-12	Deputy Commissioner of Commercial Tax (Appeals), Baroda
3	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	4,15,25,427/-	Dec 2003 to Dec 2005	CESTAT, Mumbai
4	Excise Duty	Central Excise Act,1944	1,89,973/-	2007-08	CESTAT, Mumbai
5	Excise Duty	Central Excise Act, 1944	67,61,197/-	2007-08	CESTAT, Mumbai
6	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	29,83,316/-	2012-13	Deputy Commissioner of Commercial Tax (Appeals), Baroda
7	Custom Duty	Director General of Foreign Trade	60,00,000/-	2015-16	Additional Director General of Foreign Trade
	<b>Total</b>		<b>6,50,22,998/-</b>		

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- 9) The company has raised money by way of initial public offer and Term loan from banks. The proceeds such raised were applied for the purpose for which it was raised.
- 10) 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 by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act

- 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 etc., as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- 16) 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.

**For Pares Rakesh & Associates**  
**Chartered Accountants**  
**(Firm Registration no. 119728W)**

**Sd/-**  
**Rakesh Chaturvedi**  
**Partner**  
**Membership No.: 102075**

**Mumbai**  
**Date: 30/05/2017**

**“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, 2017 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, 2017, 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 Pares Rakesh & Associates**  
**Chartered Accountants**  
**(Firm Registration no. 119728W)**

**SD/-**  
**Rakesh Chaturvedi**  
**Partner**  
**Membership No.: 102075**

**Mumbai**  
**Date: 30/05/2017**



**BAJAJ HEALTHCARE LIMITED**  
Balance Sheet as at 31st March , 2017

Particulars	Note No	As on 31/03/2017		As on 31/03/2016	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	6 89 96 000		6 75 00 000	
(b) Reserves and Surplus	3	92 10 08 280	99 00 04 277	81 88 24 808	88 63 24 808
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	4		26 84 54 506		31 44 75 995
<b>(3) Current Liabilities</b>					
(a) Trade payables	5	188512 799		16 17 25 522	
(b) Short Term Borrowings	6	39 15 75 026		42 29 32 314	
(c) Other current liabilities	7	20 02 35 233		20 06 13 288	
(d) Short Term Provisions	8	14 52 08 025	92 55 31 084	9 60 00 000	88 12 71 124
<b>(4) Deferred Tax Liability</b>			84 18 647		81 50 713
<b>TOTAL</b>			<b>2 19 24 08 513</b>		<b>2 09 02 22 640</b>
<b>II. Assets</b>					
<b>(1) Non-current assets</b>					
(a) Tangible Fixed Assets	9		1 27 92 94 634		1 29 56 24 322
(b) Capital work-in-progress	9		22 67 291		1 45 88 169
<b>(2) Long Term Investments</b>	10		30 625		30 625
<b>(3) Current assets</b>					
(a) Inventories	11	16 75 98 694		19 63 94 408	
(b) Trade receivables	12	52 68 59 263		42 95 15 248	
(c) Cash and cash equivalents	13	83 98 496		36 49 063	
(d) Other current assets	14	20 79 59 510	91 08 15 963	15 04 20 806	77 99 79 525
<b>TOTAL</b>			<b>2 19 24 08 513</b>		<b>2 09 02 22 640</b>
<b>Accounting Policies</b>	1				
<b>Notes to Financial Statements</b>	2to 38				
<b>As per our report of even date attached</b>					
<b>For Paresh Rakesh &amp; Associates</b>			<b>For and on behalf of the Board</b>		
<b>Chartered Accountants</b>			<b>For BAJAJ HEALTHCARE LIMITED</b>		
<b>FRN: 119728W</b>					
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	
Rakesh Chaturvedi	Vipul Dubey	Rupesh Nikam	S K R Bajaj	Anil Jain	
Partner	Company Secretary	CFO	Chairman &	Managing	
M. No.: 102075			Managing	Director	
			Director		
<b>Date: 30/05/2017</b>			DIN.00225950	DIN: 00226137	
<b>Place: Thane</b>					

**BAJAJ HEALTHCARE LIMITED**  
**Profit and Loss statement for Year ended 31st March, 2017**

Particulars	Note No	For the Period ended on 31/03/2017	For the Year ended on 31/03/2016
Revenue from operations	15	2 30 65 46 459	2 22 83 96 394
Other Income	16	2 39 11 454	37 84 287
<b>Total Revenue</b>		<b>2 33 04 57 913</b>	<b>2 23 21 80 682</b>
<b>Expenditure</b>			
Cost of materials consumed	17	1 31 49 50 510	1 28 77 27 559
Other Direct Expenses	18	36 04 06 740	36 42 96 025
Changes in inventories	19	3 14 58 187	- 50 75 424
Employee Benefit Expenses	20	19 56 72 190	16 92 50 345
Financial costs	21	8 00 58 586	7 51 70 891
Depreciation and amortization expense	22	11 34 55 192	9 28 96 831
Other expenses	23	9 75 58 551	11 29 25 682
<b>Total Expenses</b>		<b>2 19 35 59 956</b>	<b>2 09 71 91 911</b>
<b>Profit before Tax</b>		<b>13 68 97 957</b>	<b>13 49 88 771</b>
<b>Tax expense:</b>			
(1) Current tax		4 85 00 000	4 50 00 000
(2) Deferred Tax		2 67 935	79 45 303
(3) Earlier Years		98 82 551	40 569
<b>Profit/(Loss) for the period</b>		<b>7 82 47 471</b>	<b>8 20 02 899</b>
Earning per equity share:	24		
(1) Basic		11.37	12.15
(2) Diluted		11.37	12.15

As per our report of even date attached

**For Paresh Rakesh & Associates**

**Chartered Accountants**

**FRN: 119728W**

Sd/-

Rakesh Chaturvedi

Partner

M. No.: 102075

**For and on behalf of the Board**

**For BAJAJ HEALTHCARE LIMITED**

Sd/-

S K R Bajaj

Chairman and Managing Director

DIN.: 00225950

Sd/-

Anil Jain

Managing Director

DIN.: 00226137

Sd/-

Rupesh Nikam

CFO

Sd/-

Vipul Dubey

Company Secretary

**Date: 30/05/2017**

**Place: Thane**

**CASH FLOW STATEMENT FOR THE YEAR 2016-2017**

Sr. No.	Particulars	2016-2017		2015-2016	
		Amt in Rs.	Amt in Rs.	Amt in Rs.	Amt in Rs.
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit Before Tax		13 68 97 957		13 49 88 771
	Adjustments for:				
	Depreciation	11 34 55 192		9 28 96 831	
	(Profit)/loss on sale of Assets	4 06 011		7 88 519	
	Interest & Finance Charges	8 00 58 586		7 51 70 891	
	Interest on FD	- 7 45 326		- 5 09 811	
	Dividend Income	- 3 825	19 31 70 639	- 3 750	16 83 42 680
	<b>Operating Profit before Working Capital changes</b>		<b>33 00 68 596</b>		<b>30 33 31 450</b>
	<b>Adjustments for:</b>				
	Increase in Other current assets	- 1 59 38 218		- 1 88 62 121	
	Decrease In Sundry Debtors	- 9 73 44 015		8 57 00 934	
	Decrease In Inventories	2 87 95 714		- 1 55 82 911	
	Decrease in current liabilities	2 64 09 222		- 5 43 19 669	
			- 5 80 77 297		- 30 63 767
	<b>Cash generated from operations</b>		<b>27 19 91 299</b>		<b>30 02 67 683</b>
	Income Tax Paid		- 4 16 00 486		- 4 88 92 238
	<b>Net Cash flow from Operating activities</b>		<b>23 03 90 813</b>		<b>25 13 75 445</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets	- 10 11 51 528		- 30 67 49 354	
	Increase/ (Decrease) in Capital Wip	1 23 20 878		- 28 53 189	
	Sale Of Fixed Assets	36 20 013		24 37 720	
	Purchase of Investments				
	Interest on FD	7 45 326		5 09 811	
	Dividend Income	3 825		3 750	
	<b>Net Cash used in Investing activities</b>		<b>- 8 44 61 487</b>		<b>- 30 66 51 261</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Redemption of Preference Share Capital	-		- 1 50 00 000	
	Proceeds From Issue of Equity Shares	2 54 32 000			
	Proceeds From Long Term Borrowing	- 3 03 74 191		9 89 81 135	
	Repayment Of Unsecured Long Term Borrowing	- 1 56 47 298		- 66 84 401	
	Decrease Of Short Term Borrowing From Bank	29 47 531		3 98 50 540	
	Increase Of Borrowing From Director& Inter corporate	- 3 43 04 818		88 49 775	
	Interest paid	- 8 00 58 586		- 7 51 70 891	
	<b>Net Cash used in financing activities</b>		<b>- 13 20 05 364</b>		<b>5 08 26 158</b>
	<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>1 39 23 963</b>		<b>- 44 49 658</b>
	Cash and Cash equivalents as at 01.04.2016		36 49 063		86 94 407
	Cash and Cash equivalents as at 31.03.2017		1 02 74 901		42 44 749

**As per our report of even date attached**

**For Paresh Rakesh & Associates**

**Chartered Accountants**

FRN: 119728W

Sd/-

Rakesh Chaturvedi

Partner

M. No.: 102075

**Date: 30/05/2017**

**Place: Thane**

**For and on behalf of the Board**

**For BAJAJ HEALTHCARE LIMITED**

Sd/-

S K R Bajaj

Chairman & Managing Director

DIN.: 00225950

Sd/-

Rupesh Nikan

CFO

Sd/-

Anil Jain

Managing Director

DIN: 00226137

Sd/-

Vipul Dubey

Company Secretary

## BAJAJ HEALTHCARE LIMITED

### Notes Forming part of Financial Statements

#### 1] SIGNIFICANT ACCOUNTING POLICIES.

##### **BASIS OF ACCOUNTING:**

The financial statements are prepared under the historical cost convention on accrued basis and in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013, unless and otherwise specifically stated.

##### **REVENUE RECOGNITION & SALES:**

- a) The Company recognizes sales at the point of dispatch of goods to the customers.
- b) Revenue is recognized in the appropriate circumstances when there are no significant uncertainties as regards its realization.
- c) Sales are stated at gross and include all taxes, but excludes interdivisional transfers.

##### **FIXED ASSETS:**

- a) Fixed Assets are stated at cost of acquisition or construction (net of recoverable taxes wherever availed) less accumulated depreciation.
- b) Fixed Assets wherever revalued are reinstated by creating differential Revaluation Reserve which is added to the Gross Block as on the date of revaluation.
- c) In the case of fixed assets acquired for new projects / expansion, interest cost on borrowings, and other related expenses incurred up to the date of completion of project are capitalized.
- d) Expenditure incurred towards fixed assets including advances paid towards the same are shown as capital work in progress till the completion of the assets.

##### **DEPRECIATION:**

Depreciation on all the fixed assets is provided on the W.D.V. method at the rates and in the manner prescribed under schedule II to the Companies Act, 2013 and on the basis of life of assets in accordance with the Part C.

Depreciation is calculated on WDV or restated value and debited to Profit and Loss Account. Also an amount equivalent to the differential depreciation on the assets due to revaluation is transferred from Revaluation Reserve to the Balance of Profit and Loss Account in balance sheet.

##### **STOCK IN TRADE / PURCHASE:**

- a) Finished Goods are valued at cost or net realizable value whichever is lower.
- b) Raw materials Purchase and in transit are accounted at cost.
- c) WIP are valued at cost of materials plus overheads.
- d) Inventories are valued on FIFO Basis.
- e) Purchases are recorded net of recoverable taxes.

##### **CURRENT TAX & DEFERRED TAX:**

Income Tax is accounted for in accordance with AS22 on Accounting for taxes on Income issued by the ICAI. Tax comprises of both the current and deferred. Current tax is measured at the amount expected to be paid/recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted tax rates.

##### **FOREIGN CURRENCY TRANSACTIONS:**

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

**INCOME TAX:**

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income.

**GOVERNMENT GRANTS:**

- a) Government grants are accounted for where it is reasonably certain that the ultimate collection will be made.
- b) Government grants related to C.S.T. Refund claim for 100% EOU of Baroda Unit for all four quarters are shown under current assets.

**BORROWING COSTS:**

Borrowing costs which are directly attributable to acquisition, construction, or production of qualifying assets are capitalized as a part of cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**INVESTMENTS:**

Long term investments are stated at cost, less provision for diminution in value other than temporary in nature.

**PROVISIONS & CONTINGENT LIABILITIES:**

Provision is made in accounts if it becomes probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Contingent liabilities are not recognized till they crystallized, but are disclosed in the notes on account.

2.	SHARE CAPITAL	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Authorised Share Capital :</b> 100 00 000 ( P.Y. 100 00 000) EquityShares of Rs.10 each		10 00 00 000		10 00 00 000
			<b>10 00 00 000</b>		<b>10 00 00 000</b>
	<b>Issued Subscribed and Paid Up Capital :</b> 68,99,600 (P.Y 67 50 000 ) Equity Shares of Rs.10 each fully paid up		6 89 96 000		6 75 00 000
	<b>TOTAL</b>		<b>6 89 96 000</b>		<b>6 75 00 000</b>

	Reconciliation of number of shares outstanding is set out below:	As at 31 <sup>st</sup> March,2017		As at 31 <sup>st</sup> March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Equity Shares</b>		67 50 000		22 50 000
	At the beginning of the period				
	Addition during the period		1 49 600		45 00 000
	Outstanding at the end of the period		68 99 600		67 50 000
	<b>Preference Shares:</b>				
	At the beginning of the period		-		15 00 000
	Redemption during the period		-		- 15 00 000
	Outstanding at the end of the period		-		-



2.1	Details of shareholders holding more than 5% shares in the company: Name of the shareholder:	As at 31st March,2017		As at 31st March,2016	
		% Holding	No of Shares	% Holding	No of Shares
	<b>a. Equity Shares:</b>				
	Mrs. Babita Bajaj	5.45	3 76 000	8.00	5 40 000
	Mr. Sajankumar Bajaj	34.89	24 07 000	50.18	33 87 000
	S K R Bajaj HUF	7.83	5 40 000	8.00	5 40 000
	Ms. Namrata Bajaj	5.86	4 04 000	8.53	5 76 000
	Ms. Nihita S Bajaj	5.86	4 04 000	8.53	5 76 000
	Mr. Anil C Jain	5.20	3 59 000	7.51	5 07 000
	M/s. Maa Sharda Distributors Pvt Ltd	6.30	4 35 000	6.44	4 35 000

2.2	The Equity Shares issued and paid up includes 45,00,000 shares issued as bonus Shares for consideration other than cash issued on 18 th January 2016 in Last Five Years.
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3.	RESERVES & SURPLUS:	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Capital Reserve</b>				
	As per Last Balance Sheet	5 60 623		5 60 623	
	Add/(Less): Changes during the Year	-	5 60 623	-	5 60 623
	<b>Capital Redemption Reserve</b>				
	As per Last Balance Sheet	-		50 00 000	
	Add : During the Year	-		1 50 00 000	
	(Less):Utilised For Issue of Bonus Shares (Refer Note No. 3.3 )	-		- 2 00 00 000	
	<b>Revaluation Reserve</b>				
	As per Last Balance Sheet	42 28 33 315		43 11 69 728	
	Add/(Less): Changes during the Year ( Refer Note No. 3.1)	- 75 50 234	41 52 83 081	- 83 36 413	42 28 33 315
	<b>Shares Premium</b>				
	As per Last Balance Sheet	4 25 00 000		6 75 00 000	
	Less: Utilised For Issue of Bonus Shares ( Refer Note No. 3.3 )	-		- 2 50 00 000	
	Add/(Less): Changes during the Year	2 39 36 000	6 64 36 000	-	4 25 00 000
	<b>Profit &amp; Loss Account</b>				
	As per last Balance Sheet	35 29 30 870		27 75 91 561	
	Less: Transfer to Capital Redemption Reserve ( Refer Note No. 3.2)	-		- 1 50 00 000	
	Add: Depreciation on Revalued Figure	75 50 234		8,336,413.00	
	Add: Transferred from Profit and Loss Account	7 82 47 471		8 20 02 896	
			43 87 28 576		35 29 30 870
	<b>TOTAL</b>		<b>92 10 08 280</b>		<b>81 88 24 808</b>

3.1 Changes in Revaluation Reserve is on account of Additional Depreciation on Revalued Assets pursuant to Revaluation.

3.2 Redemption of Preference Shares were made during the Previous Year out of accumulated distributable Profits and hence equivalent amount was transferred to Capital Redemption Reserve.

3.3 Bonus Shares were issued during the Previous Year by capitalization of balance outstanding in Capital Redemption Reserve & From Securities Premium / Shares Premium.

4	LONG TERM BORROWINGS	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Secured</b>				
	Term Loan from Bank	20 92 71 116	24 41 15 395	24 00 18 333	27 44 89 586
	Term Loan from NBFC	3 48 44 279		3 44 71 253	
	<b>Unsecured Loans</b>				
	Deferred Sales Tax Loan	-		3 60 559	
	Inter Corporate Deposits (For Related Party Transaction Refer Note no. 31)	2 10 15 910	2 43 39 111	3 62 02 748	3 99 86 409
	Deposits From Selling Agents	33 23 201		34 23 102	
	<b>TOTAL</b>		<b>26 84 54 506</b>		<b>31 44 75 995</b>

4.1	* Repayment Schedule for Term Loans				
	Year	FY 2018-19	FY 2019-20	FY 2020-21	2020 and later
	Amount (Rs.)	9 29 95 755	7 44 15 418	3 37 93 006	4 29 11 216

4.2 The details of Security for term loans are Provided in note no. 25

5	TRADE PAYABLES	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Micro Small & Medium Enterprises	-		-	
	Others ( Net)	18 85 12 799	18 85 12 799	16 17 25 522	16 17 25 522
	<b>TOTAL</b>		<b>18 85 12 799</b>		<b>16 17 25 522</b>

5.1 Amount due to Small Scale Industries exceeding Rupees one lakh each, outstanding for more than 30 days are not distinctly determinable in absence of any intimation received by the Company from any parties.

6	SHORT TERM BORROWINGS	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Secured</b>				
	<b>Working Capital Loan From Banks</b>				
	Cash Credit	49 90 943		2 44 94 116	
	Preshipment/Postshipment/ Buyers Credit	33 59 99 083	34 09 90 026	31 35 48 379	33 80 42 495
	<b>Unsecured</b>				
	From Director	5 63 930		85 18 604	
	Inter Corporate Deposits (For Related Party Transaction Refer Note no. 31)	5 00 21 070	5 05 85 001	7 63 71 215	8 48 89 819
	<b>TOTAL</b>		<b>39 15 75 026</b>		<b>42 29 32 314</b>

6.1	The details of Security for Working Capital Loans from banks are Provided in note no. 25
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7.	OTHER CURRENT LIABILITIES:	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Current Maturity of Long Term Borrowings (Secured)		8 96 78 071		7 48 48 073
	Sundry Creditors For Expenses		6 11 99 640		7 79 64 238
	Sundry Creditors for Capital Goods		1 22 66 368		1 80 89 973
	Advances Received from Customers		11 59 963		40 73 906
	Statutory Dues Payable		46 95 651		34 81 753
	Other Payables		3 12 35 541		2 21 55 345
	<b>TOTAL</b>		<b>20 02 35 233</b>		<b>20 06 13 288</b>

8.	SHORT TERM PROVISIONS	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Provision for Income Tax		14 52 08 025		9 60 00 000
	<b>Total</b>		<b>14 52 08 025</b>		<b>9 60 00 000</b>

10	LONG TERM INVESTMENTS	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	In Equity Shares at Cost				
	500 (P.Y 500 )Shares of Tima Cooperative Society limited of Rs. 10/- Each	5 000		5 000	
	2500 ( P.Y 2500) Equity Shares of Saraswat Co-op Bank of Rs. 10/- Each	25 000		25 000	
	25 ( P.Y 25) Shares of Shamrao Vithal Co-op Bank of Rs.25/- each	625	30 625	625	30 625
	<b>TOTAL</b>		<b>30 625</b>		<b>30 625</b>

11.	INVENTORIES	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	(As Valued and certified by Management)				
	Raw Material	10 87 31 650		11 10 45 296	
	Finished Goods	4 97 28 344		8 11 86 531	
	Packing Material	38 57 948		25 23 580	
	Stores and Spares	52 80 752	16 75 98 694	16 39 000	19 63 94 408
	<b>TOTAL</b>		<b>16 75 98 694</b>		<b>19 63 94 408</b>

12.	TRADE RECEIVABLES	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Unsecured - Considered Good				
	Over 6 months	5 40 98 915		6 45 03 848	
	Others	47 27 60 349	52 68 59 263	36 50 11 400	42 95 15 248
	<b>TOTAL</b>		<b>52 68 59 263</b>		<b>42 95 15 248</b>

13.	CASH & CASH EQUIVALENTS	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Cash Balance on Hand				
	Cash in Hand		5 20 223		4 34 189
	Bank Balance with Scheduled Bank				
	In Current Accounts		78 78 273		32 14 873
	Fixed Deposit with Bank for B.G. Margin		-		-
	<b>TOTAL</b>		<b>83 98 496</b>		<b>36 49 063</b>

14.	OTHER CURRENT ASSETS	As at 31st March,2017		As at 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Advances Receivable in cash or kind or Value to be received		7 10 79 498		5 80 17 894
	Fixed Deposit With Banks (Under Lien for Bank Guarantee )		40 22 000		44 51 456
	Deposit With Public Authorities and Others		2 60 36 417		2 20 16 337
	Advance to Suppliers		57 71 000		64 85 010
	Advance Tax / Tax Deducted at Source		10 10 50 594		5 94 50 109
	<b>TOTAL</b>		<b>20 79 59 510</b>		<b>15 04 20 806</b>

15.	REVENUE FROM OPERATIONS	For the year ended on 31st March,2017		For the Year Ended on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Local Sales</b>				
	Manufacturing Sales	1 38 51 30 428		1 33 39 05 069	
	Add: Duties & Taxes on Sales	22 74 49 070	1 61 25 79 499	22 37 85 649	1 55 76 90 717
	<b>Export Sales</b>				
	Manufacturing Export Sales	65 81 06 735		63 60 42 382	
	High Seas Sale	27 09 581		49 14 855	
	Duties and Taxes on Export Sale	63 82 358	66 71 98 674	11 59 076	64 21 16 313
	Processing Charges		2 67 68 286		2 85 89 364
	<b>TOTAL</b>		<b>2 30 65 46 459</b>		<b>2 22 83 96 394</b>

16.	OTHER INCOME	For the year ended on 31st March,2017		For the Year Ended on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Dividend Received		3 825		3 750
	Interest on Fixed Deposit Received		7 45 326		5 09 811
	Other Income		4 823		34 769
	Scrap sale		2 30 641		76 532
	Sundry Balances Written back		6 33 901		225
	Excise Duty Reversal / Refund For Prior Period		-		31 59 200
	Reimbursement of sales tax liability		8 67 003		-
	Gain Due to Foreign Exchange Rate Fluctuation		2 14 25 936		-
	<b>TOTAL</b>		<b>2 39 11 454</b>		<b>37 84 287</b>

17.	COST OF MATERIAL CONSUMED:	For the year ended on 31st March,2017		For the Year Ended on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Opening Stock	11 35 68 876		10 19 77 888	
	Add: Purchases	1 07 98 05553		1 07 32 24255	
	Less: Closing Stock	11 25 89 598	1 08 07 84 831	11 35 68 876	1 06 16 33 267
	Excise Duty & Sales Tax		23 41 65 678		22 60 94 292
	<b>TOTAL</b>		<b>1 31 49 50 510</b>		<b>1 28 77 27 559</b>

18.	OTHER DIRECT EXPENSES:	For the year ended on 31st March,2017		For the Year Ended on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Effluent Treatment Chgs		2 61 90 128		2 49 03 610
	Fuel charges		5 91 11 095		5 05 49 022
	Furnance Oil / LDO		43 35 243		30 80 394
	Freight Forwarding & Transport		5 35 65 975		5 87 54 381
	Material Testing & Inspection Charges		1 27 91 238		1 18 17 325
	Processing & Labour Charges		6 64 03 833		9 62 71 106
	Power Charges		9 39 65 204		7 93 51 816
	Repairs & Maintenance Plant & Mach.		2 02 18 636		1 86 64 703
	Stores & Spares		1 33 03 633		1 27 07 112
	Water Charges		1 05 21 755		81 96 557
	<b>TOTAL</b>		<b>36 04 06 740</b>		<b>36 42 96 025</b>

19.	CHANGES IN INVENTORIES	For the year ended on 31st March,2017		For the year ending on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Fininshed Goods</b>				
	Opening Stock	8 11 86 531		7 61 11 107	
	Less: Closing Stock	4 97 28 344	3 14 58 187	8 11 86 531	- 50 75 424
	<b>TOTAL</b>		<b>3 14 58 187</b>		<b>- 50 75 424</b>

20.	EMPLOYEE BENEFIT EXPENSES	For the year ended on 31st March,2017		For the year ending on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Salary		17 73 38 967		15 35 69 480
	Staff Welfare		94 76 697		79 78 166
	Provident Funds and Other Contributions		88 56 526		77 02 699
	<b>TOTAL</b>		<b>19 56 72 190</b>		<b>16 92 50 345</b>



21.	FINANCE COSTS	For the year ended on 31st March,2017		For the year ending on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Bank Charges		80 84 356		60 77 372
	Processing Fees		47 391		2 26 580
	Interest On Buyers Credit		17 40 938		16 42 500
	Interest On CC, LC, WCDL & PC facilities		2 27 24 572		1 76 56 585
	Interest on Unsecured Loan		90 42 252		1 71 01 909
	Interest On Car Loan		7 84 270		9 14 325
	Interest on Term Loan	3 83 98 392		3 77 90 354	
	Less : Capitalized Interest cost	- 7 63 584	3 76 34 808	- 62 38 734	3 15 51 620
	<b>TOTAL</b>		<b>8 00 58 586</b>		<b>7 51 70 891</b>

22.	DEPRECIATION & AMORTIZATION OF EXPENSES	For the year ended on 31st March,2017		For the year ending on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Deperociation		11 34 55 192		9 28 96 831
	<b>TOTAL</b>		<b>11 34 55 192</b>		<b>9 28 96 831</b>

22.1 Depreciation on Building has been calculated at the rates provided under Companies Act, 2013 which includes and additional charge of Rs. 75,50,234/- ( P.Y. Rs.83,36,413) due to revalued assets.

23	OTHER EXPENSES	For the year ended on 31st March,2017		For the year ending on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Advertisement & Presentation		46 37 832		16 32 366
	Brokerage & Commission		67 39 355		90 06 955
	Courier Charges & Telephone Expenses		26 76 805		25 97 015
	Donation		1 68 29 000		2 08 00 000
	Hotel/Boarding/Lodge/ Guest House Exp.		11 40 879		6 36 517
	Insuarance		74 98 596		79 06 900
	Interest On Excise, Service Tax & TDS		19 13 860		12 14 759
	Legal & Professional Expenses		1 38 67 157		1 59 85 453
	Loss on sale of Asset		4 06 011		7 88 519
	Loss on Insurance Claim		-		49,427
	Membership & Subscription		6 29 088		5 64 592
	Miscellaneous Expenses		17 41 886		23 46 969
	Motor Vehicle & Fuel Expenses		12 56 874		10 48 772
	Printing & Stationery		34 67 227		31 86 258
	Repairs & Maintenance Building		63 87 107		84 85 124
	Repairs & Maintenance Others		1 16 36 920		1 03 33 537
	Rent Rates & Taxes		51 46 694		71 53 731
	Security & Cleaning Charges		10 94 362		9 05 884

23	OTHER EXPENSES	For the year ended on 31st March,2017		For the year ending on 31st March,2016	
		(Amount in Rs.)		(Amount in Rs.)	
	Seminar Expenses		12 563		18,000
	Travelling & Conveyence Expenses		71 22 511		81 69 990
	Travelling Expenses - Foreign		11 82 134		9 68 221
	Audit Fees				
	Statutory Audit Fees	2 51 000		2 01 600	
	Tax Audit Fees	1 00 000	3 51 000	1 00 000	3 01 500
	Sponsorship Expenses		18 20 690		
	Foreign Exchange Fluctuation Loss				88 25 194
	<b>TOTAL</b>		<b>9 75 58 551</b>		<b>11 29 25 682</b>

24	Earning Per Share	2016-17	2015-16
		A. Net Profit/ Loss available for Equity shareholders (after tax)	7 82 47 471
B. Weighted number of equity share outstanding during the year #	68 84 845	67 50 000	
C. Basic earnings per share of Rs. 10/- each	11.37	12.15	
# The number of Equity Shares adjusted for the previous reporting period for Bonus shares Issued during the Reporting Period			

Schedule - 9.- Depreciation as Per Companies Act

FIXED ASSETS	Gross Block '01/04/2016	Addition Dur.Yr.	Deduction Dur.Yr.	Gross Block '31/03/2017	Dep.Up To '01/04/2016	Dep.For The Year	Deduction Dur.Yr.	Total Dep '31/03/2017	Net Block '31/03/2017	Net Block '31/03/2016
Air Condition	5,332,655	1,127,016	-	6,459,671	3,425,634	856,681	-	4,282,315	2,177,355	1,907,020
Computer	15,364,210	1,589,629	-	16,953,839	13,553,528	1,807,964	-	15,361,492	1,592,348	1,810,682
Electrical Equipment	46,540,906	4,080,290	-	50,621,196	24,711,557	6,374,909	-	31,086,466	19,534,730	21,829,349
Factory & Office Equipment	7,728,967	990,126	-	8,719,093	5,879,997	985,139	-	6,865,136	1,853,957	1,848,970
Factory Building	494,381,669	15,362,993	-	509,744,662	166,175,691	32,596,060	-	198,771,751	310,972,911	328,205,978
Fire Fighting Equipment	311,261	-	-	311,261	268,732	14,649	-	283,380	27,881	42,529
Furniture & Fixture	15,097,922	10,218,617	-	25,316,539	11,871,648	1,671,444	-	13,543,092	11,773,446	3,226,273
Guest House Staff Quarters	25,871,017	-	-	25,871,017	3,535,052	1,096,441	-	4,631,493	21,239,524	22,335,965
Lab Equipment	29,470,743	5,204,936	-	34,675,679	17,770,334	3,823,951	-	21,594,285	13,081,394	11,700,409
Land ( Leasehold)	45,474,421	-	-	45,474,421	-	-	-	-	45,474,421	45,474,421
Land (Freehold)	339,286,740	-	-	339,286,740	-	-	-	-	339,286,740	339,286,740
Motor Vehicle	20,124,750	5,760,967	2,077,170	23,808,547	10,461,442	3,407,451	1,720,257	12,148,636	11,659,911	9,663,309
Office Premises ( Freehold)	65,375,065	-	-	65,375,065	59,351	3,180,875	-	3,240,226	62,134,839	65,315,714
Office Premises (Leasehold )	36,798,230	-	-	36,798,230	9,485,471	3,152,264	-	12,637,735	24,160,495	27,312,759
Plant & Machinery	766,744,503	56,816,954	14,212,352	809,349,105	351,080,299	54,487,364	10,543,241	395,024,422 0	414,324,683 0	415,664,204
<b>TOTAL</b>	<b>1,913,903,059</b>	<b>101,151,528</b>	<b>16,289,522</b>	<b>1,998,765,065</b>	<b>618,278,737</b>	<b>113,455,192</b>	<b>12,263,498</b>	<b>719,470,431</b>	<b>1,279,294,634</b>	<b>1,295,624,322</b>
<b>(Previous Year)</b>	<b>1,618,098,233</b>	<b>306,749,358</b>	<b>10,944,528</b>	<b>1,913,903,058</b>	<b>533,100,194</b>	<b>92,986,831</b>	<b>7,718,289</b>	<b>618,278,737</b>	<b>1,295,624,322</b>	<b>1,084,998,039</b>
<b>CAPITAL W.I.P</b>									<b>30 30 875</b>	<b>1 45 88 169</b>

Notes No. 9.1 In Financial Year 2014-2015, the Assets of the Company comprising of Land and Buildings acquired or constructed by the Company prior to 01/04/2014 were revalued and reinstated as on 31/03/2015 to reflect the fair value of the assets by creating revaluation reserve account with equivalent value.

25) A) The Security except as detailed in Clause B and Clause C below, created under a security trust (presently with 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**

First Pari Passu Charge on Movable Fixed Assets and immovable properties and Second Pari Passu charge on current assets.

**ii) For Working Capital**

First Pari Passu Charge on Current assets and Second Pari Passu Charge on movable fixed Assets and immovable properties.

(Working Capital Limits Includes Packing Credit , Post Shipment Credit, Buyers Credit, Cash Credit, Letter of Credit)

B) The Land & Building and Plant & Machinery of manufacturing facilities situated at Panoli, and Intermediate unit at Tarapur are exclusively mortgaged / hypothecated with The Saraswat Co.Op. Bank Ltd for Term Loan and Bank Guarantee Facility.

C) Office Premises at Thane is exclusively Mortgaged / Hypothecated to Aditya Birla Finance Limited

D) Further, All borrowings are, secured by personal guarantees of the directors Mr. S.K.R. Bajaj , Mr. Anil C Jain.

26) 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.

27) The balance of Sundry Debtors, Creditors and Loans & Advances are subject to confirmations and reconciliation.

28) 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 2017, 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.

**29) Deferred Tax Liabilities:**

Deferred Tax Assets as on 31st March 2017 comprises of the following :( Amt. in Rs.)

Particulars	As at 31.3.2017	As at 31.3.2016
Timing Difference on account of 1) depreciation on fixed asset	2 67 935/-	79,45,303/-
Total	2 67 935/-	79,45,303/-

**30) CONTINGENT LIABILITIES:**

- Letter of credits issued by Banks US \$ 11,34,455/- (Previous year US \$ 9,23,250/-)
- Bank Guarantee issued by Bank amount of Rs.1,37,60,817/- (Previous Year Rs. 1,00,00,000/-) to MGVCL, MPCB, Customs etc.

- Estimated amount of Capital Commitment towards expansion of Manufacturing Unit at Baroda (Gujarat) Rs. 8 Lakhs ( P Y :Rs.34 Lakhs)
- Claim Against company not acknowledged as debts:
- Central Excise, Custom Duty, Central Sales Tax & GVAT Liabilities Rs. 5,90,22,998/- (Previous year Rs.6,12,91,963/-). This represents the demands made by authorities which in opinion of company are not sustainable and hence are appealed against with appropriate authority. The details of claim against company not acknowledged as debts are as under:

Sr. No	Nature of Liability	Name of Statute	Amt (in Rs)	Period which the amount relates	Forum where the dispute pending
1	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	40,97,927/-	2010-11	Deputy Commissioner of Commercial Tax (Appeals), Baroda
2	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	34,65,158/-	2011-12	Deputy Commissioner of Commercial Tax (Appeals), Baroda
3	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	4,15,25,427/-	Dec 2003 to Dec 2005	CESTAT, Mumbai
4	Excise Duty	Central Excise Act, 1944	1,89,973/-	2007-08	CESTAT, Mumbai
5	Excise Duty	Central Excise Act, 1944	67,61,197/-	2007-08	CESTAT, Mumbai
6	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	29,83,316/-	2012-13	Deputy Commissioner of Commercial Tax (Appeals), Baroda
7	Custom Duty	Director General of Foreign Trade	60,00,000/-	2015-16	Additional Director General of Foreign Trade
	<b>TOTAL</b>		<b>6,50,22,998/-</b>		

### 31) RELATED PARTY DISCLOSURES:

The following transactions have been done with the related parties as defined under the AS 18 issued by the ICAI. 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-VCMD Mr. Dhananjay Hatle-Director Miss.Namrata Bajaj- Director Mr. Rupesh Nikam- Director
Relative of key management personnel-Category II	Babita Bajaj S.K.R.Bajaj HUF Padma Jain
Enterprises owned or significantly influenced by key management personnel or their relatives-Category III	Bajaj Health & Nutritions Pvt Ltd Bansal Pharma Ltd
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 (Amt. in Rs.)

SR NO.	PARTICULARS	CATEGORY I	CATEGORY II	CATEGORY III	CATEGORY IV
1.	Remuneration	98,75,076/- (98,72,152/-)	5,65,000/- (570,000/-)	Nil (Nil)	Nil (Nil)
2.	Rent Paid	- (63,000/-)	- (4,23,000/-)	12,000/- (8,04,000/-)	(Nil) (Nil)
3.	Interest Paid (net of interest recd)	534,431/- (25,57,195/-)	Nil (Nil)	79,24,534 (1,11,71,181/-)	(Nil) (Nil)
4.	Balance outstanding as on 31.3.2017 of Unsecured loan taken	5,63,930/- (84,82,164/-)	Nil (Nil)	7,10,36,980/- (7,69,06,168/-)	Nil (Nil)
5.	Purchase	Nil (Nil)	Nil (Nil)	(19,53,600/-) (59,47,668/-)	Nil (Nil)
6.	Sale of Machinery	Nil (Nil)	Nil (Nil)	1,35,714/- (Nil)	Nil (Nil)

Income and Expenditure:

- i. Purchase includes purchase from Bajaj Health & Nutrition Pvt Ltd Rs. 19,53,600/- ( P Y Rs.59,47,668./) & Bansal Pharma Ltd Rs. Nil ( P Y Rs. Nil).
- ii. Machinery sold to Bajaj Sindhudurg Rice Mills Limited Rs. 135714/- ( P Y : Nil)
- iii. Rent Paid Includes Rs. Nil( P Y Rs. 8,04,000/-) paid to Bajaj Health and Nutrition Limited, to Bansal Pharma Ltd Rs.12000/- ( P Y Rs. Nil/-), to S K R Bajaj HUF Rs. Nil- ( P Y Rs.3,60,000/-), to SKR Bajaj Rs.Nil ( P Y Rs. 63,000/-) and to Babita Bajaj Rs. Nil( P Y Rs. 63,000/-)
- iv. Remuneration includes payment to S K R Bajaj Rs.48,00,000/- (P YRs. 48,00,000/-), Anil Jain Rs.18,00,000/- (P Y Rs.18,00,000/-), to Dhananjay S Hatle Rs.10,80,000/- (P Y Rs.10,91,000/-), to Namrata Bajaj Rs. 9,00,000/- (P Y Rs. 9,00,000/-), to Rupesh H Nikam Rs. 12,95,076/- (P Y Rs. 12,81,152), to Babita Bajaj Rs.3,00,000 /- (P Y Rs. 3,00,000/-), and to Padma Jain Rs.2,70,000/- ( P Y Rs.257,750/-).
- v. Interest payment includes payment to Bansal Pharma Ltd Rs.4,11,565/- P Y (Rs. 424,515/-) , to Bajaj Health and Nutrition Pvt Ltd Rs.75,12,969/- ( P Y Rs.1,07,46,666./- ) , to SKR Bajaj: Rs.40,632/- ( P Y Rs. 19,29,256/-) and to Anil Jain Rs. 4,93,799/- ( P Y Rs. 627,939/-).

Note: Amount shown in brackets represents the amount of previous year.



32) a) Segment Information as per Accounting Standard 17:

Information about Primary Business Segments (Rupees in lakhs)

Particulars	Mfg of Bulk Drugs	Formulation & sales of Medicines	Total
Revenue :			
Total External Sales	22,329.66	735.80	23,065.46
Net External Sales ( Excluding excise & Sales tax )	20,054.23	669.58	20,723.81
Inter Segment Sales	70.43	(70.43)	-
Total Gross Revenue	22,400.09	665.37	23,065.46
Total Net Revenue	20,124.66	599.15	20,723.81
Segment Results Before Interest , Exception Items of Tax	-	-	2,169.57
Less : Finance Charges			(800.59)
Profit Before Tax			1,368.98

Information about Secondary Segments: Geographical (Rupees in lakhs)

Particulars	India		Outside India		Total	
	2017	2016	2017	2016	2017	2016
Gross Sales	16,393.35	15,862.80	6671.99	6,421.16	23,065.46	22,283.96
Less: Taxes	2,274.49	2,237.86	63.82	11.59	23,38.31	2,249.45
Net Sales	14,143.86	13,624.94	6,608.16	6,409.57	20,727.15	20,034.54

- 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.

b) 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 approval for In-house R & D Facility from the Department of Scientific and Industrial Research ( DSIR) vide letter No. TU/IV-RD/4031/2016 dated 17<sup>th</sup> August, 2016 for the purpose of section 35(2AB) of the Income Tax Act, 1961 for the period from 1st April 2016 to 31st March, 2017 subject to the condition underline therein.

Thereunder, the company has claimed a weighted deduction of 200% of the following expenditure incurred wholly and exclusively for the Research & Development Activity so approved.

( Amt In '000)

Nature of Expenditure	2016-17
<b>Revenue Expenditure:</b>	
Salary Expenses of R&D Personnel	8417.14
R & D Chemical Purchase	399.13
Stores & Spares & Consumables in R & D	452.71
Travelling & Other Exp.	34.71
Common Utilities Expenses	2245.00
<b>Capital Expenditure:</b>	
Laboratory Equipment	460.93
Furniture & Fixtures	57.98
Computer	24.62
Other Electric Equipment	57.53
<b>TOTAL</b>	<b>12149.75</b>

**33) Disclosure under Accounting Standard 15 (Employee Benefits):**

1	No of Employees covered	609
2	Retirement Age	60 Yrs
3	Benefits	As per Gratuity Act
4	Present Value of Past Service Gratuity Liability	Rs. 93,49,241/-
5	Annual Contribution	Rs. 50,98,118/-
6	Mortality Rate	As per 1994-96 LIC Mortality Tables (Ultimate)
7	Salary Escalation	4% for each year
8	Discounting rate	8% p.a

**34) EXPENDITURE IN FOREIGN CURRENCY:**

	31/03/2017	31/03/2016
CIF Value of Import in	Rs. 65,56,97,589/-	Rs. 70,93,95,369/-
Other Expenses in	Rs. 46,71,541/-	Rs. 35,07,056/-

**35) INCOME IN FOREIGN CURRENCY:**

	31/03/2017	31/03/2016
FOB Value of exports in	Rs. 61,37,88,086/-	Rs. 73,95,93,017/-

36) Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 as provided in the table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	3,06,000	3,00,836	6,06,836
(+) Permitted receipts	-	16,20,569	16,20,569
(-) Permitted payments	-	11,64,005	11,64,005
(-) Amount deposited in Banks	3,06,000	-	3,06,000
Closing cash in hand as on 30-12-2016	-	7,57,400	7,57,400

37) Figures are rounded off to nearest value of Rupees.

38) Previous year's figures have been regrouped or rearranged wherever necessary.