

# 25th Annual Report

BAJAJ  
HEALTHCARE  
LIMITED

2017-2018







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:

Mr. Aakashkumar Kesari

STATUTORY AUDITORS:

**M/s. Paresh Rakesh & Associates**  
Chartered Accountants  
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



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

## Chairman's Message

Dear Shareholder's,

I am delighted to welcome you all for Twenty Fifth 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.

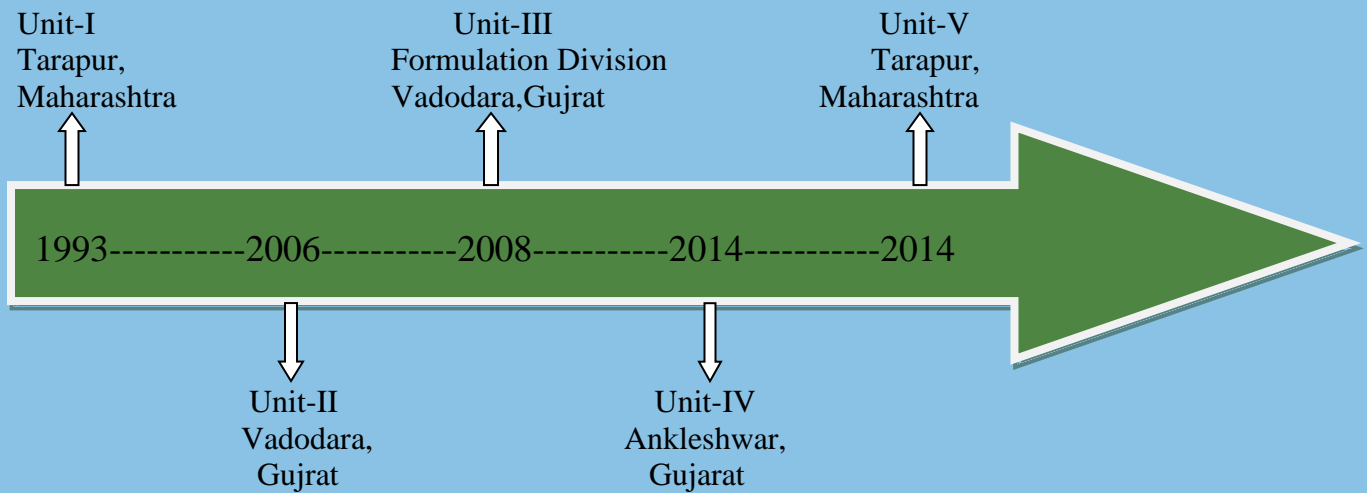
In conclusion, I would like to thank all our Stakeholders and Boards members for their continued trust, guidance and Support. I am also grateful to our Customers, Vendors, Bankers and Other Business Associates who have reposed their faith in us. I would also like to extend my appreciation to our employees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







Unit-I



Unit-II



Unit-III



Unit-IV



Unit-V

Manufacturing units:

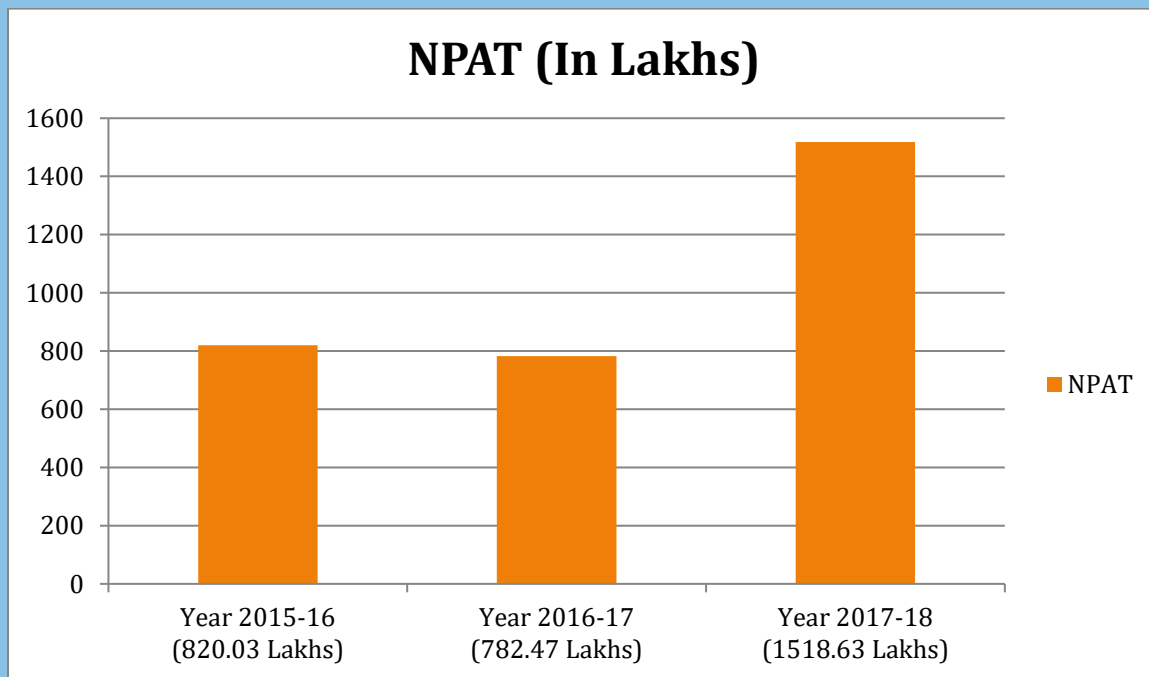
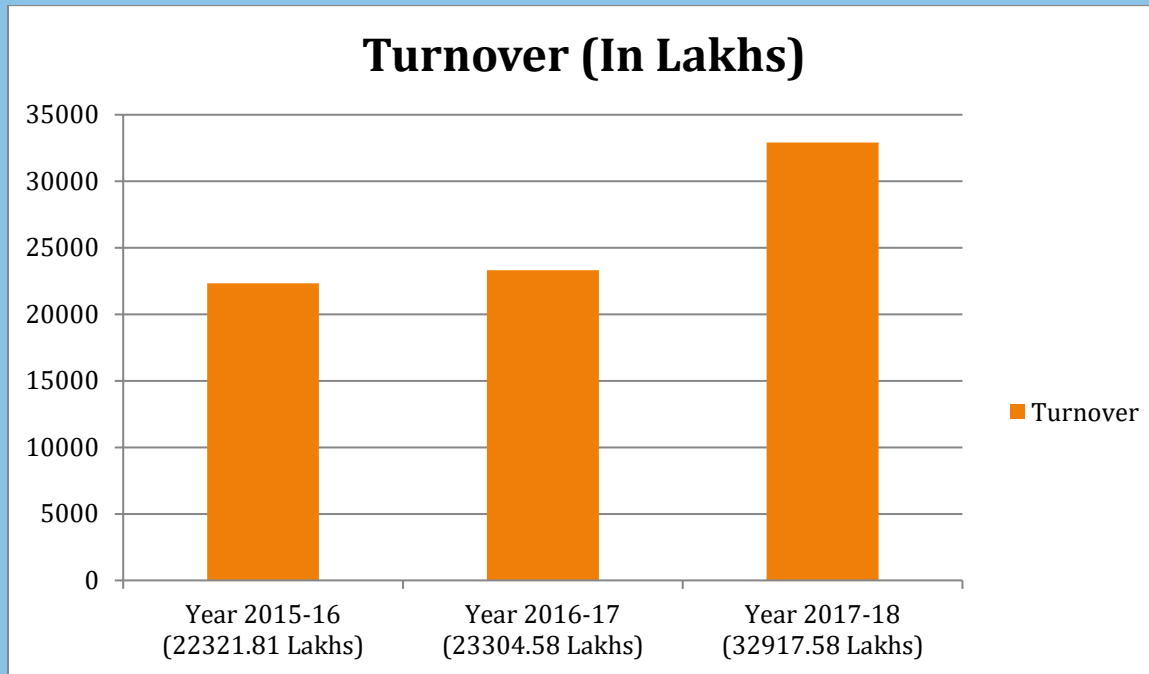








## Performance of Company:



## Corporate Social Responsibility:









## CONTENT

<b>PARTICULARS</b>	<b>PAGE NO.</b>
Director's Report	1
Management Discussion Analysis	27
Independent Auditors Report	36
Balance Sheet	43
Statement of Profit & Loss Accounts	44
Cash Flow Statement	45
Notes to Accounts	46





## DIRECTORS' REPORT

To,  
The Share Holders  
Bajaj Healthcare Limited

Your Directors have pleasure in presenting 25<sup>th</sup> Board Report alongwith Audited Statement of accounts and the Auditors Report of your company for the financial year ended 31st March, 2018.

### FINANCIAL PERFORMANCE OF THE COMPANY:

Particulars	(Rs. In Lakhs)	
	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
Gross Income	32,917.58	23,304.58
Profit before Interest, Depreciation & Tax	4,129.22	3304.12
Finance Charges	752.41	800.59
Provision for Depreciation	1108.35	1134.55
Profit before Tax	2268.46	1368.98
Less: Current Tax /Deferred Tax	749.84	586.51
Net Profit after Tax	1518.63	782.47
Surplus carried to Balance Sheet	1518.63	782.47
Earnings Per Share	22.01	11.37

The Company's Gross Turnover for the year increased to Rs. 32710.93 lakhs as compared to last year's Rs. 23065.46 Lakhs, which includes the Domestic Turnover of Rs. 24736.39 Lakhs as compare to last year's Domestic Turnover was Rs. 16,393.48 Lakhs and the Export Turnover of 7974.54 Lakhs as compared to last year's export turnover of Rs.6671.99 Lakhs.

The net profit after tax during the year amounted to Rs. 1518.63 Lakhs as compared to net Profit of Rs.782.47 Lakhs in the previous year.

### DIVIDEND AND RESERVES:

Your Directors recommend a payment of dividend of Rs. 1.00/- (i.e. 10%) per equity share for the year ended March 31, 2018. The dividend, if approved at the 25<sup>th</sup> Annual General Meeting (AGM), will be paid to those members whose names appear in the Company's Register of Members on Friday, 21<sup>st</sup> September, 2018 (Record date).

### DEPOSITS:

Company has not accepted any deposit from Public during the year.

### 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 annexed as Annexure-I in prescribed format MGT-9.

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

The Company has not transferred any amount to General Reserves for the financial year 2017-2018.

### MATERIAL CHANGES AND COMMITMENTS:

#### **Migration to Main Board of BSE Limited from SME Segment of BSE Limited:**

The Board of Directors at its meeting held on 29<sup>th</sup> May, 2018, has approved migration to Main Board of BSE Limited from SME Segment of BSE Limited, subject to necessary compliance & approvals.

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

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

**SHARE CAPITAL:**

There are no changes in Share Capital of the Company.

**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 2017-18 comprising of five Executive Directors out of which one is woman director. Further, the Board also comprises of three Non-Executive Independent Directors.

**Director retires by rotation:**

Mr. Rupesh Nikam, 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.

As stipulated under the Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), brief resume of the director proposed to be re-appointed is furnished along with the Explanatory Statement to the Notice to the 25<sup>th</sup> Annual General Meeting of the Company.

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

The Company has received necessary declaration from each Independent Director of the Company under the provisions of section 149(7) of the Act, that they meet the criteria of independence as laid down in section 149 (6) of the Act and applicable provisions of the listing Regulations.

**Number of Meetings of the Board:**

During the year, 4 (Four) Board Meetings 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 2017-18:

30/05/2017	23/08/2017	13/11/2017	12/03/2018
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Details of Board meetings attended by Board of Directors:

Sr.No.	Name of Directors	No. of Meetings attended
1	Mr. Sajankumar Bajaj	4/4
2	Mr. Anil Jain	4/4
3	Mr. Dhananjay Halte	4/4
4	Mr. Namrata Bajaj	3/4
5	Mr. Rupesh Nikam	4/4
6	Mr. Vidyut Shah	4/4
7	Mr. Hemant Karnik	4/4
8	Mr. Ram Banarase	4/4

**Company Secretary and Compliance Officer:**

Sr. No.	Name of Compliance officer	Designation of Compliance officer
1	#Mr. Aakashkumar Keshari	Company Secretary

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

\* Ms. Avani Mehta has been appointed as Company Secretary & Compliance officer by the board with effect from 1<sup>st</sup> July, 2017 and resigned on 03<sup>rd</sup> April, 2018.

# Mr. Aakashkumar Keshari has been appointed as Company Secretary & Compliance officer by the board with effect from 04<sup>th</sup> April, 2018.

**COMMITTEES OF THE BOARD:**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles



which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board has established the statutory and non-statutory Committees. The details of Statutory Committee are as follows:-

**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	Category of Directors	Position held in Committee
1	Mr. Vidyut Shah	Independent Director	Chairman
2	Mr. Hemant Karnik	Independent Director	Member
3	Mr. Rupesh Nikam	Executive Director	Member

4 meetings of the Committee were held during the year under review on 30th May, 2017; 23<sup>rd</sup> August, 2017; 13th November, 2017 and 12th March, 2018.

**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) Look after 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 non-payment of declared dividends and creditors.
  - (n) To look after Complaint received from employees and shareholder’s including any matter relating to affairs of the Company and Sexual Harassment of women.

## 2. Nomination and Remuneration Committee

The Committee was constituted as required under Section 178 of the Companies Act, 2013 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 and one level below the Board from 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) To delegate 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	Category of Directors	Position held in Committee
1	Mr. Ram Banarase	Independent Director	Chairman
2	Mr. Hemant Karnik	Independent Director	Member
3	Mr. Vidyut Shah	Independent Director	Member

One meeting of Nomination and remuneration committee was held during the year 30<sup>th</sup> May, 2017.

### Familiarization Program

In compliance with the requirement of Listing Regulations, the Independent Director have been familiarized on the Board of the Company by the functional heads of various departments of the Company which includes detailed presentations on the vision and mission of the Company, its operations, business plans, technologies and also future outlook of the entire industry.

## 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) To redress Shareholders and Investors complaints.
- (B) To review all matters connected with the share transfers.
- (C) To 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	Category of Directors	Position held in Committee
1	Mr. Hemant Karnik	Independent Director	Chairman
2	Mr. Ram Banarase	Independent Director	Member
3	Mr. Anil Jain	Executive Director	Member

No meeting of the Committee was held during the year under review.

## 4. Corporate Social Responsibility Committee:

Pursuant to Section 135 of Act and the rules made there-under, 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	Category of Director	Position held in Committee
1.	Mr. Sajankumar Bajaj	Executive Director	Chairman
2.	Mr. Ram Banarase	Independent Director	Member
3.	Mr. Rupesh Nikam	Executive Director	Member

One meeting of the Committee were held during the year under review on 12<sup>th</sup> March, 2018.

**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.

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

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

**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 12<sup>th</sup> March, 2018 inter alia to:

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

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

**AUDITORS**

**Statutory Auditors & their Report:**

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, Paresh Rakesh & Associates, Chartered Accountants, were appointed as statutory auditors of the Company at the 22<sup>nd</sup> AGM held on 30<sup>th</sup> September, 2015 to hold office until the conclusion of the 27<sup>th</sup> AGM, subject to ratification of their appointment at every AGM. In the terms of Section 139 of the Companies Act, 2013 read with Company (Audit & Auditors) Rules, 2014, the Board of Directors ratified the appointment of M/s Paresh Rakesh & Associates, Chartered Accountants subject to shareholders approval at the ensuing Annual General Meeting to hold the office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on remuneration to be decided by the Board of Directors.

The Auditors' Report 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 do 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, 2019.

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 at the ensuing Annual General Meeting. 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, 2019.

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 Companies Act.

The Cost Audit Report for FY 2017-18 was placed before Board Meeting and it does not contain any reservation, qualification or adverse remark.

**Internal Auditor:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, Ms. Vineeta Mundra, Chartered Accountant has been appointed as Internal Auditor of the Company for the financial Year 2018-19. 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 Haresh Sanghvi, Practising 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, 2018 is enclosed as **Annexure II** to the Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

**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 loan, Guarantee and investments made by the Company have been disclosed in the Financial Statements.

**Cash Flow Analysis:**

The cash flow statement for the year ended 31st March, 2018 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:**

Information required in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of the Board's Report for the year ended 31st March, 2018 is provided in **Annexure III** to Board's Report.

**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 2017-18, the Company did not receive complaint from any employees.

**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 Complain received during the year 2017-18:**

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 Chief Financial Officer 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 2018.

**VIGIL MECHANISM/ WHISTLE BLOWER 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 can adversely affects Company’s operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by employees/ directors till date.

**INSIDER TRADING CODE**

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 object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

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

**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, 2018 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, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated. Under section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

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

Steps taken on Energy Conservation -

Many steps towards energy conservation has taken & implemented successfully.

- a. Energy audit carried out by one of India’s topmost agency.
- b. Inefficient brine compressor is replaced by energy efficient compressor.
- c. Centrifugal pumps replaced by efficient pumps after exact calculation of head & flow measurement.
- d. Hot & cold insulation put at place to control loss in energy.
- e. Steam condensate recovery is increased to 60 % from 50 % level by installation of steam pressure power pumps.

#### **II. Technology Absorption:**

- a. Cooling tower blades replaced by new designed FRP Pumps.
- b. For distillation column, old structured packing replaced with new one.
- c. Mercury vapour lamps replaced by LED Lamps.

#### **III. Research & Development:**

- a. R&D Laboratory of Bajaj Healthcare Limited is already approved by DSIR (Department of Scientific and Industrial Research), India.
- b. We added efficient fume-hoods, sophisticated equipment and facilities for carrying out synthetic research and scale-up activities to develop new process technology for APIs under safe conditions.
- c. R&D works on different generic molecules are under process. Some of products have been commercialised at plant scale using environment friendly routes.
- d. With the regular progression in the business, our company intends to emphasise on further expansion of R&D facilities for development of technologically advanced, asymmetric active pharmaceutical ingredients.
- e. To achieve highest level of challenges of R&D activities, Bajaj Healthcare Limited has developed a talented pool of scientists including organic/analytical chemists provide support to our R&D through documentation and validation of test results as per ICH guidelines and assist the regulatory affairs to prepare high quality technical packages and drug master files.
- f. 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 17th August, 2016 for the purpose of section 35(2AB) of the Income Tax Act, 1961 valid till 31<sup>st</sup> March 2019 subject to the condition underline therein.
- g. There under, the company has claimed a weighted deduction of 150% of the following expenditure incurred wholly and exclusively for the Research & Development Activity so approved.

(Amt In Lakhs)

<b>Nature of Expenditure</b>	<b>2017-18</b>	<b>2016-17</b>
<b>Revenue Expenditure:</b>		
Salary Expenses of R&D Personnel	97.40	84.17
R & D Chemical Purchase	10.24	3.99
Stores & Spares & Consumables in R & D	4.70	4.53
Sample Testing Charges	1.90	-----
Travelling & Other Exp.	0.23	0.35
Common Utilities Expenses	22.16	22.45

Nature of Expenditure	2017-18	2016-17
<b>Capital Expenditure:</b>		
Laboratory Equipment	9,9.56	4.61
Furniture & Fixtures	0.40	0.58
Computer	0.26	0.25
Other Electric Equipment	0.33	0.57
<b>TOTAL</b>	<b>237.18</b>	<b>121.50</b>

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

Earnings:

Foreign Currency inflow amounting to Rs. 73,60,94,357/-

Outgo:

Foreign Currency outgo amounting to Rs. 116,44,49,671/-.

#### GREEN INITIATIVE FOR PAPERLESS COMMUNICATIONS:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling General Meeting, Audited Financial Statements, director's report, auditor's report etc. in electronic form to the email address provided by the Members to the Depositories or to the Company.

This is also a great opportunity for every shareholder of Bajaj Healthcare Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their email addresses so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form can write to the Company or Registrar and Transfer Agent (RTA) for Updation of records.

#### ACKNOWLEDGEMENTS:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for their continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks, and other business associates for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

**Date: 21<sup>st</sup> August, 2018**

**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	99.37

### 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 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% 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	4566000	-	4566000	66.178	4566000	-	4566000	66.178	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	75000	-	75000	1.087	75000	-	75000	1.087	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-
Directors Relatives	-	-	-	-	-	-	-	-	-
Person Acting in Concern	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>4641000</b>	<b>-</b>	<b>4647000</b>	<b>67.26</b>	<b>4641000</b>	<b>-</b>	<b>4647000</b>	<b>67.26</b>	<b>-</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>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>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>4641000</b>	<b>-</b>	<b>4647000</b>	<b>67.26</b>	<b>4641000</b>	<b>-</b>	<b>4647000</b>	<b>67.26</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>	1454800	435000	1889800	27.390	1452000	435000	1887000	27.349	-0.041
<b>ii) Overseas</b>									
<b>b) Individuals</b>									
<b>i) Individual shareholders holding nominal share capital upto Rs. 1 lakh</b>	126800	-	156800	1.838	101200	-	156800	1.467	-0.031
<b>ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh</b>	210400	-	210400	3.049	184000	-	184000	2.667	-0.382
<b>c) Others (specify)</b>									
<b>Trusts</b>	-	-	-	-	-	-	-	-	-
<b>Clearing member</b>	31200	-	31200	0.452	86000	-	86000	1.246	0.794
<b>Market Maker</b>	-	-	-	-	-	-	-	-	-
<b>Foreign Nationals</b>	-	-	-	-	-	-	-	-	-
<b>Non Resident Indians (Repat)</b>	400	-	400	0.06	400	-	400	0.06	-
<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>	1823600	435000	2258600	32.735	1823600	435000	2258600	32.735	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	1823600	435000	2258600	32.735	1823600	435000	2258600	32.735	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	6464600	435000	6899600	100	6464600	435000	6899600	100	-

**(ii) Shareholding of Promoters**

Shareholders Name	No. of shares held at the beginning of the year (As on 01.04.2017)			No. of shares held at the end of the year (As on 31.03.2018)			% 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	2407000	34.88	N.A	2407000	34.88	N.A	-
Babita Bajaj	376000	5.45	N.A	376000	5.45	N.A	-
Namrata Bajaj	404000	5.86	N.A	404000	5.86	N.A	-
Nihita Bajaj	404000	5.86	N.A	404000	5.86	N.A	-
Anil C jain	359000	5.20	N.A	359000	5.20	N.A	-
Padma A. jain	76000	1.10	N.A	76000	1.10	N.A	-
S K R Bajaj HUF	540000	7.83	N.A	540000	7.83	N.A	-
Bajaj Health & Nutrition Private Limited	60000	0.87	N.A	60000	0.87	N.A	-
Bansal Pharma Limited	15000	0.22	N.A	15000	0.22	N.A	-
<b>TOTAL</b>	<b>4641000</b>	<b>67.27</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 01.04.2017)		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	2407000	34.88		
<b>Changes during the year:</b>	No Change during the year			
At the End of the year			2407000	34.88
<b>Babita S. Bajaj</b>				
At the beginning of the year	376000	5.45		
<b>Changes during the year:</b>	No Change during the year			
At the End of the year			376000	5.45
<b>Namrata S. Bajaj</b>				
At the beginning of the year	404000	5.86		
<b>Changes during the year</b>	No Change during the year			
At the End of the year			404000	5.86
<b>Nihita S. Bajaj</b>				
At the beginning of the year	404000	5.86		
<b>Changes during the year</b>	No Change during the year			
At the End of the year			404000	5.86
<b>Anil C Jain</b>				
At the beginning of the year	359000	5.20		
<b>Changes during the year</b>	No Change during the year			
At the End of the year			359000	5.20



<b>Padma A. Jain</b>				
At the beginning of the year	76000	1.10		
Changes during the year	No Change during the year			
At the End of the year			76000	1.10
<b>S K R Bajaj HUF</b>				
At the beginning of the year	540000	8.00		
Changes during the year	No Change during the year			
At the End of the year			540000	8.00
<b>Bajaj Health &amp; Nutrition Private Limited</b>				
At the beginning of the year	60000	0.89		
Changes during the year	No Change during the year			
At the End of the year			60000	0.89
<b>Bansal Pharma Limited</b>				
At the beginning of the year	15000	0.23		
Changes during the year	No Change during the year			
At the End of the year			15000	0.23

(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 01.04.2017)		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. Maa Sharada Distributors Private Limited</b>				
At the beginning of the year	435000	6.30		
Changes during the year	No Change during the year			
At the End of the year			435000	6.30
<b>2.. E Tricks Enterprises Private Limited</b>				
At the beginning of the year				
Changes during the year	318400	4.62		
Add: Buy	No Change during the year			
At the End of the year			318400	4.62
<b>3. Aryaman Capital Markets Limited</b>				
At the beginning of the year	138000	2		
Changes during the year				
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>		
Buy	1200	14-04-2017	139200	2.018
Sold	-800	28-04-2017	138400	2.006
Sold	-1600	05-05-2017	136800	1.983
Buy	1600	12-05-2017	138400	2.006
Sold	-10800	19-05-2017	127600	1.849
Buy	7200	26-05-2017	134800	1.954
Buy	3200	02-06-2017	138000	2.00
Buy	21600	09-06-2017	159600	2.313
Buy	23600	30-06-2017	183200	2.655
Buy	7600	07-07-2017	190800	2.765
Buy	400	14-07-2017	191200	2.771
Buy	2800	28-07-2017	194000	2.812
Buy	3200	04-08-2017	197200	2.858
Buy	400	11-08-2017	197600	2.864
Buy	400	18-08-2017	198000	2.87

Sold	-2400	01-09-2017			195600	2.835
Sold	-2400	08-09-2017			193200	2.8
Sold	-3600	15-09-2017			189600	2.748
Buy	1600	22-09-2017			191200	2.771
Buy	9200	30-09-2017			200400	2.905
Buy	3600	06-10-2017			204000	2.957
Sold	-3600	13-10-2017			200400	2.905
Sold	-36400	20-10-2017			164000	2.377
Sold	-1600	27-10-2017			162400	2.354
Sold	-10000	03-11-2017			152400	2.209
Sold	-4400	10-11-2017			148000	2.145
Buy	1200	17-11-2017			149200	2.162
Buy	1200	24-11-2017			150400	2.18
Sold	-12800	01-12-2017			137600	1.994
Buy	52800	08-12-2017			190400	2.76
Sold	-24800	22-12-2017			165600	2.4
Buy	2000	29-12-2017			167600	2.429
Buy	800	12-01-2018			168400	2.441
Buy	1600	19-01-2018			170000	2.464
Buy	2800	26-01-2018			172800	2.504
Buy	2400	02-02-2018			175200	2.539
Buy	18400	09-02-2018			193600	2.806
Sold	-19200	16-02-2018			174400	2.528
Buy	17200	23-02-2018			191600	2.777
Sold	-3600	02-03-2018			188000	2.725
Buy	5600	09-03-2018			193600	2.806
Buy	8400	16-03-2018			202000	2.928
Buy	1200	23-03-2018			203200	2.945
Buy	2400	31-03-2018			205600	2.98
<b>At the End of the year</b>					205600	2.98
<b>4. Escorp Industries Private Limited</b>						
<b>At the beginning of the year</b>			193200	2.80		
Changes during the year:						
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>				
Buy	2400	05-05-2017			195600	2.835
Buy	800	14-07-2017			196400	2.847
Sold	-400	04-08-2017			196000	2.841
Buy	1200	15-09-2017			197200	2.858
Buy	400	06-10-2017			197600	2.864
Sold	-1200	27-10-2017			196400	2.847
10-11-2017	-400	10-11-2017			196000	2.841
17-11-2017	-400	17-11-2017			195600	2.835
22-12-2017	800	22-12-2017			196400	2.847
12-01-2018	-400	12-01-2018			196000	2.841
<b>At the End of the year</b>					196000	2.84
<b>5. Shri Ravindra Media Ventures</b>						
<b>At the beginning of the year</b>			82000	1.188		
Changes during the year						
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>				
Buy	102700	15-09-2017			184700	2.677
<b>At the End of the year</b>					184700	6.68

<b>6. Taxus Enterprises Private Limited</b>				
<b>At the beginning of the year</b>		274400	3.977	
<b>Changes during the year:</b>				
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>		
Sold	-14000	13-10-2017	260400	3.774
Sold	-102700	31-03-2018	157700	2.286
<b>At the End of the year</b>			157700	2.286
<b>7. Tia Enterprises Private Limited</b>				
<b>At the beginning of the year</b>		115600	1.68	
<b>Changes during the year</b>				
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>		
Buy	28000	09-06-2017	143600	2.081
<b>At the End of the year</b>			143600	2.08
<b>8. Maxgrowth Capital Pvt. LTD</b>				
<b>At the beginning of the year</b>		30800	0.446	
<b>Changes during the year</b>				
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>		
Buy	1200	06-10-2017	32000	0.464
Buy	27600	13-10-2017	59600	0.864
Buy	13200	01-12-2017	72800	1.055
Buy	12800	23-02-2018	85600	1.241
<b>At the End of the year</b>			85600	1.241
<b>9. MBM Bearing (Rajasthan) Private Limited</b>				
<b>At the beginning of the year</b>		68000	0.99	
<b>Changes during the year</b>			No changes	
<b>At the End of the year</b>			68000	0.99
<b>10. Overskud Multi Asset Management Private Limited</b>				
<b>At the beginning of the year</b>		400	0.006	
<b>Changes during the year</b>				
<b>Particulars</b>	<b>Shares</b>	<b>Date</b>		
Buy	21600	19-05-2017	22000	0.319
Sold	-6000	26-05-2017	16000	0.232
Sold	-2400	02-06-2017	13600	0.197
Sold	-7600	09-06-2017	6000	0.087
Buy	400	16-06-2017	6400	0.093
Buy	1600	30-06-2017	8000	0.116
Sold	-6800	07-07-2017	1200	0.017
Buy	3600	01-09-2017	4800	0.07
Buy	1600	08-09-2017	6400	0.093
Buy	3200	15-09-2017	9600	0.139
Buy	4400	22-09-2017	14000	0.203
Sold	-6400	30-09-2017	7600	0.11
Sold	-2400	06-10-2017	5200	0.075
Buy	1200	13-10-2017	6400	0.093
Sold	-3600	20-10-2017	2800	0.041
Sold	-1600	27-10-2017	1200	0.017
Buy	6400	03-11-2017	7600	0.11
Sold	-7200	10-11-2017	400	0.006
Buy	28800	24-11-2017	29200	0.423



Buy	69600	01-12-2017			98800	1.432
Sold	-4000	08-12-2017			94800	1.374
Buy	3200	15-12-2017			98000	1.42
Sold	-3200	22-12-2017			94800	1.374
Sold	-14400	12-01-2018			80400	1.165
Sold	-5200	19-01-2018			75200	1.09
Sold	-1200	26-01-2018			74000	1.073
Buy	20400	02-02-2018			94400	1.368
Buy	800	09-02-2018			95200	1.38
Sold	-29200	16-02-2018			66000	0.957
Sold	-30400	23-02-2018			35600	0.516
Sold	-800	02-03-2018			34800	0.504
Buy	12400	09-03-2018			47200	0.684
Buy	2400	16-03-2018			49600	0.719
Sold	-6000	23-03-2018			43600	0.632
Buy	16400	31-03-2018			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>				
At the beginning of the year	2407000	34.88		
Changes during the year:	No Change During the year			
At the End of the year			2407000	34.88
<b>Ms. Namrata Bajaj</b>				
At the beginning of the year	404000	5.86		
Changes during the year	No Change During the year			
At the End of the year			404000	5.86
<b>Mr Anil Jain</b>				
At the beginning of the year	359000	5.2		
Changes during the year	No Change During the year			
At the End of the year			359000	5.2
<b>Mr. Dhananjay Hatle</b>				
At the beginning of the year	6000	0.09		
Changes during the year	No Change During the year			
At the End of the year			6000	0.09
<b>Mr. Rupesh Nikam, Director &amp; CFO</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>MrVidyt Shah (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. 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
<b>#Ms. Avani Mehta (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
<b>^Mr. Aakashkumar Keshari (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

\* Vipul Debey has resigned with effect from 30<sup>th</sup> June, 2017.

# Avani Mehta has been appointed w.e.f 1<sup>st</sup> July, 2018 and resigned with effect from 03<sup>rd</sup> April, 2018.

^ Mr. Aakashkumar Keshari has been appointed w.e.f. 4<sup>th</sup> April, 2018.

#### 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	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>
<b>Change in Indebtedness during the financial year</b>				
• Addition	13,99,87,877	-	NIL	13,99,87,877
• Reduction	-	2,35,18,809	NIL	(2,35,18,809)
<b>Net Change</b>	<b>13,99,87,877</b>	<b>(2,35,18,809)</b>	<b>NIL</b>	<b>11,64,69,068</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	81,47,71,369	5,14,05,303	NIL	86,61,76,672
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>81,47,71,369</b>	<b>5,14,05,303</b>	<b>NIL</b>	<b>86,61,76,672</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs.)

Particulars of Remuneration	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	36,00,000	12,11,000	9,87,500	14,29,898	1,20,28,398
(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>36,00,000</b>	<b>12,11,000</b>	<b>9,87,500</b>	<b>14,29,898</b>	<b>1,20,28,398</b>
<b>Ceiling as per the Act</b>	<b>As approved by the Shareholders, within the limit</b>					

### B. REMUNERATION TO OTHER DIRECTORS:

(In Rs.)

Particulars of Remuneration	Total Amount			
	Mr. Vidyut J. Shah	Mr. Hemant Karnik	Mr. Ram B. Banarse	Total Amount
Independent Directors				
• Fee for attending board / committee meetings	47500	47500	27500	1,22,500
• Commission	-	-	-	-
• Others	-	-	-	-
<b>Total (1)</b>	<b>47500</b>	<b>47500</b>	<b>27500</b>	<b>1,22,500</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>1,22,500</b>	<b>-</b>	<b>-</b>	<b>1,22,500</b>
<b>Total Managerial Remuneration</b>	<b>1,21,50,898</b>	<b>-</b>	<b>-</b>	<b>1,21,50,898</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. Vipul Dubey (Company Secretary)	#Ms. Avani Mehta (Company Secretary)	^Mr. Aakashkumar Keshari (Company Secretary)	Mr. Rupesh Nikam (CFO)	
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60000	180000	-	14,29,898	16,69,898
(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>60000</b>	<b>180000</b>	<b>-</b>	<b>14,29,898</b>	<b>16,69,898</b>

\* Vipul Debey has resigned with effect from 30<sup>th</sup> June, 2017.

# Avani Mehta has appointed w.e.f 1<sup>st</sup> July, 2018 and resigned on 03<sup>rd</sup> April, 2018.

^ Mr. Aakashkumar Keshari has been appointed w.e.f. 4<sup>th</sup> April, 2018.

**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					

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[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, Thane - 400604**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BAJAJ HEALTHCARE LIMITED** (hereinafter called the "Company") for the audit period covering the financial year ended on 31<sup>st</sup> March, 2018. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us at its Registered office for the financial year ended on 31st March 2018, 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) 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 Overseas Direct Investment, External Commercial Borrowings were not attracted during the year under review;
  4. Based on the information provided and review of the Compliances Report of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the company to monitor and ensure compliances with the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the company and listed in **Annexure -A** to this report.
  5. I have also examined compliance with the applicable clauses of the Secretarial Standards applicable with effect from 1<sup>st</sup> October, 2017 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 except delay in filing following e-Forms on MCA portal.

Sr. No.	e-Form	Purpose of Form
1	Form AOC-4(XBRL)	Form for filing financial statement and other documents with the R
2	Form MGT-7	Form for filing annual return by a company
3	Form CHG-1	Application for registration of creation, modification of charge those related to debentures)
4	Form CRA-4	Form for filing Cost Audit Report with the Central Government.

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

**I further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the period under review.
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

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

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

Sd/-  
**HARESH SANGHVI**  
**Practicing Company Secretary**  
**FCS-2259 COP-3675**

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

## 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:

- i. The Drugs & Cosmetics Act, 1940
- ii. The Drugs ( Control), Act, 1950
- iii. The Essential Commodities Act, 1955
- iv. The Food Safety And Standards Act, 2006
- v. The Narcotics Drugs and Psychotropic Substances Act, 1985
- vi. The Pharmacy Act, 1948
- vii. The Drugs and Magic remedies ( Objectionable Advertisements) Act, 1954
- viii. The Poisons Act, 1919
- ix. The Sales promotion Employees ( Conditions of Services ) Act, 1976
- x. The Petroleum Act, 1934
- xi. The Legal Methodology Act, 2009
- xii. The Indian Boiler Act, 1923

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

Sd/-

**HARESH SANGHVI**  
Practicing Company Secretary  
FCS-2259 COP-3675



**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, Thane - 400604**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices I followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Sd/-  
HARESH SANGHVI  
Practicing Company Secretary  
FCS-2259 COP-3675**

**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 2017-18, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.**

Sr. No.	Name of the Director/KMP and Designation	% increase in Remuneration in the financial year 2017-18	Ratio of the remuneration of each director to the median remuneration of the employees.
1	Mr. Sajankumar R. Bajaj (Chairman & Managing Director)	Nil	25.00 : 1
2	Mr. Anil C Jain (Managing Director)	100%	18.75 : 1
3	Mr. Dhananjay S. Hatle Whole Time Director (WTD)	12.13%	06.31: 1
4	Mr. Namrata S Bajaj Whole Time Director (WTD)	9.72	5.14 : 1
5	Mr. Rupesh H Nikam Whole Time Director (WTD) & Chief Financial Officer (CFO)	10.41	07.45 : 1
6	Mr. Vipul Dubey (Company Secretary) *	Nil	0.31 : 1
7.	Ms. Avani Mehta (Company Secretary) ^	Nil	0.94 : 1

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

^ Ms. Avani Mehta has been appointed as Company secretary with effect from 1<sup>st</sup> July, 2017.

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

The % increase in median remuneration of employee is 9.72%.

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

There are 665 employee on rolls of the Company. The detailed break-up of our employees is as under:

PARTICULARS	OFFICE / ADMIN STAFF	WORKERS	TOTAL
Corporate Office, Mumbai	78	0	78
Tarapur Unit	47	38	85
Savli Unit	221	114	335
Manjusar Unit	82	0	82
Panoli Unit	23	26	49
Intermediate Unit	17	19	36

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

Average percentile increase in the salaries of employees other than the managerial personnel is 07.8% during the year under review.

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

Remuneration paid during the year ended March 31, 2018 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: Rs. 13,06,84,799/-**

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 26,13,696/-**

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

a) Total amount spent for the financial year: Rs. 75 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, Tyiyodas Jyotiling Tirth, Taluka-Dharampur, Valsad (Gujrat).	Year wise- Rs. 1,20,00,000 Total Budget- Rs. 5,00,00,000	Rs. 55,00,000/-	Rs. 3,39,24,000/-	Directly
2.	Donation to Dhandhan Welfare Society for eradicating poverty and malnutrition's	Eradicating poverty and malnutrition	Village Dhandhan, Dist. Sikar, Rajasthan	Year wise- Rs. 75,00,000 Total Budget- Rs. 5,00,00,000	Rs. 20,00,000/-	Rs. 61,00,000/-	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:

The Pharmaceutical Industry plays a unique role in improving the lives of Patients. 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. India manufactures 20% of all generics made globally and exports to 200 countries, with USA as the principal market.

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 Global economy continued to grow, with estimated output growth of 3.7 % in 2017 as against 3.2% in 2016. The tax reforms in U.S. should push the economy to grow 2.7 % in 2018 vis-à-vis 2.3 in 2017. Emerging economies are projected to rise to 4.9% in 2018 from 4.7% in 2017 (Source: World Economic Outlook update, January 2018).

Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. India contributes the second largest share of pharmaceutical and biotech workforce in the world. In March 2018, the Indian pharmaceutical market grew at 9.5 per cent year-on-year. (Sources: IBEF update, May 2018)

With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. India has become the third largest global generic API merchant market by 2016, with a 7.2 per cent market share. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world's leader in Drug Master Files (DMFs) applications with the US Indian Drugs & Pharmaceuticals sector has received cumulative FDI worth US\$ 15.59 billion between April 2000 - December 2017. (Sources: IBEF update, May 2018)

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. India's pharmaceutical exports stood at US\$ 17.27 billion in 2017-18. (Sources: IBEF update, May 2018)

The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. (Sources: IBEF update, May 2018)

## 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.

## **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.

### **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 / Bronchodilator 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, Acephylline, 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.

#### **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**

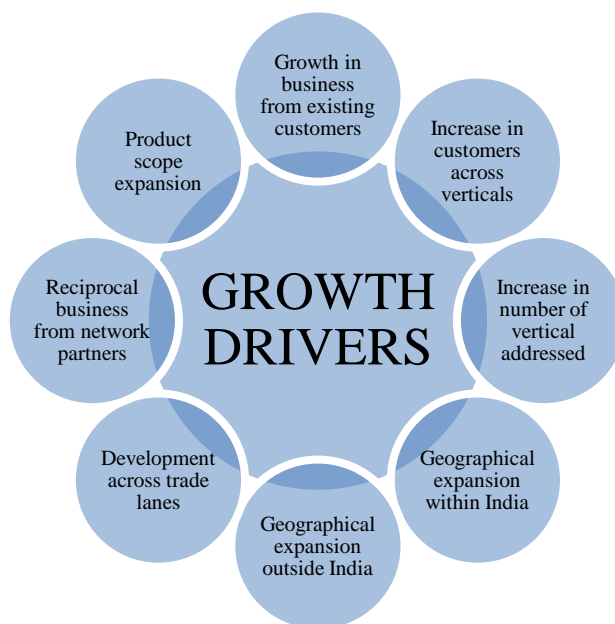
Our company is a quality and research driven company with continuous efforts focused on quality checks, analysis and developing latest process improvements and production cost efficiencies. Each of our Unit has a dedicated QC / QA and a microbiology laboratory for testing the raw materials employed in 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 Countries. 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, Neutraceutical, 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 Manjusa, 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, 2018, our Company had 665 employees.

**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 Manjusr, 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 2018, 2017 and 2016, our financial expenses were Rs. 752.41 Lakhs, Rs. 800.59 lakhs, Rs. 751.71 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.

**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.

## 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, 2018	% of Total Income	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income
REVENUE:										
Revenue from Operations	32710.93	99.37	23,065.46	98.97	22,283.97	99.83	21,830.17	99.97	20,490.67	99.95
Other Income	206.65	0.63	239.11	1.03	37.84	0.17	7.47	0.03	9.96	0.05
Total revenue	32917.58	100.00	23,304.57	100.00	22,321.81	100.00	21,837.63	100.00	20,500.64	100.00
EXPENSES:										
Cost of materials consumed	21543.21	65.45	13,149.51	56.42	12877.28	57.68	13065.49	59.83	13418.91	65.46
Other Direct Expenses	4091.19	12.43	3,604.07	15.47	3642.96	16.32	3556.84	16.29	3215.09	15.68
Changes in inventories of finished goods , WIP and stock - in trade	14.97	00.05	314.58	1.35	(50.75)	-0.23	134.84	0.62	(171.89)	-0.84
Employee benefits	2165.03	06.58	1956.72	8.40	1692.50	7.58	1,445.35	6.62	1,257.51	6.13

Particulars	March 31, 2018	% of Total Income	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income
expense										
Finance cost	752.41	2.29	800.59	3.44	751.71	3.38	788.95	3.61	719.77	3.51
Depreciation and amortization expense	1108.35	3.37	1134.55	4.87	928.97	4.16	886.07	4.06	894.70	4.36
Other expenses	1003.92	3.05	975.59	4.19	1129.26	5.06	758.42	3.47	837.61	4.09
Total expenses	30649.12	93.11	21935.60	94.13	20971.92	93.95	20,635.95	94.50	20,171.70	98.40
Net Profit / (Loss) before Tax	2268.46	6.89	1368.98	5.87	1349.89	6.05	1,201.68	5.50	328.94	1.60
<b>Less: Provision for tax</b>										
Current tax	714.04	2.16	583.83	2.51	450.41	2.02	420.27	1.92	76.88	0.38
MAT Credit Receivable	-	-	-	-	-	-	-	-	-	-
Deferred tax	35.80	0.11	2.68	0.01	79.45	0.35	30.19	0.14	41.79	0.20
<b>Total</b>	<b>749.84</b>	<b>2.27</b>	<b>586.51</b>	<b>2.52</b>	<b>529.45</b>	<b>2.37</b>	<b>450.46</b>	<b>2.06</b>	<b>131.80</b>	<b>0.64</b>
Net Profit / ( Loss ) for the period after tax but before extra ordinary items	1518.63	4.62	782.47	3.36	820.03	3.68	751.22	3.44	210.27	1.03
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
Net Profit / ( Loss ) for the period after tax and after extra ordinary items	1518.63	4.62	782.47	3.36	820.03	3.68	751.22	3.44	210.27	1.03

#### **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 99.37%, 98.97%, 99.83%, 99.97% and 99.95% for year ending March 31, 2018 and fiscals 2017, 2016, 2015, 2014 respectively.

##### **Other Income**

Our other income includes mainly interest on bank deposits, scrap sale, excise duty reversal, gain on exchange fluctuation of foreign Currency and sundry balances written back. Other income, as a percentage of total income was 0.63%, 1.03%, 0.17%, 0.03% and 0.05% for year ending March 31, 2018 and fiscals 2017, 2016, 2015, and 2014 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.

### **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.

### **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.

### **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 AUDITORS 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 comprises Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss account, 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**

1. 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 gives 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial Statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

We have taken into account the provision of the Act, the accounting and auditing standards and the 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 the disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the 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 standalone financial statements.

## Opinion

3. 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 31<sup>st</sup> March, 2018, its Profit and its cash flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

4. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclosed in the **Annexure 'A'** statement on matters specified in paragraph 3 & 4 of the said order.
5. As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company.
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of section 164(2) of the Act.
  - Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act") - is enclosed an **Annexure 'B'** to this report.
  - With respect to the other matters to be included in the Auditor's Report in accordance with rule 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:
    - As informed to us the Company did not have any pending litigations which would impact its financial position.
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - Based on audit procedures and representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management.

**For Paresh Rakesh & Associates**  
**Chartered Accountants**

FRN : 119728W

Sd/-

**Rakesh Chaturvedi**

M.No.: 102075

Place: Mumbai

Date: 29<sup>th</sup> May 2018

**“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 there under. 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, Goods and Services Tax 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, 2018 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,2018.

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	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	36,68,161/-	2013-14	Deputy Commissioner of Commercial Tax (Appeals), Baroda
8	Central Sales Tax	Central Sales Tax (Maharashtra) Rules, 1970 and Central Sales Tax Act, 1956	22,52,908/-	2013-14	Deputy Commissioner of Commercial Tax (Appeals), Baroda
	<b>Total</b>		<b>6,49,44,067/-</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 not raised money by way of initial public offer or further public offer (including debt instruments), however the proceeds raised by Term Loan 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 Paresh Rakesh & Associates**  
**Chartered Accountants**  
**(Firm Registration no. 119728W)**  
**Sd/-**

**Rakesh Chaturvedi**  
**Partner**  
**Membership No.: 102075**

**Mumbai**  
**Date: 29<sup>th</sup> May 2018**



**“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 31<sup>st</sup> March, 2018 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, 2018, 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 Paresh Rakesh & Associates**  
**Chartered Accountants**  
**(Firm Registration no. 119728W)**

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

**Mumbai**  
**Date: 29<sup>th</sup> May 2018**

**BAJAJ HEALTHCARE LIMITED**  
**Balance Sheet as at 31st March , 2018**  
**( CIN No. : L99999MH1993PLC072892 )**

Particulars	Note No	As on 31/03/2018		As on 31/03/2017	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	6 89 96 000		6 89 96 000	
(b) Reserves and Surplus	3	1 06 71 33 082	1 13 61 29 082	92 10 08 277	99 00 04 277
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	4		21 47 51 415		26 84 54 506
(b) Long-term Provisions	5		77 18 592		
<b>(3) Current Liabilities</b>					
(a) Trade payables	6	43 37 57 251		18 85 12 799	
(b) Short Term Borrowings	7	54 52 15 252		39 15 75 026	
(c) Other current liabilities	8	25 92 70 885		20 02 35 233	
(d) Short Term Provisions	9	7 25 00 000	1 31 07 43 389	14 52 08 025	92 55 31 083
<b>(4)Deffered Tax Liability</b>			1 19 98 272		84 18 647
<b>Total</b>			<b>2 68 13 40 750</b>		<b>2 19 24 08 513</b>
<b>II.Assets</b>					
<b>(1) Non-current assets</b>					
(a) Tangible Fixed Assets	10		1 26 61 63 341		1 27 92 94 634
(b) Capital work-in-progress	10		1 96 87 403		22 67 291
<b>(2) Long Term Investments</b>	11		30 625		30 625
<b>(3) Current assets</b>					
(a) Inventories	12	33 65 95 995		16 75 98 694	
(b) Trade receivables	13	80 38 44 971		52 68 59 263	
(c) Cash and cash equivalents	14	8 28 56 303		83 98 496	
(d) Other current assets	15	17 21 62 112	1 39 54 59 381	20 79 59 510	91 08 15 963
<b>Total</b>			<b>2 68 13 40 750</b>		<b>2 19 24 08 513</b>

**Accounting Policies** 1

**Notes to Financial Statements** 2 to 39

As per our report of even date attached

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W

Sd/-

Rakesh Chaturvedi  
Partner  
M. No: 102075

Sd/-

Aakash Keshari  
Company Secretary

For and on behalf of the Board

For BAJAJ HEALTHCARE LIMITED

Sd/-

Rupesh Nikam  
CFO and Director

Sd/-

S K R Bajaj  
Chairman and  
Managing  
Director

Sd/-

Anil Jain  
Joint Managing  
Director

Place: Thane

Date: 29/05/2018

DIN: 07007815

DIN: 00225950

DIN: 00226137

**BAJAJ HEALTHCARE LIMITED**  
( CIN No. : L99999MH1993PLC072892 )

**Profit and Loss statement for Year ended 31st March, 2018**

Particulars	Note No	For the Period ended on 31/03/2018	For the Period ended on 31/03/2017
Revenue from operations	16	3 27 10 92 984	2 30 65 46 459
Other Income	17	2 06 65 336	2 39 11 454
<b>Total Revenue</b>		<b>3 29 17 58 320</b>	<b>2 33 04 57 913</b>
<b>Expenditure</b>			
Cost of materials consumed	18	2 15 43 20 511	1 31 49 50 510
Other Direct Expenses	19	40 91 18 613	36 04 06 740
Changes in inventories	20	- 14 97 348	3 14 58 187
Employee Benefit Expenses	21	21 65 02 828	19 56 72 190
Financial costs	22	7 52 40 702	8 00 58 586
Depreciation and amortization expense	23	11 08 34 894	11 34 55 192
Other expenses	24	10 03 91 649	9 75 58 554
<b>Total Expenses</b>		<b>3 06 49 11 848</b>	<b>2 19 35 59 959</b>
<b>Profit before Tax</b>		<b>22 68 46 471</b>	<b>13 68 97 954</b>
<b>Tax expense:</b>			
(1) Current tax		7 25 00 000	4 85 00 000
(2) Deffered Tax		35 79 625	2 67 935
(3) Earlier Years		- 10 95 919	98 82 551
<b>Profit/(Loss) for the period</b>		<b>15 18 62 766</b>	<b>7 82 47 468</b>
<b>Earning per equity share:</b>	25		
(1) Basic		22.01	11.37
(2) Diluted		22.01	11.37

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

For Paresk Rakesh & Associates

Chartered Accountants

FRN: 119728W

Sd/-

Rakesh Chaturvedi

Partner

M. No.: 102075

Place: Thane

Date: 29/05/2018

For and on behalf of the Board

For BAJAJ HEALTHCARE LIMITED

Sd/-

S K R Bajaj

Director

DIN.: 00225950

Sd/-

Rupesh Nikam

CFO& Director

DIN: 07007815

Sd/-

Anil Jain

Director

DIN.: 00226137

Sd/-

Aakash Keshari

Company Secretary

**BAJAJ HEALTHCARE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR 2017-2018**  
**( CIN No. : L99999MH1993PLC072892 )**

Sr No	Particulars	2017-2018		2016-2017	
		Amt in Rs.	Amt in Rs	Amt in Rs.	Amt in Rs
A)	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>				
	Net Profit Before Tax		22 68 46 471		13 68 97 957
	Adjustment for:				
	Depreciation	11 08 34 894		11 34 55 192	
	(profit)/loss on sale of Assets	-		4 06 011	
	Interest & Finance Charges	7 52 40 702		8 00 58 586	
	Interest on FD	- 15 65 186		- 7 45 326	
	Provision for Employee Benefits	32 38 392			
	Dividend Income	- 7 500	18 77 41 302	- 3 825	19 31 70 639
	<b>Operating Profit before Working Capital Changes</b>		41 45 87 773		33 00 68 596
	<b>Adjustment for:</b>				
	(Increase)/ Decrease in other current assets	- 4 86 70 650		- 1 59 38 218	
	(Increase)/ Decrease in Sundry Debtors	- 27 69 85 708		- 9 73 44 015	
	(Increase)/ Decrease in Inventories	- 16 89 97 301		2 87 95 714	
	(Increase)/ Decrease in Current Liabilities	30 58 50 986		2 64 09 222	
			- 18 88 02 673		- 5 80 77 297
	<b>Cash generated from operations</b>		22 57 85 100		27 19 91 299
	Income Tax Paid		- 5 96 44 063		- 5 07 75 012
	<b>Net Cash Flow from Operating activities</b>		16 61 41 037		22 12 16 287
B)	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>				
	Purchase of Fixed Assets	- 9 77 03 599		- 10 11 51 528	
	Increase / (Decrease) in Capital WIP	- 1 74 20 112		1 23 20 878	
	Sale of Fixed Assets	-		36 20 013	
	Interest on FD	15 65 186		7 45 326	
	Payment to Gratuity Fund	- 28 28 642		-	
	Dividend Income	7 500		3 825	
	<b>Net Cash used in Investing activities</b>		- 11 63 79 667		- 8 44 61 487
C)	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>				
	Redemption of Preference Shares Capital	-		-	
	Proceeds From Issue of Equity Shares	-		2 54 32 000	
	Proceeds from Long Term Borrowing	- 4 61 52 824		- 3 03 74 191	
	Repayment of Unsecured Long Term Borrowing	- 75 50 267		- 1 56 47 298	
	Decrease of Short Term Borrowing From Bank	17 06 31 968		29 47 531	
	Increase of Borrowing from Directors & Inter corporate	- 1 69 91 742		- 3 43 04 818	
	Interest Paid	- 7 52 40 699		- 8 00 58 589	
	<b>Net cash used in financing activities</b>		2 46 96 436		- 13 20 05 367
	<b>Net increase in Cash &amp; Cash Equivalents ( A+B+C)</b>		7 44 57 806		47 49 434
	Cash and Cash equivalents as at 01.04.2017		83 98 496		36 49 063
	Cash and Cash equivalents as at 31.03.2018		8 28 56 303		83 98 496

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  
Director  
DIN 00225950

Sd/-  
Anil Jain  
Director  
DIN 00226137

Sd/-  
Rupesh Nikam  
CFO & Director

Sd/-  
Aakash Keshari  
Company Secretary

Place: Thane  
Date: 29/05/2018



**BAJAJ HEALTHCARE LIMITED**

**Notes Forming part of Financial Statements**

**1] SIGNIFICANT ACCOUNTING POLICIES.**

**A. 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.

**B. 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 ( Net).

**C. 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.

**D. 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 Schedule II 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.

**E. 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 recorded net of recoverable taxes.
- c) WIP are valued at cost of materials plus overheads.
- d) Inventories are valued on FIFO Basis.

**F. CURRENT TAX & DEFERRED TAX**

Income Tax is accounted for in accordance with Accounting Standard - 22 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.

**G. 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.

**H. INCOME TAX**

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

**I. 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./ G.S.T Refund claim for 100% EOU of Baroda Unit for all four quarters are shown under current assets.

**J. 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.

**K. INVESTMENTS**

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

**L. 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.

**M. EMPLOYEE BENEFITS AND EXPENSES**

**Short Term Employee Benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits:**

**Defined Contribution Plans:**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified monthly contributions towards Provident Fund. The Company's contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

**Defined Benefit Plans:**

- Expenses for defined-benefit gratuity plan are calculated as at the balance sheet date by an independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. The fair values of the plan assets if any, are deducted in determining the net liability.
- Actuarial losses or gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**N. EARNING PER SHARE**

- Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares, outstanding during the period.
- For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2	SHARE CAPITAL	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Authorised Share Capital :</b> 100 00 000 ( P.Y. 100 00 000) Equity Shares of Rs.10 each		10 00 00 000		10 00 00 000
			10 00 00 000		10 00 00 000
	<b>Issued Subscribed and Paid Up Capital :</b> 68,99,600 (P.Y 68,99,600 ) Equity Shares of Rs.10 each fully paid up		6 89 96 000		6 89 96 000
	<b>Total</b>		<b>6 89 96 000</b>		<b>6 89 96 000</b>

2	Reconciliation of number of shares outstanding is set out below: Equity Shares	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	At the beginning of the period		68 99 600		67 50 000
	Addition during the period		-		1 49 600
	Outstanding at the end of the period		68 99 600		68 99 600

2.1	Details of shareholders holding more than 5% shares in the company:	As at 31st March,2018		As at 31st March,2017	
		% Holding	No of Shares	% Holding	No of Shares
	<b>Name of the shareholder</b>				
	<b>a. Equity Shares:</b>				
	Mrs. Babita Bajaj	5.45	3 76 000	5.45	3 76 000
	Mr. Sajankumar Bajaj	34.89	24 07 000	34.89	24 07 000
	S K R Bajaj HUF	7.83	5 40 000	7.83	5 40 000
	Ms. Namrata Bajaj	5.86	4 04 000	5.86	4 04 000
	Ms. Nihita S Bajaj	5.86	4 04 000	5.86	4 04 000
	Mr. Anil C Jain	5.20	3 59 000	5.20	3 59 000
	M/s. Maa Sharda Distributors Pvt Ltd	6.30	4 35 000	6.30	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 18th January 2016 in Last Five Years.				

3	RESERVES & SURPLUS	As at 31st March,2018		As at 31st March,2017	
		(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>Revaluation Reserve</b>				
	As per Last Balance Sheet	41 52 83 081		42 28 33 315	
	Add/(Less): Changes during the Year ( Refer Note No. 3.1)	- 68 40 299	40 84 42 782	- 75 50 234	41 52 83 081
	<b>Shares Premium</b>				
	As per Last Balance Sheet	6 64 36 000		4 25 00 000	
	Add/(Less): Changes during the Year	-	6 64 36 000	2 39 36 000	6 64 36 000
	<b>Profit &amp; Loss Account</b>				
	As per last Balance Sheet	43 87 28 573		35 29 30 870	
	Add: Depreciation on Revalued Figure	68 40 299		75 50 234	
	Less: Adjustment for Provision of Gratuity as per A S 15 ( Net)	- 57 37 960		-	
	Less : Provison for Dividend	-		-	
	Less : Tax on Distribution of Dividend	-		-	
	Add: Transferred from Profit and Loss Account	15 18 62 766		7 82 47 468	
			59 16 93 677		43 87 28 573
	<b>Total</b>		<b>1 06 71 33 082</b>		<b>92 10 08 277</b>

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

4	LONG TERM BORROWINGS	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Secured</b>				
	Term Loan from Bank	15 84 80 498		20 92 71 116	
	Term Loan from NBFC	3 94 82 073	19 79 62 571	3 48 44 279	24 41 15 395
	<b>Unsecured Loans</b>				
	Inter Corporate Loans (For Related Party Transaction Refer Note no. 32)	1 67 88 844		2 10 15 910	
	Deposits From Selling Agents	-	1 67 88 844	33 23 201	2 43 39 111
	<b>Total</b>		<b>21 47 51 415</b>		<b>26 84 54 506</b>

4.1	* Repayment Schedule for Secured Term Loans	FY 2019-20	FY 2020-21	FY 2021-22	2022 and later
	Year				
	Amount (Rs.)	9 14 79 314	5 10 95 130	2 58 79 105	2 95 09 023

4.2 The details of Security for term loans are Provided in note no. 26

5	LONG TERM PROVISIONS	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Provision for Employee benefits</b>				
	Present Value of Obligation as per AS 15	1 61 40 848		-	
	Fair Value of Plan Asset as at the End	- 84 22 256	77 18 592	-	-
	<b>Total</b>		<b>77 18 592</b>		<b>-</b>

6	TRADE PAYABLES	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Micro Small & Medium Enterprises	-		-	
	Others ( Net)	43 37 57 251	43 37 57 251	18 85 12 799	18 85 12 799
	<b>Total</b>		<b>43 37 57 251</b>		<b>18 85 12 799</b>
6.1	Amount due to Small Scale Industries exceeding Rupees one lac each, outstanding for more than 30 days are not distinctly determinable in absence of any intimation received by the Company from any parties.				

7	SHORT TERM BORROWINGS	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Secured</b>				
	<b>Working Capital Loan From Banks</b>				
	Cash Credit	-		49 90 943	
	Preshipment/Postshipment/ Buyers Credit	51 16 21 994	51 16 21 994	33 59 99 083	34 09 90 026
	<b>Unsecured</b>				
	From Director	47 858		5 63 930	
	Inter Corporate Deposits (For Related Party Transaction Refer Note no. 32)	3 35 45 400	3 35 93 258	5 00 21 070	5 05 85 001
	<b>Total</b>		<b>54 52 15 252</b>		<b>39 15 75 026</b>

7.1	The details of Security for Working Capital Loans from banks are Provided in note no. 26
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8	OTHER CURRENT LIABILITIES	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Current Maturity of Long Term Borrowings (Secured)		10 51 86 805		8 96 78 071
	Current Maturity of Long Term Borrowings Banks (Secured)		10 14 91 474		8 96 78 071
	Current Maturity of Long Term Borrowings from NBFC (Secured)		36 95 331		-
	Sundry Creditors For Expenses		8 35 01 004		6 11 99 640
	Sundry Creditors for Capital Goods		1 15 21 528		1 22 66 368
	Advances Received from Customers		29 75 134		11 59 963
	Statutory Dues Payable		1 86 60 805		46 95 651
	Deposits From Selling Agents		10 23 201		-
	Other Payables		3 64 02 409		3 12 35 541
	<b>Total</b>		<b>25 92 70 885</b>		<b>20 02 35 233</b>

9	SHORT TERM PROVSIONS	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Present Value of Obligation as per AS 15	11 97 450		-	
	Less : Fair Value of Plan Asset as at the End	- 11 97 450	-	-	-
	Provision for Income Tax		7 25 00 000		14 52 08 025
	<b>Total</b>		<b>7 25 00 000</b>		<b>14 52 08 025</b>

**Schedule -10- Depreciation as Per Companies Act  
01/04/2017 TO 31/03/2018**

FIXED ASSETS	Gross Block 01/04/2017	Addition Dur.Yr.	Deduction Dur.Yr.	Gross Block '31/03/2018	Dep.Up To '01/04/2017	Dep.For The Year	Deduction Dur.Yr.	Total Dep '31/03/2018	Net Block '31/03/2018	Net Block '31/03/2017
Air Condition	6,459,671	198,103	-	6,657,774	4,282,315	981,680	-	5,263,995	1,393,778	2,177,355
Computer	16,953,839	1,173,409	-	18,127,248	15,361,492	1,291,321	-	16,652,813	1,474,436	1,592,348
Electrical Equipment	50,621,196	2,495,868	-	53,117,064	31,086,466	5,592,589	-	36,679,055	16,438,009	19,534,730
Factory & Office Equipment	8,719,093	271,023	-	8,990,116	6,865,136	839,244	-	7,704,380	1,285,736	1,853,957
Factory Building	509,744,662	16,298,840	-	526,043,502	198,771,751	30,379,449	-	229,151,200	296,892,302	310,972,911
Fire Fighting Equipment	311,261	-	-	311,261	283,380	9,336	-	292,716	18,545	27,881
Furniture & Fixture	25,316,539	784,516	-	26,101,055	13,543,092	3,328,426	-	16,871,518	9,229,536	11,773,446
Guest House Staff Quarters	25,871,017	-	-	25,871,017	4,631,493	1,042,614	-	5,674,107	20,196,910	21,239,524
Lab Equipment	34,675,679	14,723,119	-	49,398,798	21,594,285	4,022,513	-	25,616,798	23,782,000	13,081,394
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	23,808,547	3,644,624	-	27,453,171	12,148,636	3,777,127	-	15,925,763	11,527,409	11,659,911
Office Premises ( Freehold)	65,375,065	1,150,000	-	66,525,065	3,240,226	3,073,993	-	6,314,219	60,210,846	62,134,839
Office Premises (Leasehold )	36,798,230	-	-	36,798,230	12,637,735	2,788,450	-	15,426,185	21,372,045	24,160,495
Plant & Machinery	809,349,105	56,964,097	-	866,313,202	395,024,422	53,708,152	-	448,732,574	417,580,628	414,324,683
<b>TOTAL</b>	<b>1,998,765,065</b>	<b>97,703,599</b>	<b>0</b>	<b>2,096,468,664</b>	<b>719,470,431</b>	<b>110,834,894</b>	<b>0</b>	<b>830,305,323</b>	<b>1,266,163,341</b>	<b>1,279,294,634</b>
<b>(Previous Year)</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>CAPITAL W.I.P</b>									<b>1 96 87 403</b>	<b>30 30 875</b>

Notes No. 10.1 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.



11	LONG TERM INVESTMENTS	As at 31st March,2018		As at 31st March,2017	
		(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>

12	INVENTORIES	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	(As Valued and certified by Management)				
	Raw Material	26 89 18 683		10 87 31 650	
	Finished Goods	5 12 25 692		4 97 28 344	
	Packing Material	43 37 270		38 57 948	
	Stores and Spares	1 21 14 350	33 65 95 995	52 80 752	16 75 98 694
	<b>Total</b>		<b>33 65 95 995</b>		<b>16 75 98 694</b>

13	TRADE RECEIVABLES	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Unsecured - Considered Good				
	Over 6 months	4 91 58 777		5 40 98 915	
	Others	75 46 86 194	80 38 44 971	47 27 60 349	52 68 59 263
	<b>Total</b>		<b>80 38 44 971</b>		<b>52 68 59 263</b>

14	CASH & CASH EQUIVALENTS	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Cash Balance on Hand				
	Cash in Hand		4 65 332		5 20 223
	Bank Balance with Scheduled Bank				
	In Current Accounts		8 23 90 971		78 78 273
	<b>Total</b>		<b>8 28 56 303</b>		<b>83 98 496</b>

15	OTHER CURRENT ASSETS	As at 31st March,2018		As at 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Advances Receivable in cash or kind or Value to be received		11 61 36 567		7 10 79 498
	Fixed Deposit With Banks (Under Lien for Bank Guarantee )		73 57 932		40 22 000
	Deposit With Public Authorities and Others		2 23 41 462		2 60 36 417
	Advance to Suppliers		97 43 605		57 71 000
	Advance Tax / Tax Deducted at Source		1 65 82 546		10 10 50 594
	<b>Total</b>		<b>17 21 62 112</b>		<b>20 79 59 510</b>

16	REVENUE FROM OPERATIONS	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Local Sales</b>				
	Manufacturing Sales	2 07 44 47 028		1 38 51 30 428	
	Add: Duties & Taxes on Sales	37 48 18 146	2 44 92 65 174	22 74 49 070	1 61 25 79 499
	<b>Export Sales</b>				
	Manufacturing Export Sales	79 64 09 785		65 81 06 735	
	High Seas Sale	-		27 09 581	
	Duties and Taxes on Export Sale	10 44 571	79 74 54 356	63 82 358	66 71 98 674
	Processing Charges		2 43 73 454		2 67 68 286
	<b>Total</b>		<b>3 27 10 92 984</b>		<b>2 30 65 46 459</b>

17	OTHER INCOME	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Dividend Received		7 500		3 825
	Interest on Fixed Deposit Received		15 65 186		7 45 326
	Other Income		-		4 823
	Scrap sale		6 05 311		2 30 641
	Sundry Balances Written back		-		6 33 901
	Reimbursement of sales tax liability		-		8 67 003
	Gain Due to Foreign Exchange Rate Fluctuation		1 84 87 339		2 14 25 936
	<b>Total</b>		<b>2 06 65 336</b>		<b>2 39 11 454</b>

18	COST OF MATERIAL CONSUMED	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Opening Stock	11 25 89 598		11 35 68 876	
	Add: Purchases	1 93 89 78 761		1 07 98 05 553	
	Less: Closing Stock	27 32 55 953	1 77 83 12 406	11 25 89 598	1 08 07 84 831
	Excise Duty & Sales Tax / GST		37 60 08 105		23 41 65 678
	<b>Total</b>		<b>2 15 43 20 511</b>		<b>1 31 49 50 510</b>

19	OTHER DIRECT EXPENSES	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Effluent Treatment Chgs		3 02 60 073		2 61 90 128
	Fuel charges		8 15 09 922		5 91 11 095
	Furnance Oil / LDO		38 60 598		43 35 243
	Freight Forwarding & Transport		7 83 68 229		5 35 65 975
	Material Testing & Inspection Charges		63 60 476		1 27 91 238
	Processing & Labour Charges		7 03 27 122		6 64 03 833
	Power Charges		10 15 57 209		9 39 65 204
	Repairs & Maintenance Plant & Mach.		1 58 28 703		2 02 18 636
	Stores & Spares		98 33 320		1 33 03 633
	Water Charges		1 12 12 961		1 05 21 755
	<b>Total</b>		<b>40 91 18 613</b>		<b>36 04 06 740</b>

20	CHANGES IN INVENTORIES	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Fininshed Goods</b>				
	Opening Stock	4 97 28 344		8 11 86 531	
	Less: Closing Stock	5 12 25 692	- 14 97 348	4 97 28 344	3 14 58 187
	<b>Total</b>		<b>- 14 97 348</b>		<b>3 14 58 187</b>

21	EMPLOYEE BENEFIT EXPENSES	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Salary		19 35 48 396		17 41 41 249
	Staff Welfare		98 52 186		94 76 697
	Provision for Gratuity		32 38 392		31 97 718
	Provident Funds and Other Contributions		98 63 854		88 56 526
	<b>Total</b>		<b>21 65 02 828</b>		<b>19 56 72 190</b>

22	FINANCE COSTS	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Bank Charges		1 07 27 536		80 84 356
	Processing Fees		2 37 300		47 391
	Interest on Buyers Credit		73 61 079		17 40 938
	Interest on C.C., L.C. & P.C. facilities		1 57 71 091		2 27 24 572
	Interest on Unsecured Loan ( Refer note no. 32 for Related Party Transactions)		94 08 476		90 42 252
	Interest On Car Loan		7 26 706		7 84 270
	Interest on Term Loan	3 25 86 485		3 83 98 392	
	Less : Interest Capitalised	- 15 77 972	3 10 08 513	- 7 63 584	3 76 34 808
	<b>Total</b>		<b>7 52 40 702</b>		<b>8 00 58 586</b>

23	Depreciation & Amortization of Expenses	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Depereciation		11 08 34 894		11 34 55 192
	<b>Total</b>		<b>11 08 34 894</b>		<b>11 34 55 192</b>

**23.1** Depreciation on Building has been calculated at the rates provided under Companies Act, 2013 which includes additional charge of Rs. 68,40,299/- ( P.Y. Rs.75,50,234/-) due to revalued assets.

24	OTHER EXPENSES	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Advertisement & Presentation		33 24 611		46 37 832
	Brokerage & Commission		1 19 77 436		67 39 355
	Courier Charges & Telephone Expenses		22 76 742		26 76 805
	Donation		2 37 48 740		1 68 29 000
	Hotel/Boarding/Lodge/ Guest House Exp.		2 85 323		11 40 879
	Insurance		71 49 623		74 98 596
	Interest On Excise, Service Tax & TDS		20 74 894		19 13 860
	Legal & Professional Expenses		1 35 93 381		1 38 67 157
	Loss on sale of Asset		-		4 06 011
	Sundry Balance W/off		21 09 650		-
	Membership & Subscription		5 90 103		6 29 088
	Miscellaneous Expenses		11 81 012		17 41 889
	Motor Vehicle & Fuel Expenses		10 84 058		12 56 874
	Printing & Stationery		32 73 086		34 67 227
	Repairs & Maintenance Building		42 72 729		63 87 107
	Repairs & Maintenance Others		91 87 656		1 16 36 920

24	OTHER EXPENSES	For the year ended on 31st March,2018		For the Year Ended on 31st March,2017	
		(Amount in Rs.)		(Amount in Rs.)	
	Rent Rates & Taxes		42 02 536		51 46 694
	Security & Cleaning Charges		11 85 213		10 94 362
	Seminar Expenses		1 500		12 563
	Travelling & Conveyance Expenses		65 31 951		71 22 511
	Travelling Expenses - Foreign		9 40 772		11 82 134
	<b>Audit Fees</b>				
	Statutory Audit Fees	3 01 000		2 51 000	
	Tax Audit Fees	1 00 000	4 01 000	1 00 000	3 51 000
	Sponsorship Expenses		9 98 136		18 20 690
	<b>Total</b>		<b>10 03 91 649</b>		<b>9 75 58 554</b>

25	Earning Per Share	2017-18	2016-17
A.	Net Profit/ Loss available for Equity shareholders (after tax)	15 18 62 766	7 82 47 468
B.	Weighted number of equity share outstanding during the year	68 99 600	68 84 845
C.	Basic earnings per share of Rs. 10/- each	22.01	11.37

26) 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 reference 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) Loan for Motor Vehicle are secured against respective Motor Vehicles for which Loan is obtained.

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

27) 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.

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

29) 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 2018, 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.

**30) Deferred Tax Liabilities:**

Deferred Tax Assets as on 31<sup>st</sup> March 2018 comprises of the following :

( Amt. in Rs.)

Particulars	As at 31.3.2018	As at 31.3.2017
Timing Difference on account of 1) Depreciation on fixed asset during the year	35 79 625/-	2 67 935/-
<b>Total</b>	<b>35 79 625/-</b>	<b>2 67 935/-</b>

**31) CONTINGENT LIABILITIES:**

- Letter of credits issued by Banks US \$ 17,74,660/- (Previous year US \$ 11,34,455/-)
- Bank Guarantee issued by Bank amount of Rs.173.57 Lakhs (Previous Year Rs. 137.61 Lakhs) to MGVCCL, MPCB, Customs etc.
- Estimated amount of Capital Commitment towards expansion of Manufacturing Unit at Baroda (Gujarat) Rs. 121.48 Lakhs ( P Y :Rs.8 Lakhs)
- Claim Against company not acknowledged as debts:

Central Excise, Custom Duty, Central Sales Tax & GVAT Liabilities Rs 649.44 Lakhs (Previous year Rs. 590.23 Lakhs). 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	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	36,68,161/-	2013-14	Deputy Commissioner of Commercial Tax (Appeals), Baroda
8	Central Sales Tax	Central Sales Tax (Maharashtra) Rules, 1970 and Central Sales Tax Act, 1956	22,52,908/-	2013-14	Deputy Commissioner of Commercial Tax (Appeals), Baroda
	<b>Total</b>		<b>6,49,44,067/-</b>		

### 32) 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 - JMD Mr. Dhananjay Hatle-Director Miss.Namrata Bajaj- Director Mr. Rupesh Nikam- Director & CFO
Relative of key management personnel-Category II	Babita Bajaj Padma Jain Siddhesh Hatle Gayatri Hatle Pakshal Jain
Enterprises owned or significantly influenced by key management personnel or their relatives-Category III	Bajaj Health &Nutritions Pvt Ltd Bansal Pharma Ltd Bajaj Sindhudurg Rice Mills Limited
Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Firm-Category IV	Nil

Transactions with related parties during the year(Amt. in Rs.)

SR NO.	PARTICULARS	CATEGORY I	CATEGORY II	CATEGORY III	CATEGORY IV
1	Remuneration	1,20,28,398/- (98,75,076/-)	5,70,000/- (5,65,000/-)	Nil (Nil)	Nil (Nil)
2	Rent Paid	Nil (Nil)	Nil (Nil)	12,000/- (12,000/-)	Nil (Nil)
3	Interest Paid (net of interest recd)	Nil (534,431/-)	Nil (Nil)	94,08,476 /- (79,24,534/-)	Nil (Nil)



4	Sponsorship For Education	Nil (Nil)	9,98,136/- (Nil)	Nil (Nil)	Nil (Nil)
5	Balance outstanding as on 31.3.2018 of Long Term Unsecured loan taken	Nil (Nil)	Nil (Nil)	1,67,88,844 /- (2,10,15,910/-)	Nil (Nil)
6	Balance outstanding as on 31.3.2018 of Short Term Unsecured loan taken	47,858/- (5,63,930/-)	Nil (Nil)	3,35,45,400/- (5,00,21,070/-)	Nil (Nil)
7	Purchase	Nil (Nil)	Nil (Nil)	Nil (19,53,600/-)	Nil (Nil)
8	Sale of Machinery	Nil (Nil)	Nil (Nil)	Nil (1,35,714)	Nil (Nil)

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

**Long Term Borrowings Include:**

Sr.no.	Name of the Party	Year	Opening	Closing
1	Bajaj Health & Nutritions Pvt Ltd	C Y	2,10,15,910/-	1,67,88,844/-
		P Y	(3,62,02,748/-)	(2,10,15,910/-)

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

**Short Term Borrowings Include:**

Sr.no	Name of the Party	Year	Opening	Closing
1	Bajaj Health & Nutritions Pvt Ltd	C Y	4,64,33,807/-	2,97,37,857/-
		P Y	(3,33,64,254/-)	(4,64,33,807/-)
2	Bansal Pharma Limited	C Y	35,87,263/-	38,07,543/-
		P Y	(33,02,010/-)	(35,87,263/-)
3	S K R Bajaj	C Y	4,48,045/-	Nil
		P Y	(81,22,164/-)	(4,48,045/-)
4	Anil Jain	C Y	68,027/-	Nil
		P Y	(3,60,000/-)	(68,027/-)
5	Namrata Bajaj	C Y	47,858/-	47,858/-
		P Y	Nil	(47,858/-)

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

**Income and Expenditure:**

- I. Purchase includes purchase from Bajaj Health & Nutrition Pvt Ltd Rs. Nil ( P Y Rs 19,53,600/-).
- II. Machinery sold to Bajaj Sindhudurg Rice Mills Limited Rs. Nil ( P Y Rs. 135714)
- III. Rent Paid Includes paid Bansal Pharma Ltd Rs.12,000( P Y Rs. 12,000/-).
- IV. Remuneration includes payment to S K R Bajaj Rs.48,00,000/- (P Y Rs. 48,00,000/-), Anil Jain Rs.36,00,000/- ( P Y Rs.18,00,000/-), to Dhananjay S Hatle Rs.12,11,000/- (P Y Rs. 10,80,000/-), to Namrata Bajaj Rs. 9,87,500 /- ( P Y Rs. 9,00,000/-), to Rupesh H Nikam Rs. 14,29,898/- ( P Y Rs.12,95,076), to Babita Bajaj Rs.3,00,000 /- ( P Y Rs. 3,00,000/-), and to Padma Jain Rs.2,70,000/- ( P Y Rs. 2,65,000/-).
- V. Interest payment includes payment to Bansal Pharma Ltd Rs. 4,00,522 /- P Y (Rs. 4,11,565/-) , to Bajaj Health and Nutritions Pvt Ltd Rs. 90,07,954 /- ( P Y Rs. 75,12,969/-) , to SKR Bajaj: Rs. Nil ( P Y Rs. 40,632/-) and to Anil Jain Rs. Nil ( P Y Rs. 4,93,799/-).
- VI. Sponsorship payment for education includes payment made to Ms. Gayatri Hatle Rs. 4,04,716 ( P Y Rs. Nil); to Siddhesh Hatle Rs. 3,39,450/- ( P Y Rs. Nil); to Pakshal Jain Rs. 2,53,970/- ( P Y Rs. Nil).

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

**33) Segment Information as per Accounting Standard 17:**

Information about Primary Business Segments

(Rupees in lakhs)

Particulars	Year	Bulk Drugs	Formulations	Total
<b>Revenue :</b>				
Segment Revenue ( Excluding Intersegment Revenue)	CY	32,053.51	657.42	32710.93
	PY	(22,329.66)	(735.80)	(23,065.46)
Segment Revenue (Intersegment Revenue)	CY	752.49	80.71	833.20
	PY	(734.50)	Nil	(734.50)
Gross Segment Revenue ( Including Intersegment Revenue)	CY	32,806.00	738.13	33544.13
	PY	(23064.17)	(735.80)	(23799.97)

Segment Results :				
Profit/Loss (Before Tax & Finance Cost)	CY	4,051.71	-211.81	3,839.90
	PY	(3184.94)	(-248.52)	(2936.42)
Less: Finance Cost	CY	-	-	752.41
	PY	-	-	(800.59)
Less : Other Unallocable Expenditure (Net)	CY	-	-	819.03
	PY	-	-	(766.86)
Total Profit Before Tax	CY	-	-	2,268.46
	PY	-	-	(1368.98)

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

Information about Secondary Segments: Geographical

(Rupees in lakhs)

Particulars	India		Outside India		Total	
	2018	2017	2018	2017	2018	2017
Gross Sales *	25,569.59	17,127.98	7,974.54	6,671.99	33,544.13	23,799.97
Less: Taxes	3,748.18	2,274.49	10.45	63.82	3,758.63	23,38.31
Net Sales	21,821.40	14,853.49	7,964.10	6,608.16	29,785.50	21,461.66

\* Gross Sales Includes Intersegment sales and taxes.

**- 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.

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

**Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	2017-18	2016-17
Employer's Contribution to Provident and Pension Fund	90,48,645	78,42,179

**Defined Benefit Plan**

**i. Reconciliation of opening and closing balances of Defined Benefit Obligation:**

Particulars	2017-18	2016-17
Defined Benefit Obligation at beginning of the year	1,55,53,840	15,75,267
Interest Cost	-	-
Past Service Cost	11,34,625	1,14,912
Current Service Cost	25,40,601	23,30,082
Actuarial (Gain) / Loss	2,23,064	1,17,39,902
Benefits Paid	(21,13,832)	(2,06,323)
Defined Benefit Obligation at year end	1,73,38,298	1,55,53,840

**ii. Reconciliation of opening and closing balances of fair value of Plan Assets :**

Particulars	2017-18	2016-17
Fair value of Plan Assets at beginning of year	82,86,710	51,58,195
Fair value of Plan Assets at year end	96,19,706	82,86,710

**iii. Reconciliation of fair value of Assets and Obligations :**

Particulars	2017-18	2016-17
Fair value of Plan Assets	96,19,706	82,86,710
Present value of Obligation	1,73,38,298	1,55,53,840
Net Liability recognised in Balance Sheet	77,18,592	72,67,130

iv. Expenses recognised during the year :

Particulars	2017-18	2016-17
Current Service Cost	25,40,601	23,30,082
Interest Cost	11,34,625	1,14,912
Expected Return on Plan Assets	(6,04,501)	Nil
Actuarial (Gain) / Loss	1,67,667	1,13,07,436
Net Cost	32,38,392	1,37,52,430

v. Actuarial Assumptions :

Particulars	2017-18	2016-17
Discount Rate (%)	7.30	7.70
Expected Return on plan assets (%)	7.30	7.70
Rate of escalation in Salary (per annum) (%)	5.00	5.00

35) EXPENDITURE IN FOREIGN CURRENCY:

	<u>31/03/2018</u>	<u>31/03/2017</u>
CIF Value of Import in	Rs. 115,87,97,013/-	Rs. 65,56,97,589/-
Other Expenses in	Rs. 56,52,658/-	Rs. 46,71,541/-

36) INCOME IN FOREIGN CURRENCY:

	<u>31/03/2018</u>	<u>31/03/2017</u>
FOB Value of exports in	Rs. 73,60,94,357/-	Rs. 61,37,88,086/-

37) 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 17th August, 2016 for the purpose of section 35(2AB) of the Income Tax Act, 1961 valid till 31<sup>st</sup> March 2019 subject to the condition underline therein.
- There under, the company has claimed a weighted deduction of 150% of the following expenditure incurred wholly and exclusively for the Research & Development Activity so approved.

(Amt In Lakhs)

Nature of Expenditure	2017-18	2016-17
<u>Revenue Expenditure:</u>		
Salary Expenses of R&D Personnel	97.40	84.17
R & D Chemical Purchase	10.24	3.99
Stores & Spares & Consumables in R & D	4.70	4.53
Sample Testing Charges	1.90	-----
Travelling & Other Exp.	0.23	0.35
Common Utilities Expenses	22.16	22.45
<u>Capital Expenditure:</u>		
Laboratory Equipment	9,9.56	4.61
Furniture & Fixtures	0.40	0.58
Computer	0.26	0.25
Other Electric Equipment	0.33	0.57
<b>TOTAL</b>	<b>237.18</b>	<b>121.50</b>

38) EVENT OCCURRING AFTER THE BALANCE SHEET DATE:

- The CH Base unit of the company situated at Plant No. 09 at Baroda suffered accidental fire on 21<sup>st</sup> April, 2018, where the company has estimated damage of Rs. 410 Lakhs, on account of repair and replacement of capital goods, stock of Raw Material, Wip of CH base products. The management however expect to recover the entire loss from the insurance claim.
- The Board of Directors have recommended a Final Dividend of Rs. 1/- on every Equity Shares of Rs. 10 Each for financial year 2017-18, subject to approval of Shareholders.

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

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

Our Board of Directors



Board of Directors in above image from left:

- Mr. Ram Banarase – Independent Director
- Mr. Rupesh Nikam – CFO & Whole Time Director
- Mr. Sajankumar Bajaj - Chairman & Managing Director
- Ms. Namrata Bajaj - Whole Time Director
- Mr. Anil Jain - Jt. Managing Director
- Mr. Vidyut Shah - Independent Director
- Mr. Dhananjay Hatle - Whole Time Director



**BAJAJ**