

26th Annual Report

BAJAJ
HEALTHCARE
LIMITED

2018-2019





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
Mr. Avinash Dalal	- Independent Director
Mr. Loukik D. Tipnis	- 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

<p><u>REGISTERED OFFICE:</u></p> <p>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</p>	<p><u>REGISTRAR & TRANSFER AGENT:</u></p> <p>Sharex Dynamic (India) Private Limited C-101, 24*7 Park, L B S Marg, Vikhroli West, Mumbai-400083. E-mail Id: support@sharexindia.com Website: www.sharexindia.com</p>
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Mr. Sajankumar R. Bajaj
Chairman & Managing Director

Chairman's Message

Dear Shareholder's,

I am delighted to welcome you all for Twenty Sixth 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
Tarapur,
Maharashtra

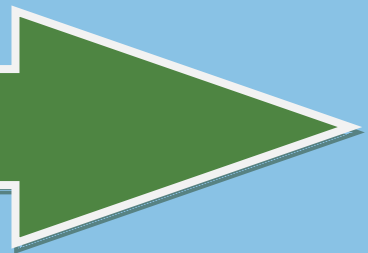
Unit-III
Formulation Division
Vadodara, Gujarat

Unit-V
Tarapur,
Maharashtra

1993-----2006-----2008-----2014-----2014

Unit-II
Vadodara,
Gujarat

Unit-IV
Ankleshwar,
Gujarat



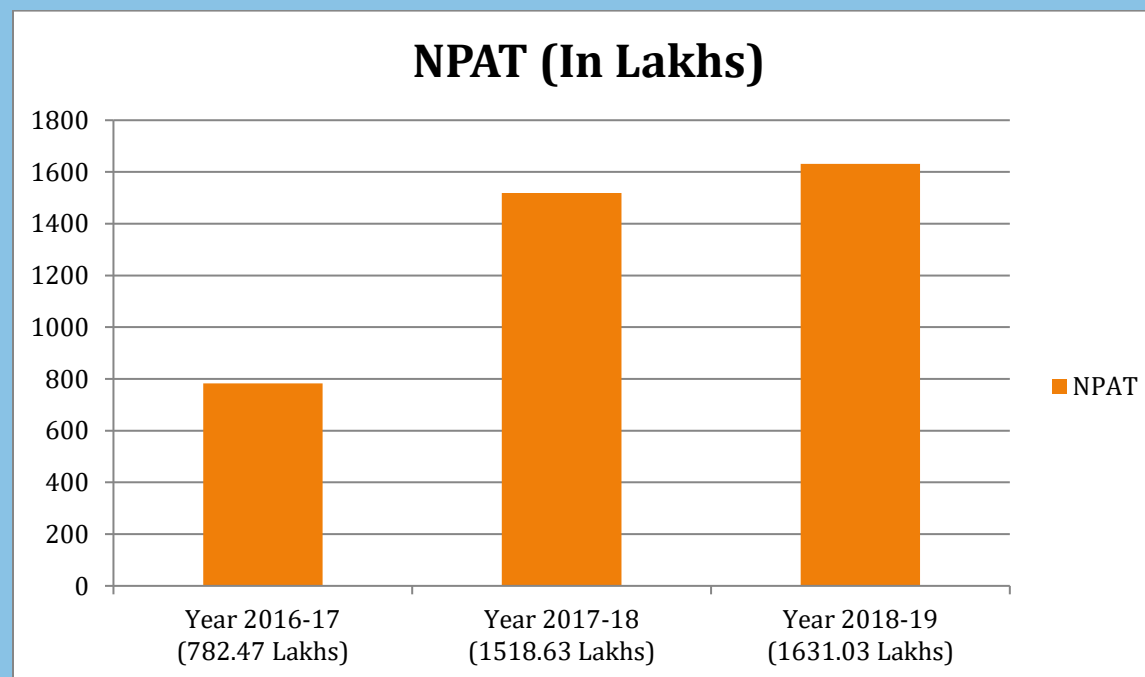
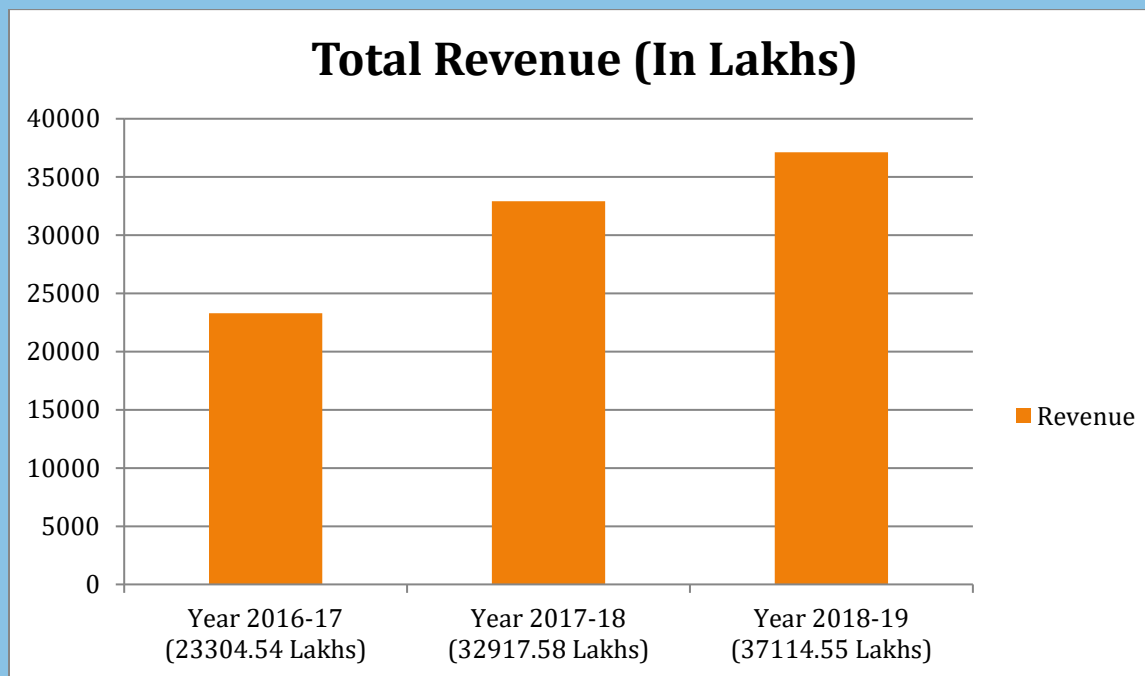


Manufacturing units:





Performance of Company:



Corporate Social Responsibility:

At Bajaj Healthcare Limited, we believe that contributing back to the society is not only a RESPONSIBILITY but a COMMITMENT of our Company. Our little value addition to the betterment of society is a part of our mission, in line with our commitment to human health. Image of CSR activities of last few years are as follows:

अपने पुत्र्य माता-पिता स्व., श्रीमती वारादेवी एवं स्व., श्री रामेश्वर लाल बजाज की स्मृति में श्री राजन बजाज, बजाज हेल्थकेयर लि., मुम्बई-बड़ोदरा द्वारा 400 आदिवासी कन्याओं के लिए निर्मित

कृष्णा दीदी कन्या छात्रालय का लोकार्पण

रविवार, 17 अप्रैल 2016, दोप. 11.00 बजे से

स्थान : 'श्री सद्गुरुदेव', बड़ोदरा ज्योतिर्लिंग तीर्थ, श्री विद्य शोक बरवाला, सा. परबपुर, जिला-बलसाड (गुजरात)

अतिथि विशेष : श्री मंजुश्री परेल
अतिथि अति-सौभाग्यवाना

मुख्य अतिथि : श्रीमती आनन्दी देव परेल
सुभाषिणी

प्रेल्पात्रित
परमपुत्र श्रीसद्गुरुदेव परमवर्ती आचार्य महासन्देशेवर
स्वामी श्री विद्यानन्द सरस्वती जी महाराज

आयोजक : श्री सद्गुरुदेव स्वामी अखण्डानन्द मेमोरियल चेरिटीबल ट्रस्ट
(गुजरात के अतिथिती क्षेत्र बड़ी से बड़ी सब जिला, बंशवाडा, बलसाड, बलसाड, श्रीमती परविसासन, श्रीमती, सद्गुरुदेव बरवाला हेतु अतिथि बंशवाडा)
बड़ोदरा ज्योतिर्लिंग तीर्थ, श्री विद्य शोक बरवाला, परबपुर, बलसाड (गुजरात) फोन : 37574834297, 99898715005
ई-मेल : sadgurudev@rediffmail.com वेब : www.sadgurudevcharitable.org

सुभकायनाओं सहित : बजाज हेल्थकेयर लि., मुम्बई (महा.) - बड़ोदरा (गुजरात)









CONTENT

PARTICULARS	PAGE NO.
Director's Report	1
Corporate Governance Report	29
Management Discussion Analysis	45
Independent Auditors Report	54
Balance Sheet	63
Statement of Profit & Loss Accounts	64
Cash Flow Statement	65
Notes to Accounts	66

DIRECTORS' REPORT

To,
The Members
Bajaj Healthcare Limited

Your Directors have pleasure in presenting 26th Annual Report and the Audited Financial Statements of your company for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE OF THE COMPANY:

Particulars	(Rs. In Lakhs)	
	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
Gross Income	37,114.55	32,917.58
Profit before Interest, Depreciation & Tax	4359.76	4,129.22
Finance Charges	801.78	752.41
Provision for Depreciation	1141.00	1108.35
Profit before Tax	2416.97	2268.46
Less: Current Tax /Deferred Tax	785.94	749.84
Net Profit after Tax	1631.03	1518.63
Surplus carried to Balance Sheet	1631.03	1518.63
Earnings Per Share	23.64	22.01

The Company's Gross Turnover for the year increased to Rs. 37,017.37 lakhs as compared to last year's Rs. 32,710.93 Lakhs, which includes the Domestic Turnover of Rs. 29,536.67 Lakhs as compare to last year's Domestic Turnover was Rs. 24,736.39 Lakhs and the Export Turnover of Rs.7,480.71 Lakhs as compared to last year's export turnover of Rs. 7,974.54 Lakhs.

The net profit after tax during the year amounted to Rs. 1,631.03 Lakhs as compared to net Profit of Rs.1,518.63 Lakhs in the previous year.

DIVIDEND AND RESERVES:

In order to conserve the resources for future business requirements, your Directors do not recommend dividend for the year under review.

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 ("Act"), 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) (J) OF THE COMPANIES ACT, 2013:

The Company has not transferred any amount to General Reserves for the financial year 2018-2019.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Details of unpaid dividend is a part of Corporate Governance.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

Migration of Equity Shares from BSE SME Platform to BSE Mainboard Platform:

The equity shares of the Company which were listed on BSE SME Platform, has now been migrated & admitted to dealings on the Mainboard Platform of BSE Limited w.e.f. May 29, 2019.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

The Company has no Subsidiary, Joint venture or Associate Company.

SHARE CAPITAL:

Increase in Authorized Share Capital:

During the year, the Authorized Share Capital of the Company was increased from Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 (One Crore Forty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Bonus Shares:

The Company has issued and allotted 68,99,600 Bonus shares to the Equity Shareholders in the ratio of 1:1 (i.e. One fully paid up equity share of Rs, 10/- each for one fully paid up equity share).

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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 10 Directors comprising of five Executive Directors out of which one is woman director. Further, the Board also comprises of Five Non-Executive Independent Directors.

Appointment/Re-appointment of Directors in AGM:

Shri Avinash Dalal and Shri Loukik Tipnis were appointed as Additional Independent Directors of the Company w.e.f April 22, 2019 upto the date of ensuing Annual General Meeting. The Board have proposed to appoint them as Independent Directors of the Company, for the period of 5 (five) consecutive years, which is subject to approval of the shareholders of the Company. The Company has received their declarations as required under the provisions of section 164(2) of the Companies Act, 2013. The Board recommends their re-appointment.

Director retires by rotation:

Ms. Namrata Bajaj, Director of the Company, retires by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The Board recommends her 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 appointed/re-appointed is furnished along with the Explanatory Statement to the Notice to the 26th Annual General Meeting of the Company.

Key Managerial Personnel:

Pursuant to the provisions of Sections 2(51), and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of the Company as on 31st March 2019 are Mr. Sajankumar Bajaj, Managing Director, Mr. Rupesh Nikam, Whole-time Director & Chief Financial Officer and Mr. Aakash Kesari, Company Secretary & Compliance Officer.

During the year under review, Ms. Avani Mehta has tendered her resignation from the post of Company Secretary & Compliance Officer w.e.f 3rd April 2018. The Directors at their meeting held on May 29, 2018 appointed Mr. Aakash Kesari as the "Company Secretary & Compliance Officer" of the Company w.e.f. 4th April 2018, pursuant to Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Declaration by Independent Director(s):

The Company has received necessary declarations 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 Act.

The details of meetings of the Board are provided in the Report on Corporate Governance that forms part of this Annual Report.

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 19th February, 2019 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

Committees of the Board

The Board has constituted a set of committees in accordance with the requirements of the Act. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The statutorily mandated committees constituted under the provisions of the Act and Listing Regulations are Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee. A detailed note on the composition of Board and its committees is provided in the Corporate Governance Report forming part of this Annual Report.

Pursuant to the Provision of Section 178 of the Act 2013 and Regulation 19 of Listing Regulation and on recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a policy on Criteria for Selection and Appointment of Directors, Senior Management Personnel and their remuneration. Nomination and Remuneration policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management team and other employees of the Company and the same has been annexed to this Report and marked as "Annexure-A" and is also available on the Company's Website www.bajajhealth.com.

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 'Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities' ("the Code") in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PITRegulations). 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.

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 adequately protected.

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 22nd AGM held on 30th September, 2015 to hold office until the conclusion of the 27th 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 Auditors & 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, 2020.

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, 2020.

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 2018-19 was placed before Board Meeting and it does not contain any reservation, qualification or adverse remark.

Internal Auditor and their report:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, Ms. Neha Gupta, Cost Accountant has been appointed as Internal Auditor of the Company for the financial Year 2019-20. The Internal Auditor submits her reports to the Audit Committee on periodic basis. Based on the report of Internal Audit, management undertakes corrective action in their respective areas and thereby strengthens the controls.

Secretarial Auditor and their report:

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, 2019 is enclosed as **Annexure II** to the Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

Reporting of fraud by Auditors

During the FY under review, the Auditors of the Company have not identified or reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to the Audit Committee.

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:

Pursuant to Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, details of loans made, guarantee issued, investments made or securities provided by the Company have been disclosed in the Financial Statements.

Cash Flow Analysis:

The cash flow statement for the year ended 31st March, 2019 is annexed with the financial statements.

Particulars of Employees:

Information required in accordance with Section 197 (12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of the Board's Report for the year ended 31st March, 2019 is provided in **Annexure III** to Board's Report.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various practices and always endeavors to provide an environment that is free from discrimination. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. 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 2018-19, ICC did not receive complaints of sexual harassment from any employees.

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

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.

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.

CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section and forms part of this Report.

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 Act, in the preparation of annual accounts for the year ended on 31st March, 2019 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 Act 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 Act 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 31st 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.

(` . in Lakhs)

Nature of Expenditure	2018-19	2017-18
Revenue Expenditure:		
Salary Expenses of R&D Personnel	102.03	97.40
R & D Chemical Purchase	45.42	10.24
Stores & Spares & Consumables in R & D	-	4.70
Sample Testing Charges	-	1.90
Travelling & Other Exp.	0.18	0.23
Common Utilities Expenses	23.21	22.16

Nature of Expenditure	2018-19	2017-18
<u>Capital Expenditure:</u>		
Laboratory Equipment	61.55	9,9.56
Furniture & Fixtures	-	0.40
Computer	-	0.26
Other Electric Equipment	-	0.33
TOTAL	232.39	237.18

IV. Foreign Exchange Earning and Outgo:

Earnings:

Foreign Currency inflow amounting to Rs. 78,88,33,740/-

Outgo:

Foreign Currency outgo amounting to Rs. 1,34,27,40,681/-.

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.

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.

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 of Bajaj Healthcare Limited

Sd/-

Sajankumar Bajaj

Chairman and Managing Director

DIN: 00225950

Date: 14th August, 2019

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@bajajhealth.com;
Website: www.bajajhealth.com
- vi. Whether Listed Company** :Yes, Listed -BSE Limited on SME Platform on dated 10th May, 2016 and migrated to main board of BSE Limited w.e.f. May 29, 2019.

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

M/s. Sharex Dynamic (India) Private Limited.
C-101, 24*7 Park, L B S Marg,
Vikhroli West, Mumbai-400083.,
Website: www.sharexindia.com,
Email: support@sharexindia.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	99.74

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 01.04.2018)				No. of shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
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	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	4641000	-	4641000	67.26	4641000	-	4641000	67.26	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4641000	-	4641000	67.26	4641000	-	4641000	67.26	-
B. Public Shareholding									
1. Institutions									
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	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-

2. Non-Institutions:									
a) Bodies Corp.									
i) Indian	1452000	435000	1887000	27.35	1445200	435000	1880200	27.25	-0.098
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	101200	-	101200	1.47	102800	-	102800	1.49	0.023
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	184000	-	184000	2.67	274400	-	274400	3.98	1.310
c) Others (specify)									
Trusts	-	-	-	-	-	-	-	-	-
Clearing member	86000	-	86000	1.25	400	-	400	0.006	-1.24
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	400	-	400	0.006	800	-	800	0.012	00.006
Non Resident Indians (Non-Repat)	-	-	-	-	-	-	-	-	-
Foreign Companies	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Independent Directors	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	1823600	435000	2258600	32.735	1823600	435000	2258600	32.735	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1823600	435000	2258600	32.735	1823600	435000	2258600	32.735	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	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 01.04.2018)			No. of shares held at the end of the year (As on 31.03.2019)			% 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	-
TOTAL	4641000	67.27	N.A	4641000	67.27	N.A	-

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

	No. of shares held at the beginning of the year (As on 01.04.2018)		Cumulative at the end of the year (31.03.2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sajankumar R. Bajaj				
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
Babita S. Bajaj				
At the beginning of the year	376000	5.45		
Changes during the year:	No Change during the year			
At the End of the year			376000	5.45
Namrata S. Bajaj				
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
Nihita S. Bajaj				
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
Anil C Jain				
At the beginning of the year	359000	5.20		
Changes during the year	No Change during the year			
At the End of the year			359000	5.20

Padma A. Jain				
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
S K R Bajaj HUF				
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
Bajaj Health & Nutrition Private Limited				
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
Bansal Pharma Limited				
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 01.04.2018)		Cumulative at the end of the year (31.03.2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Progyan Construction and Engineers Pvt Ltd				
At the beginning of the year	0	0.00		
Changes during the year				
Particulars	Shares	Date		
Buy	516900	15-06-2018	516900	7.492
Buy	12000	22-06-2018	528900	7.666
At the End of the year			528900	7.666
2. Maa Sharada Distributors Private Limited				
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
3. Shri Ravindra Media Ventures				
At the beginning of the year	184700	2.67		
Changes during the year				
Particulars	Shares	Date		
Buy	85600	22-06-2018	270300	3.918
At the End of the year			270300	3.918
4. Escorp Asset Management Limited				
At the beginning of the year	196000	2.84		
Changes during the year				
Particulars	Shares	Date		
Buy	30000	06-07-2018	226000	3.276
Buy	7600	13-07-2018	233600	3.386
Buy	4000	29-03-2019	237600	3.444
At the End of the year			237600	3.444

5. Aryaman Capital Markets Limited					
At the beginning of the year			205600	2.98	
Changes during the year					
Particulars	Shares	Date			
Sold	-29600	06-04-2018		176000	2.551
Buy	6800	13-04-2018		182800	2.649
Sold	-800	20-04-2018		182000	2.638
Buy	1600	27-04-2018		183600	2.661
Buy	6400	04-05-2018		190000	2.754
Buy	1600	11-05-2018		191600	2.777
Buy	3600	18-05-2018		195200	2.829
Buy	3600	25-05-2018		198800	2.881
Buy	800	01-06-2018		199600	2.893
Buy	3200	08-06-2018		202800	2.939
Sold	-1200	15-06-2018		201600	2.922
Sold	-400	29-06-2018		201200	2.916
Sold	-29600	06-07-2018		171600	2.487
Buy	4800	13-07-2018		176400	2.557
Buy	400	17-08-2018		176800	2.562
Sold	-800	14-09-2018		176000	2.551
Buy	400	21-09-2018		176400	2.557
Sold	-4000	28-09-2018		172400	2.499
Sold	-4400	05-10-2018		168000	2.435
Buy	800	12-10-2018		168800	2.447
Buy	400	26-10-2018		169200	2.452
Buy	400	02-11-2018		169600	2.458
Sold	-400	16-11-2018		169200	2.452
Sold	-3200	30-11-2018		166000	2.406
Sold	-400	07-12-2018		165600	2.400
Buy	400	14-12-2018		166000	2.406
Sold	-400	11-01-2019		165600	2.400
Sold	-800	18-01-2019		164800	2.389
Buy	400	25-01-2019		165200	2.394
Buy	3600	08-02-2019		168800	2.447
Buy	400	15-02-2019		169200	2.452
Sold	-800	22-02-2019		168400	2.441
Sold	-1200	01-03-2019		167200	2.423
Sold	-400	08-03-2019		166800	2.418
Buy	400	15-03-2019		167200	2.423
Sold	-800	22-03-2019		166400	2.412
Sold	-5200	29-03-2019		161200	2.336
At the End of the year				161200	2.336
6. Vinod Harilal Jhaveri					
At the beginning of the year			Nil	Nil	
Changes during the year:					
Particulars	Shares	Date			
Buy	115200	06-04-2018		115200	1.670
Buy	30000	13-04-2018		145200	2.104
At the End of the year				145200	2.104
7. Tia Enterprises Private Limited					
At the beginning of the year			143600	2.08	
Changes during the year			No Change during the year		
At the End of the year				184700	6.68

8. MBM Bearing (Rajasthan) Private Limited				
At the beginning of the year	68000	0.99		
Changes during the year				
At the End of the year			68000	0.99
9. Bipin Chabildas Shah				
At the beginning of the year	51600	0.75		
Changes during the year	No changes			
At the End of the year			51600	0.75
10. Mukesh M Shah				
At the beginning of the year	35200	0.51		
Changes during the year				
At the End of the year			35200	0.51

(v) Shareholding of Directors and Key Managerial Personnel:

	No. of shares held at the beginning of the year (As on 01.04.2018)		Cumulative at the end of the year (As on 31.03.2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Sajankumar Bajaj				
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
Ms. Namrata Bajaj				
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
Mr Anil Jain				
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
Mr. Dhananjay Hatle				
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
Mr. Rupesh Nikam, Director & CFO				
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
Mr. Vidyut Shah (Independent Director)				
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
Mr. Hemant Karnik (Independent Director)				
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
Mr. Ram Banarase (Independent Director)				
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

#Ms. Avani Mehta (Company Secretary)				
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
^Mr. Aakashkumar Keshari (Company Secretary)				
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

Avani Mehta has resigned with effect from 03rd April, 2018.

^ Mr. Aakashkumar Keshari has been appointed w.e.f. 4th 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
Indebtedness at the beginning of the financial year:				
i) Principal Amount	81,47,71,370	5,03,82,102	NIL	86,51,53,472
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	81,47,71,370	5,03,82,102	NIL	86,51,73,472
Change in Indebtedness during the financial year				
• Addition	-	-	NIL	-
• Reduction	4,14,83,698	1,64,08,136	NIL	(5,78,91,835)
Net Change	(4,14,83,698)	(1,64,08,136)	NIL	5,78,91,835
Indebtedness at the end of the financial year				
i) Principal Amount	77,32,87,672	3,39,73,966	NIL	80,72,61,637
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	77,32,87,672	3,39,73,966	NIL	80,72,61,637

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration						(In Rs.)
	Mr. Sajankumar R. Bajaj (Chairman and Managing Director)	Mr. Anil C. Jain (Managing Director)	Mr. Dhananjay S. Hatle (Whole Time Director)	Ms. Namrata S. Bajaj (Whole Time Director)	Mr. Rupesh H. Nikam (Whole Time Director & CFO)	Total Amount
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	36,00,000	12,31,667	10,12,917	14,93,076	1,21,37,660
(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	-	-	-	-	-	-
Total (A)	48,00,000	36,00,000	12,31,667	10,12,917	14,93,076	1,21,37,660
Ceiling as per the Act	As approved by the Shareholders, within the limit					

B. REMUNERATION TO OTHER DIRECTORS:

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	85,000	85,000	10,000	1,80,000
• Commission	-	-	-	-
• Others	-	-	-	-
Total (1)	85,000	85,000	10,000	1,80,000
Other Non-Executive Directors				
• Fee for attending board / committee meetings	-	-	-	-
• Commission	-	-	-	-
• Others	-	-	-	-
Total (2)	-	-	-	-
Total (B)=(1+2)	1,80,000	-	-	1,80,000
Total Managerial Remuneration	1,23,17,660			
Overall Ceiling as per the Act	NA			

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

(In Rs.)

Particulars of Remuneration				
	#Ms. Avani Mehta (Company Secretary)	^Mr. Aakashkumar Keshari (Company Secretary)	Mr. Rupesh Nikam (CFO)	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6,36,004	14,93,076	21,29,080
(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	-	-	-	-
Total		6,36,004	14,93,076	21,29,080

Avani Mehta has appointed w.e.f 1st July, 2018 and resigned on 03rd April, 2018.

^ Mr. Aakashkumar Keshari has been appointed w.e.f. 4th 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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[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 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 31st March, 2019. 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 2019, 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 2019, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (effective from 3rd October, 2018); and
 - (d) 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (ii) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (iii) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (v) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - (vi) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments, External Commercial Borrowings were not attracted during the year under review;

Haresh Sanghvi
Practicing Company Secretary

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 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 of e-Form CRA-4 for 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. During the period under review. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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, all 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 except:

1. Increase in the Authorized Share Capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 (One Crore Forty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each;
2. Approval by the members of the Company for issue of 68,99,600 Bonus shares to the Equity Shareholders in the ratio of 1:1 (i.e. One fully paid up equity share of Rs, 10/- each for one fully paid up equity share); and
3. Approval by the members of the Company for Migration of Company's equity shares from BSE SME platform to BSE mainboard platform

Sd/-

HARESH SANGHVI
Practicing Company Secretary
FCS 2259/COP No. 3675

Date: 14th August, 2019
Place: Mumbai

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 following laws and regulations, as amended from time to time, are 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 Employee (Conditions of Service) Act, 1976;
 - x. The Petroleum Act, 1934;
 - xi. The Legal Metrology Act, 2009;
 - xii. The Indian Boiler Act,1923;
- b) All General Laws related to Direct and Indirect Taxation, Labour Laws and other incidental laws as applicable.

Sd/-
HARESH SANGHVI
Practicing Company Secretary
FCS 2259/COP No. 3675

Date: 14th August, 2019
Place: Mumbai.

ANNEXURE- B

**The Members,
BAJAJ HEALTHCARE LIMITED
602-606, Bhoomi Velocity Infotech Park,
Plot No. B-39, B-39A, B-39 A/1, Rd No.23,
Wagle Ind. Estate Thane West 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. My responsibility is to express an opinion on these secretarial records based on my 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. I believe that the processes and practices I followed, provide a reasonable basis for my 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 No. 3675**

**Date: 14th August, 2019
Place: Mumbai**

ANNEXURE-III

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19, 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 2018-19	Ratio of the remuneration of each director to the median remuneration of the employees.
1	Mr. Sajankumar R. Bajaj (Chairman & Managing Director)	Nil	21.84: 1
2	Mr. Anil C Jain (Managing Director)	Nil	16.38:1
3	Mr. Dhananjay S. Hatle Whole Time Director (WTD)	Nil	5.64:1
4	Mr. Namrata S Bajaj Whole Time Director (WTD)	Nil	4.62:1
5	Mr. Rupesh H Nikam Whole Time Director (WTD) & Chief Financial Officer (CFO)	7.64	6.79:1
6	Ms. Avani Mehta (Company Secretary) ^	N.A.	N.A.
7.	Mr. Aakashkumar Keshari*	40.94	2.93:1

^ Ms. Avani Mehta (Company Secretary) has resigned w.e.f. April 03, 2018.

* Mr. Aakashkumar Kesari has been appointed as Company secretary with effect from April 04, 2018.

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

The % increase in median remuneration of employee is 5.02%.

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

There are 701 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	79	0	79
Tarapur Unit	56	37	93
Savli Unit	239	117	356
Manjusar Unit	63	24	87
Panoli Unit	30	23	53
Intermediate Unit	12	21	33

- 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 6.91% 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, 2019 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. 16,62,44,399/-

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 33,24,888/-

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year: Rs. 138.69 Lakhs

b) Amount unspent, if any: NIL

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

(1) r. No.	(2) CSR project or activity identified	(3) Sector in which project is covered	(4) Projects or programs (1) Local area (2)Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs. Sub-heads (1)Direct expenditure (2) Overheads	(7) Cumulative expenditure upto the date of reporting	(8) Amount spent direct or through agency
1.	Donation to Shree Sadguru Swani Akhandand Trust - Opening a hostel for adivasi women	Promoting education, including special education And environment	Sad Guru Dham, Tiyodas Jyotiling Tirth, Taluka-Dharampur, Valsad (Gujrat).	Year wise- Rs. 1,20,00,000 Total Budget- Rs. 5,00,00,000	Rs. 30,46,000/-	Rs. 3,69,70,000/-	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. 53,15,000/-	Rs. 1,14,15,000/-	Directly
3.	Development of Rajkiya Up-Swastha Kendra Khiwandi (Pali) for promoting health care including preventinve health care	Promoting health care including preventinve health care	Khiwandi (pali)	Year wise- Rs. 1,00,00,000 Total Budget- Rs. 5,00,00,000	Rs. 55,07,699/-	Rs. 55,07,699/-	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.



**ANNEXURE- A
REMUNERATION POLICY
OF
BAJAJ HEALTHCARE LIMITED**

FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

1. Preamble:

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.2 The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
 - 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
 - 2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
 - 2.1.3 The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
 - 2.1.4 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the board members and the Executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4 Nomination and Remuneration Committee

- 4.1 Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 4.2 The Committee shall be responsible for
 - 4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
 - 4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
 - 4.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
 - 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 4.3 The Committee shall:
 - 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
 - 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
 - 4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.
- 4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:
 - 4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
 - 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity and
 - 4.4.3 review the terms of executive Directors' service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

- 5.1 Board membership criteria: The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.
- 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board.

6. Procedure for selection and appointment of Executives other than Board Members

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 6.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

7 Compensation Structure:

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors will be as per industrial norms and mutually agreed from time to time. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

8 Role of Independent Directors:

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommend removal of executive directors and Employees.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9 Approval and publication:

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10 Supplementary provisions:

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

REPORT ON CORPORATE GOVERNANCE

COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') have strengthened the framework of Corporate Governance for India Inc.

The Company's Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. The Company is committed to achieve highest standards of corporate governance. The Company has a well-defined structure for ensuring that business conduct is fair and ethical and has put in place mechanism for reporting illegal and unethical behavior.

BOARD OF DIRECTORS:

2.1 Composition and categories of Directors:

The Company has broad based Board of Directors, constituted in compliance with the Act and Listing Regulations and in accordance with highest standards of Corporate Governance in its management, which ensures judicious mix of Directors that includes the Executive, Non-Executive and Independent Directors.

Details of the Composition of the Board of Directors is stated below:

	Name of Directors	Designation	Executive / Non Executive/Promoter	Independent / Non Independent
1	Mr. Sajankumar R. Bajaj	Chairman & Managing Director	Executive and Promoter	Non Independent
2	Ms. Namrata S. Bajaj	Whole Time Director	Executive	Non Independent
3	Mr. Anil C. Jain	Jt. Managing Director	Executive	Non Independent
4	Mr. Dhananjay S. Hatle	Whole Time Director	Executive	Non Independent
5	Mr. Rupesh H. Nikam	Whole Time Director	Executive	Non Independent
6	Mr. Vidyut Shah	Non-Executive Independent Director	Non Executive	Independent
7	Mr. Hemant R. Karnik	Non-Executive Independent Director	Non Executive	Independent
8	Mr. Ram B. Banarse	Non-Executive Independent Director	Non Executive	Independent
9	Mr. Avinash Dalal ⁽¹⁾	Additional Non-Executive Independent Director	Non Executive	Independent
10	Mr. Loukik Tipnis ⁽²⁾	Additional Non-Executive Independent Director	Non Executive	Independent

⁽¹⁾ Mr. Avinash Dalal has been appointed as director w.e.f. April 22, 2019.

⁽²⁾ Mr. Loukik Tipnis has been appointed as director w.e.f. April 22, 2019.

2.2 Board Meetings, Attendance and other details:

During the financial year under review, Four Board Meetings were held at Mumbai on 29th May 2018, 21st August, 2018, 14th November, 2018, 19th February, 2019. The maximum time gap between any two consecutive Board Meetings does not exceed 120 days.

In compliance with Section 165(1) of the Act, and Regulation 25(1) of Listing Regulations, none of the Director of the Company is a director on the board of more than 20 Companies (including 10 Public Limited Companies) or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director is a member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors.

The compositions of the Board, attendance at the Board meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorship, Memberships/Chairmanships of the Committees of public companies and their shareholding as on March 31, 2019 in the Company are as follows: -

Name of Directors	DIN	Designation / Category of Directors	No. of Board Meetings attended /held in F.Y.2018-2019	Attendance at the last A.G.M	No. of Directorship in Listed Entity	Committee position**		No. of Equity Shares
						Chairman	Member	
Mr. Sajankumar R. Bajaj	00225950	Chairman & Managing Director	4/4	Y	1	Nil	Nil	48,14,000
Ms. Namrata S. Bajaj	05327071	Whole Time Director	2/4	Y	1	Nil	Nil	8,08,000
Mr. Anil C. Jain	00226137	Jt. Managing Director	3/4	Y	1	Nil	1	7,18,000
Mr. Dhananjay S. Hatle	00226390	Whole Time Director	3/4	Y	1	Nil	Nil	12,000
Mr. Rupesh H. Nikam	07007815	Whole Time Director	4/4	Y	1	Nil	1	Nil
Mr. Vidyut Shah	02578165	Non-Executive Independent Director	4/4	Y	2	2	Nil	Nil
Mr. Hemant R. Karnik	07377151	Non-Executive Independent Director	4/4	N	1	1	1	Nil
Mr. Ram B. Banarse	07405486	Non-Executive Independent Director	1/4	Y	1	Nil	1	Nil
Mr. Avinash Dalal(1)	03574325	Additional Non-Executive Independent Director	0/4	N	1	Nil	Nil	Nil
Mr. Loukik Tipnis(2)	08188583	Additional Non-Executive Independent Director	0/4	N	2	1	1	Nil

(1) Mr. Avinash Dalal has been appointed as director w.e.f. April 22, 2019.

(2) Mr. Loukik Tipnis has been appointed as director w.e.f. April 22, 2019.

Notes:

1. Excludes directorships in, Private Limited Companies, Foreign Companies and Section 8 Companies.
2. In accordance with Regulation 26(1)(b) of SEBI (Listing Regulation), Membership/ Chairpersonship of only the Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies have been considered.
3. Mr. Sajankumar Bajaj and Ms.Namrata Bajaj are related to each other. No other directors are related inter-se.
4. The Company has not issued any convertible instruments.

2.3. Meeting of Independent Directors and performance evaluation of Non-Independent Board

As stipulated by the Code of Independent Directors pursuant to Companies Act, 2013 and the SEBI(Listing Regulations), a separate meeting of the Independent Directors of the Company was held on 19th February,2019 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

2.4. Director's Familiarization programme:

The Company undertakes and makes necessary provisions for an appropriate induction programme for new Directors and ongoing training for existing Directors. The new directors are introduced to the Company's culture, through appropriate training programmes. Such kind of training programmes helps to develop relationship of the Directors with the Company and familiarise them with the Company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:-

- build an understanding of the Company processes and;
- fully equip the Directors to perform their role on the Board effectively;

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

The details of familiarization programme of the independent Directors are available on the website of the Company: www.bajajhealth.com.

COMMITTEES OF THE BOARD:

The Committees of the Board are constituted as per the Act and SEBI (Listing Regulation)

3.1 Audit Committee:

The Audit Committee of the Company is constituted in line with provisions of Regulation 18 of Listing Regulations read with Section 177 of the Act and rules framed thereunder. All the members possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

3.1.1 Terms of Reference

- (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:
The terms of reference of Audit Committee broadly includes-
- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
 - c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - d) Any changes in accounting policies and practices.
 - e) Major accounting entries based on exercise of judgment by management.
 - f) Qualifications in draft audit report, if any.
 - g) The going concern assumption.

- h) Compliance with accounting standards.
- i) Compliance with Stock Exchange and legal requirements concerning financial statements.
- j) 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.
- k) Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
- l) The Company has in place its own inhouse 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.
- m) 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.
- n) 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.
- o) Reviewing the Company's financial and risk management policies.
- p) To look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of no nonpayment of declared dividends) and creditors.
- q) To approve the appointment of the Internal auditor after assessing the qualifications, experience, background, etc. of the candidate.

3.1.2 Composition and Attendance at the Meeting

The Audit Committee met 4 times during the year on 29th May, 2018; 21st August, 2019; 14th November, 2018 and 19th February, 2019.

The details on composition, names of the members, chairperson, category of Directors and no. of the meetings attended by the members during the FY 18-19 are as follows: -

Sr. No.	Names of Member	Category of Directors	Position held in Committee	No. of Meeting Attended
1	Mr. Vidyut Shah	Independent Director	Chairman	4/4
2	Mr. Hemant Karnik	Independent Director	Member	4/4
3	Mr. Rupesh Nikam	Executive Director	Member	4/4

3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in time with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Act.

3.2.1 Terms of reference

The terms of reference of Nomination and Remuneration Committee broadly includes:

- A. To help in determining the appropriate size, diversity and composition of the Board;
- B. To recommend to the Board appointment/reappointment and removal of Directors;
- C. To frame criteria for determining qualifications, positive attributes and independence of Directors;
- D. To create an evaluation framework for Independent Directors and the Board;
- E. To delegate its powers to any member of the Committee or the Compliance Officer.

3.2.3 Composition and Attendance at the Meeting

The Nomination and remuneration Committee met once during the year on 29th May, 2018.

The composition, names of the members, chairperson, category of Directors and no. of the meeting attended by the members is as follows: -

Sr. No.	Names of Members	Category of Directors	Position held in Committee	No. of Meeting Attended
1	Mr. Ram Banarase	Independent Director	Chairman	0/1
2	Mr. Hemant Karnik	Independent Director	Member	1/1
3	Mr. Vidyut Shah	Independent Director	Member	1/1

3.2.4 Remuneration Policy

The Remuneration Policy formulated in accordance with the Companies Act, 2013 and SEBI Listing Regulations and as recommended by Nomination and Remuneration Committee has been accepted by the Board of Directors and the same has been annexed to the report of the Directors and is also available on the Company's website www.bajajhealth.com

3.2.5 Performance evaluation criteria for independent directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Committee has laid down the manner in which formal annual evaluation of the performance of the Directors including independent Directors and its Committees has to be made.

3.2.6 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2019 are as follows:

(Amount in Rs.)					
Name	Relationship with the other Directors	Remuneration (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Sajankumar Bajaj	Father of Ms. Namrata Bajaj	48,00,000	Nil	Nil	48,00,000
Mr. Anil Jain	None	36,00,000	Nil	Nil	36,00,000
Mr. Dhananjay Hatle	None	12,11,000	Nil	Nil	12,11,000
Ms. Namrata Bajaj	Daughter of Mr. Sajankumar Bajaj	09,87,500	Nil	Nil	09,87,500
Mr. Rupesh Nikam	None	14,29,898	Nil	Nil	14,29,898
Mr. Vidyut Shah	None	Nil	Nil	85,000	85,000
Mr. Hemant Karnik	None	Nil	Nil	85,000	85,000
Mr. Ram Banarse	None	Nil	Nil	10,000	10,000
Mr. Avinash Dalal ⁽¹⁾	None	Nil	Nil	Nil	Nil
Mr. Loukik Tipnis ⁽²⁾	None	Nil	Nil	Nil	Nil

⁽¹⁾ Mr. Avinash Dalal has been appointed as director w.e.f. April 22, 2019.

⁽²⁾ Mr. Loukik Tipnis has been appointed as director w.e.f. April 22, 2019.

Notes:

- Sitting fees include payment of fees for attending Board/Committee Meetings
- The remuneration payments in the Company are made with an aim of rewarding performance, based on review of achievements. The remuneration levels are in consonance with the existing industry practices.
- No provision of performance-linked variable pay for the FY 2018-19 is available to Managing Director, the Executive Director and the Whole-time Director.
- Payments to Non-Executive Directors are decided, based on multiple criteria of seniority/experience, number of years on the Board, Board/Committee meetings attended, Director's position on the Company's Board/Committees, other relevant factors and performance of the Company. There are no pecuniary relationship or transactions between your Company and its Non-Executive/Independent Directors for the financial year under review.

3.3 Stakeholders' Relationship Committee:

The Stakeholders' relationship committee is constituted in line with the provisions of Regulations 20 of Listing Regulations read with Section 178 of the Act.

3.3.1 Terms of reference

The terms of reference of Stakeholders' Relationship Committee broadly includes:

- I. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- II. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- III. Reference to statutory and regulatory authorities regarding investor grievances;
- IV. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- V. The Company's Registrar & Share Transfer Agents, M/s Sharex Dynamic (India) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company's Registrar & Share Transfer Agents, M/s Sharex Dynamic (India) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

3.3.2 Composition of the Committee

The composition, names of the members, chairperson, category of Directors during the year are as follows:

Sr. No.	Names of Members	Designation	Category
1.	Mr. Hemant. R. Karnik	Chairman	Non-Executive, Independent
2.	Mr. Anil C. Jain	Member	Executive, Non-Independent
3.	Mr. Ram B. Banarase	Member	Non-Executive, Independent

3.3.3 Details in respect of Compliance Officer:

Mr. Aakashkumar Kesari, Company Secretary, who was appointed w.e.f. 4th April, 2018, acts as the Compliance Officer of the Company, for complying with Listing Regulations.

3.3.4 Details of Investors Complaints received during F.Y. 2018-19 are as follows:

Sr. No.	Nature of Complaints	Whether Received		No. of Complaints Redressed	Pending Complaints
		Nil	Nil		
1.	Non-Receipt of Shares lodged for transfer/transmission	Nil	Nil	Nil	Nil
2.	Non- Receipt of Dividend	Nil	Nil	Nil	Nil
3.	Non- Receipt of Annual Report	Nil	Nil	Nil	Nil

4) GENERAL BODY MEETINGS:

4.1 Annual General Meeting

The details of Special Resolutions passed at the Annual General Meetings held in last 3 years along with the location and time of the AGMs are as follows:

The details of Annual General Meetings held during the last three years and special resolutions passed thereat are as follows:

AGM	FINANCIAL YEAR	DATE & TIME	VENUE	SPECIAL RESOLUTION PASSED
23rd AGM	March 31, 2016	Friday, 30th September, 2016 at 04.00 pm.	602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604	No
24th AGM	March 31, 2017	Friday, 29th September, 2017 at 04.00 pm	602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604	<ul style="list-style-type: none"> Revision in terms of remuneration of Mr. Sajankumar Bajaj (DIN: 00225950) Chairman & Managing Director of the Company. Revision in terms of remuneration of Mr. Anil Jain (DIN: 00226137) Managing Director of the Company. Revision in terms of remuneration of Mr. Dhananjay Hatle (DIN: 00226390) Whole Time Director of the Company. Revision in terms of remuneration of Ms. Namrata Bajaj (DIN: 05327071) Whole Time Director of the Company. Revision in terms of remuneration of Mr. Rupesh Nikam (DIN: 07007815) Whole Time Director & Chief Financial Officer of the Company
25th AGM	March 31, 2018	Friday, 28th September, 2018 at 04.00 pm	602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604	No

4.2 Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial years 2016-17, 2017-18, 2018-19

4.3 Postal Ballot

During the year, the Company has put the following resolutions for passing through Postal Ballot, results of which were declared on Saturday, March 30, 2019.

- a) Increase in Authorised Capital
- b) Issue of Bonus Shares; and
- c) Migration of Company to Main Board of BSE

5) MEANS OF COMMUNICATION:

The Annual, half yearly and Quarterly results were submitted to the Stock Exchange and published in Newspapers in accordance with the Listing Regulations.

These results are simultaneously displayed on the website of the Company and uploaded on the website of BSE Ltd

6) GENERAL SHAREHOLDER INFORMATION

6.1

Sr.No.	Salient items of interest	Particulars								
	Company Registration Details									
i.	AGM Date, time and venue	Monday, September 30, 2019, 4:00 PM 602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604								
ii.	Financial year	The Financial Year of the Company is from April 1, 2018 to March 31, 2019.								
	Tentative Schedule for declaration of results during the financial year 2019-2020	<table border="1"> <tr> <td>First quarter:</td> <td>June 30, 2019- on or before August 14, 2019</td> </tr> <tr> <td>Second quarter/Half Yearly</td> <td>September 30, 2019 - on or before November 14, 2019</td> </tr> <tr> <td>Third quarter/Nine months</td> <td>December 31, 2019 - on or before February 14, 2020</td> </tr> <tr> <td>Fourth quarter/Annual</td> <td>on or before May 30, 2020</td> </tr> </table>	First quarter:	June 30, 2019- on or before August 14, 2019	Second quarter/Half Yearly	September 30, 2019 - on or before November 14, 2019	Third quarter/Nine months	December 31, 2019 - on or before February 14, 2020	Fourth quarter/Annual	on or before May 30, 2020
First quarter:	June 30, 2019- on or before August 14, 2019									
Second quarter/Half Yearly	September 30, 2019 - on or before November 14, 2019									
Third quarter/Nine months	December 31, 2019 - on or before February 14, 2020									
Fourth quarter/Annual	on or before May 30, 2020									
iii.	Date of Book closure	Monday September 23, 2019 to Monday September 30, 2019 (both days inclusive)								
iv.	Dividend Payment Date	N.A.								
vii.	Registrar & Share Transfer Agent	SHAREX DYNAMIC (I) PRIVATE LIMITED C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083. Tel: +91 - 22 - 2851 5644/ 5606 Fax: +91 - 22 - 2851 2885 Email:support@sharexindia.com; Website: www.sharexindia.com Contact Person: Mr. K. C. Ajitkumar SEBI Registration No.: INR000002102								
viii.	Share Transfer System	In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved								

ix.	Dematerialization shares and liquidity	of	The Company's shares are currently traded only in dematerialized form over BSE Limited. To facilitate trading in dematerialized form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2019, 93.70% (64,64,600 Equity Shares) of the Company's equity shares were held in dematerialized form. The equity shares held by the promoter & promoter group in the Company have been fully dematerialized.
x.	Address correspondence	for	602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39A/1, Road No.23, Wagle Industrial Estate, Thane – 400 604; Tel No.: +91 – 22 – 6617

6.2 Unclaimed Dividend

During the financial year under review, the Company was not required to credit any amount to Investor Education and Protection Fund towards Unclaimed Dividend.

Pursuant to the provisions of Section 124 of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Shareholders of the Company who have not received or encashed their dividend for the financial years, as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the abovementioned Fund.

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (In Rs.)	Due Date for transfer to IEPF Account
1	2017-18	29/09/2018	1600	28-09-2025

6.3 Listing on Stock Exchanges

A. Equity Shares

Name of the Stock Exchange	Security code/ Symbol	ISIN	Payment of Annual Listing fees for the FY 18-19 (Y/N)
BSE Limited	539872	INE411U010109	Y

B. Debentures/GDRs

The Company has not issued GDRs / ADRs / Warrants or any convertible instruments so far.

6.4 Market Price Data:

High/Low during each month of 2018-19 on BSE Limited

Market Price Data Month	Share prices of the Company for the Period April 2018 to March, 2019	
	HIGH	LOW
Apr-2018	400	400
May-2018	441	441
Jun-2018	430	430
Jul-2018	420	410
Aug-2018	409	409
Sep-2018	510	490
Oct-2018	435	435
Nov-2018	460	460
Dec-2018	440	440
Jan-2019	405	400
Feb-2019	430	425
Mar-2019	425	425

6.5 Categories of Shareholding as on 31st March, 2019:

Categories	Number of Shares	%
(A) Shareholding of Promoter and Promoter Group		
Promoters	46,41,000	67.26
Total Shareholding of Promoter & Promoter Group (A)	46,41,000	67.26
(B) Public Shareholding		
(i) Institutions		
Banks / FI	Nil	Nil
Central Govt.	Nil	Nil
Total Public Institutions (B) (i)	Nil	Nil
(ii) Non Institutions		
Individuals	377200	5.47
NRI	800	0.01
Bodies Corporate	1880200	27.251
Overseas Corporate Bodies	Nil	Nil
Clearing Members	400	0.06
Total Public Non Institution (B) (ii)	2258600	32.74
Total Public Shareholding (B)=(B)(i)+(B)(ii)	2258600	32.74
Total Shareholding (A) + (B)	6899600	100

6.6 Top Ten equity shareholders of the Company as on March 31, 2019 (other than Promoters)

Sr. No.	Name of Shareholders	No of equity Shares held	Percentage of holding
1	PROGYAN CONSTRUCTION AND ENGINEERS PRIVATE LIMITED	528900	7.67
2	'MAA SHARDA DISTRIBUTORS PVT LTD	43500	6.31
3	SHRI RAVINDRA MEDIA VENTURES	270300	3.92
4	ESCORP ASSET MANAGEMENT LIMITED	237600	3.444
5	ARYAMAN CAPITAL MARKETS LIMITED	161200	2.34
6	VINOD HARILAL JHAVERI	145200	2.104
7	'TIA ENTERPRISES PRIVATE LIMITED	143600	2.081
8	MBM BEARINGS (RAJASTHAN)PRIVATE LIMITED	68000	0.986
9	BIPIN CHABILDAS SHAH	51600	0.748
10	MUKESH M SHAH	35200	0.51

6.7 Distribution of Shareholding as on 31st March, 2019:

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
201-500	22	22.22	8800	0.128
501-1000	27	27.28	21600	0.313
1001-5000	23	23.23	51200	0.742
5001-10000	4	4.04	26800	0.388
10001-100000	10	10.10	379400	5.499
100001- above	13	13.13	6411800	92.930
Total	99	100	12443016	100

6.8 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL. No discrepancies were noticed during these audits.

6.9 Outstanding GDR/ ADR / Warrants or any convertible instruments, conversion date and impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

6.10 Plant Location

Unit – I

Plot No. N – 216, 217 & 128, MIDC, Tarapur, Boisar - 401 506, District Thane, Maharashtra

Unit – II

Plot No. 588, Savli – Karadhiya Road, Village Gothada, Savli, Vadodara – 391 776, Gujarat

Unit – III

R. S. No. – 1818, Manjusar – Savli Road, At & Post. – Manjusar, Savli, Vadodara – 391 775, Gujarat

Unit – IV

Plot No. 1717 & 1718, GIDC, Panoli, Ankleshwar, Bharuch – 394 116, Gujarat

Unit – V

Plot No. N –178, MIDC, Tarapur, Boisar - 401 506, District Thane, Maharashtra

6.11 Commodity price risk or foreign exchange risk and hedging activities:

The Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid policies.

7) DISCLOSURES:**7.1 Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Act, and Regulation 23 of the SEBI (Listing Regulations) 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 related parties during the financial year which were in conflict with the interest of the Company.

The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same is also displayed on the Company's website www.hiltonmetal.com

7.2. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

7.3 Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and sub section (10) of the Companies Act, 2013, and in terms of Regulation 22 of SEBI (Listing Regulation) read with Regulation 4(2)(d)(iv) of Securities and Exchange Board of India, the Company has in place a vigil mechanism for Directors and Employees and has adopted a Whistle Blower policy, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of company's policies or rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected or likely to be affected and formally reported by whistle blowers.

The Policy provides that all Protected Disclosures can be addressed to the Chairman of the Audit Committee in all the cases and to Whole-time Director / Chairman in exceptional cases. All protected disclosures under this policy

will be recorded and thoroughly investigated. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. The details of the vigil mechanism are also available on the Company's website www.hiltonmetal.com

7.4. Status of compliance with mandatory requirements and Non-Mandatory Requirements:

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Regulation), 2015, to the extent applicable to the company.

7.5 Code for prevention of Insider-Trading Practices:

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading.

The Company has instituted a comprehensive code of conduct for its directors, management and officers and the other connected persons with the Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, guidelines and procedures to be made while dealing with shares of the Company including the consequences of violations if any. The code clearly specifies, among other matters, that the Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, etc. as per the Policy. Disclosure of shareholding is taken from all the directors and Designated Employees and other connected persons of the Company.

7.6 Compliance with Mandatory and Non-Mandatory Requirements

The Company has adopted following non-mandatory requirements of Listing Regulations:

Auditors Qualification:

The Company is in regime of unqualified/unmodified financial statements..

Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee periodically to ensure independence of the Internal Audit function.

7.7 Certification by Practicing Company Secretary

As per the amended Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors, by Securities and Exchange Board of India/Ministry or Corporate Affairs or any such authority and the same is appended as an Annexure to this Report.

8) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from the statutory auditors confirming compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, is attached and forms part of the Annual Report

9) DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.



10) REVIEW OF DIRECTORS RESPONSIBILITY STATEMENT

The Board in its Report has confirmed that annual accounts for the year ended 31st March 2019 have been prepared as per Indian Accounting Standard (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

11) CEO / CFO Certificate:

As required under Regulation 17 (8) of SEBI(LODR) Regulations, 2015, the CEO/ CFO Certificate for the FY 2018-19 signed by Mr. Rupesh Nikam, Chief Financial Officer form part of the Annual Report.

For and on behalf of the Board of Directors
of Bajaj Healthcare Limited

Place: Thane
Dated: 14/08/2019

Sd/-
Sajankumar Bajaj
Chairman & Managing Director
DIN:00225156



INDEPENDENT AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

To the Members of Bajaj Healthcare Limited

We have examined all the relevant records of Bajaj Healthcare Limited, for the purpose of certifying compliance of the conditions of the Corporate Governance under para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

For Paresh Rakesh & Associates,
Chartered Accountants
Firm Registration Number: 119728W

Sd/-
Rakesh Chaturvedi
Partner
M No :102075

Date: 14/08/2019
Place: Thane



Compliance Certificate
(Pursuant to Regulation 17 (8) of SEBI(LODR) Regulations, 2015)

We, Mr. Rupesh Nikam, chief Financial Officer of Bajaj Healthcare Limited, hereby certify that:

We have reviewed the Audited financial statements and the cash flow statement for the Financial Year ended on 31st March, 2019 and that to the best of my knowledge and belief;

- i. these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;
- ii. these statements together present a true and fair view of the company's affairs and are in compliance with the applicable laws and regulations.

There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's Code of Conduct;

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies; and

We have indicated to the auditors and the Audit committee, significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Date : 14/08/2019
Place : Thane

Sd/-
Mr. Rupesh Nikam
Chief Financial Officer



Certificate of Non-Disqualification of Directors
[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
BAJAJ HEALTHCARE LIMITED,
CIN: L99999MH1993PLC072892
602-606, Bhoomi Velocity Infotech Park,
Plot No.B-39, B-39A, B-39A/1 Road No.23,
Wagle Industrial Estate, Thane (West),
Thane 400604.

I have examined the list of disqualified directors published by the Ministry of Corporate Affairs ("MCA"); declaration from all the directors self-certifying their non-disqualification as on 1st April, 2019 as required under section 164 of the Companies Act, 2013 ("Act"); and disclosure of Directors' concern/interests as on April 1, 2019 as required under section 184 of the Act (hereinafter referred as "**the relevant documents**") of **BAJAJ HEALTHCARE LIMITED**, bearing Corporate Identification Number (CIN) - L99999MH1993PLC072892, having its registered office at 602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400604 (hereinafter referred as "**the Company**") for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated 9th May, 2018 issued by SEBI.

Based on my examination as well as on information and explanations furnished provided by the officers, agents and authorised representatives of the Company, I hereby certify that none of the Directors of the Company stated below who were on the Board of the Company as on 31st March 2019, have been debarred or disqualified from being appointed or continuing to act as Directors of the Company by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such other statutory authority.

Sr. no.	Name of the Directors	DIN	Date of appointment
1	Sajankumar Rameshwarlal Bajaj	00225950	01/04/2002
2	Anil Champalal Jain	00226137	15/01/2004
3	Dhananjay Sabaji Hatle	00226390	01/04/2005
4	Vidyut Jayantilal Shah	02578165	08/01/2016
5	Namrata Sajankumar Bajaj	05327071	11/01/2013
6	Rupesh Hanumant Nikam	07007815	01/11/2014
7	Hemant Rajaram Karnik	07377151	08/01/2016
8	Ram Baliramji Banarse	07405486	14/01/2016

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2019.

Place: Mumbai
Date: 14/08/2019

Sd/-
Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675

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

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. The pharmaceutical sector in India was valued at US\$ 33 billion in 2017. India's domestic pharmaceutical market turnover reached Rs 129,015 crore (US\$ 18.12 billion) in 2018, growing 9.4 per cent year-on-year (in Rs) from Rs 116,389 crore (US\$ 17.87 billion) in 2017. In February 2019, the Indian pharmaceutical market grew by 10 per cent year-on-year.

With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. Based on moving annual turnover, Anti-Infectives (13.6%), Cardiac (12.4%), Gastro Intestinals (11.5%) had the biggest market share in the Indian pharma market in 2018.

The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The sector has received cumulative FDI worth US\$ 15.93 billion between April 2000 and December 2018. Under Budget 2019-20, allocation to the Ministry of Health and Family Welfare increased by 13.1 per cent to Rs 61,398 crore (US\$ 8.98 billion). Indian pharmaceutical sector is expected to grow at a CAGR of 15 per cent in the near future and medical device market expected to grow \$50 billion by 2025.

The world economy is projected to expand at a steady pace of 3 per cent in 2019 and 2020. Growth rates in many developed economies have risen near to what is widely considered their potential, while unemployment rates have fallen towards historical lows. Among the developing economies, the East and South Asia regions remain on a strong growth trajectory, while many commodity-exporting countries are continuing a gradual recovery. However, a closer look below this surface reveals significant shortcomings in the foundations and quality of global economic growth.

Economic growth will slow somewhat but remain robust, at close to 7½ per cent in 2019 and 2020. Higher oil prices and the rupee depreciation are putting pressure on demand, inflation, the current account and public finances. However, business investment and exports will be strong, as past structural reforms – including the new Insolvency and Bankruptcy Code, smoother implementation of the Goods and Services Tax (GST), better roads and electricity and bank re-capitalisation – are paying off.

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 25 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 / Broncodilator drugs, Neutraceutical (Amino Acids), Antacids, Venotropic Agent, Minerals and Nutritional supplements, Bactericidal / Bacteriostatic, etc. The FDFs manufactured by us include various therapeutic segments like Antibiotics, Anti-Arrhythmia, Anti-Convulsants, Anti-Diabetes, Anti-Platelets, NSAIDs, Vitamins & its Derivatives, Anti-Hypertensive, Anti-Bacterial, Anti-Malarial, Cholinesterase Inhibitors, etc. We are a multi product API & FDF manufacturing company with a diverse product range including Carbamazepine, OxcarbazepineL-Lysine Mono



Hydrochloride, Calcium Citrate Malate, Acepifylline, Theophylline Sodium Glycinate, Calcium Dobesilate Monohydrate, Magnesium Citrate, Choline Bitartrate, Choline Dihydrogen Citrate, Ascorbic Acid Chlorohexidine Base, Citicoline Sodium.

Facility designed to serve multiple products range:

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

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

Strategic Location of Manufacturing Units:

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

All our Units are strategically located with the following benefits:

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

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

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

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

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

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, Nutraceutical, Anti-Convulsants, etc. are already widely accepted in the market, domestic as well as international. In the year 2008, our Company entered the Formulations manufacturing by setting up a FDF manufacturing unit at Manjusar, Vadodara. However, our income from sale in the Formulation Unit is not very significant to our total sales figure currently. We now intend to increase our focus on this segment by increasing the products under own brands and also increase the loan licensing work.

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

Focusing on R&D capabilities:

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

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

HUMAN RESOURCES:

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in Maharashtra and Gujarat. As on March 31, 2019, our Company had 701 employees on the rolls of Company.

COMPETITION:

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

FACTORS AFFECTING OUR RESULT OF OPERATION:

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

Revenue Generation:

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

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

Direct Expenses:

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

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

Our Financial Expenses:

We have term loan and working capital facilities from our bankers and also certain unsecured borrowings from our Directors and other associate concerns (ICDs). Our profitability is significantly impacted by our financial costs. For the fiscal 2019, 2018, 2017 and 2016, our financial expenses were Rs. 801.78 Lakhs, 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:**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 2019. 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 OF LAST FIVE YEARS

(Rs. in lakhs)

Particulars	March 31, 2019	% of Total Income	2018	% of Total Income	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income
REVENUE:										
Revenue from Operations	37017.37	99.74	32710.93	99.37	23,065.46	98.97	22,283.97	99.83	21,830.17	99.97
Other Income	97.17	0.26	206.65	0.63	239.11	1.03	37.84	0.17	7.47	0.03
Total revenue	37114.55	100.00	32917.58	100.00	23,304.57	100.00	22,321.81	100.00	21,837.63	100.00
EXPENSES:										
Cost of materials consumed	24533.02	66.10	21543.21	65.45	13,149.51	56.42	12877.28	57.68	13065.49	59.83
Other Direct Expenses	4600.28	12.39	4091.19	12.43	3,604.07	15.47	3642.96	16.32	3556.84	16.29
Changes in inventories of finished goods, WIP and stock - in trade	(330.20)	(0.29)	(14.97)	(0.05)	314.58	1.35	(50.75)	(0.23)	134.84	0.62
Employee benefits expense	2461.90	06.63	2165.03	06.58	1956.72	8.40	1692.50	7.58	1,445.35	6.62
Finance cost	801.78	2.16	752.41	2.29	800.59	3.44	751.71	3.38	788.95	3.61
Depreciation and amortization expense	1141.00	3.07	1108.35	3.37	1134.55	4.87	928.97	4.16	886.07	4.06
Other expenses	1489.79	4.01	1003.92	3.05	975.59	4.19	1129.26	5.06	758.42	3.47
Total expenses	34697.57	93.49	30649.12	93.11	21935.60	94.13	20971.92	93.95	20,635.95	94.50
Net Profit / (Loss) before Tax	2416.98	6.51	2268.46	6.89	1368.98	5.87	1349.89	6.05	1,201.68	5.50
Less: Provision for tax										
Current tax	747.02	2.01	714.04	2.16	583.83	2.51	450.41	2.02	420.27	1.92
MAT Credit Receivable	-		-	-	-	-	-		-	
Deferred tax	38.92	0.11	35.80	0.11	2.68	0.01	79.45	0.35	30.19	0.14
Total	785.94	2.12	749.84	2.27	586.51	2.52	529.45	2.37	450.46	2.06
Net Profit / (Loss) for the period after tax but before extraordinary items	1631.03	4.39	1518.63	4.62	782.47	3.36	820.03	3.68	751.22	3.44
Extraordinary Items	-		-	-	-	-	-		-	
Net Profit / (Loss) for the period after tax and after extraordinary items	1631.03	4.39	1518.63	4.62	782.47	3.36	820.03	3.68	751.22	3.44

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 99.74, 99.37%, 98.97%, 99.83%, 99.97% and 99.95% for year ended March 31, 2019 and fiscals 2018, 2017, 2016, 2015, and 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 0.26, 0.63%, 1.03%, 0.17%, 0.03% and 0.05% for year ended March 31, 2019 and fiscals 2018, 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 compliances ethic, it relies heavily on risk management and forecasting frame work to manage competitive, economic, financial, geo-political and social risks. Company has out 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 board 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 AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of **Bajaj Healthcare Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and the Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as " Financial Statements").

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 March 31, 2019, its profit and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information in Annual Report, which comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover such other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance, and Cash Flows in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

- date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and Other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - a) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - b) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - c) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act;
 - d) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- e) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended , in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note no. 31 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2019.

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

Sd/-
Rakesh Chaturvedi
Partner
Membership No.: 102075

Place: Thane
Date: 30/05/2019

“Annexure A” to the Independent Auditors’ Report on the Financial Statements of Bajaj Healthcare Limited

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- i) 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. No material discrepancies were noticed on such physical verification.
 - c) As Company had no Immovable Fixed Assets during the Year, clause (c) (i) of paragraph of the order is not applicable to the company.
- ii) 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.
- iii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the Company.
- iv) In respect Company has not granted directly or indirectly advance loans guarantees and securities to the person covered under Section 185 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Direct and Indirect Taxes 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, 2019 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,2019.

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
9	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	36,65,812/-	2015-16	Commissioner of Customs (Appeals)
10	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	23,07,325/-	2014-15	Deputy Commissioner of Commercial Tax (Appeals), Baroda
	Total		7,09,17,204/-		

- viii) 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 or Debenture holders of the company.
- ix) The company has not raised money by way of Initial Public offer or Further Public offer or term Loan and hence Clause of paragraph 3 of the Order are not applicable to the Company.
- x) In our opinion and according to the information and explanations given to us, no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) 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.
- xii) In our opinion company is not a chit fund/ nidhi. Therefore, the provisions of clause (xii) of paragraph 3 of the orders are not applicable to the company.
- xiii) In Respect of transaction with Related party,
 - a) 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, as required by the applicable accounting standards.
 - b) 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 is not applicable to the company.
- xiv) 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 hence clause (xv) of the paragraph 3 is not applicable to the company.
- xv) 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

Place: _Thane
Date: 30th May 2019

“Annexure B” to Independent Auditors’ Report on the Financial Statements of Bajaj Healthcare Limited

(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”)

Opinion

We have audited the Internal Financial Control over financial reporting of **Bajaj Healthcare Limited Limited** (“the company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year then ended

In our opinion, 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 March 31, 2019, 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 issued by the ICAI.

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

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, 2019, 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

Place: Thane
Date: 30th May 2019

BAJAJ HEALTHCARE LIMITED
Balance Sheet as at 31st March , 2019
(CIN No. : L99999MH1993PLC072892)

Particulars	Note No	As on 31/03/2019		As on 31/03/2018	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	6 89 96 000		6 89 96 000	
(b) Reserves and Surplus	3	1 22 20 68 322	1 29 10 64 322	1 06 71 33 082	1 13 61 29 082
(2) Non-Current Liabilities					
(a) Long-term borrowings	4		17 39 26 957		21 47 51 415
(b) Long-term Provisions	5		1 42 42 436		77 18 592
(3) Current Liabilities					
(a) Trade payables	6	29 98 48 884		43 37 57 251	
(b) Short Term Borrowings	7	54 88 64 347		54 52 15 252	
(c) Other current liabilities	8	25 61 90 572		25 92 70 885	
(d) Short Term Provisions	9	6 84 47 225	1 17 33 51 028	7 25 00 000	1 31 07 43 389
(4)Deferred Tax Liability					
Total			1 58 90 765		1 19 98 272
			2 66 84 75 509		2 68 13 40 750
II.Assets					
(1) Non-current assets					
(a) Tangible Fixed Assets	10		1 28 49 68 935		1 26 61 63 341
(b) Capital work-in-progress	10		1 17 81 098		1 96 87 403
(2) Long Term Investments					
	11		30 625		30 625
(3) Current assets					
(a) Inventories	12	30 04 78 771		33 65 95 995	
(b) Trade receivables	13	78 12 68 737		80 38 44 971	
(c) Cash and cash equivalents	14	7 86 15 392		8 28 56 303	
(d) Other current assets	15	21 13 31 950	1 37 16 94 851	17 21 62 112	1 39 54 59 381
Total			2 66 84 75 509		2 68 13 40 750

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

Place: Thane

Date: 30/05/2019

For and on behalf of the Board

For BAJAJ HEALTHCARE LIMITED

Sd/-

Rupesh Nikam

CFO and Director

DIN: 07007815

Sd/-

S K R Bajaj

Chairman and

Managing

Director

DIN: 00225950

Sd/-

Anil Jain

Joint Managing

Director

DIN: 00226137

BAJAJ HEALTHCARE LIMITED (CIN No. : L99999MH1993PLC072892) Profit and Loss statement for Year ended 31st March, 2019			
Particulars	Note No	For the year ended on 31/03/2019	For the year ended on 31/03/2018
Revenue from operations	16	3 70 17 37 304	3 27 10 92 984
Other Income	17	97 17 488	2 06 65 336
Total Revenue		3 71 14 54 791	3 29 17 58 320
Expenditure			
Cost of materials consumed	18	2 45 33 02 287	2 15 43 20 511
Other Direct Expenses	19	46 00 27 800	40 91 18 613
Changes in inventories	20	- 3 30 19 933	- 14 97 348
Employee Benefit Expenses	21	24 61 89 594	21 65 02 828
Financial costs	22	8 01 78 131	7 52 40 702
Depreciation and amortization expense	23	11 41 00 429	11 08 34 894
Other expenses	24	14 89 78 824	10 03 91 649
Total Expenses		3 46 97 57 133	3 06 49 11 848
Profit before Tax		24 16 97 658	22 68 46 471
Tax expense:			
(1) Current tax		6 75 00 000	7 25 00 000
(2) Deffered Tax		38 92 493	35 79 625
(3) Earlier Years		72 02 091	- 10 95 919
Profit/(Loss) for the period		16 31 03 073	15 18 62 766
Earning per equity share:	25		
(1) Basic		23.64	22.01
(2) Diluted		23.64	22.01
As per our report of even date attached			
For Paresh Rakesh & Associates	For and on behalf of the Board		
Chartered Accountants			
FRN: 119728W	For BAJAJ HEALTHCARE LIMITED		
Sd/-			
Rakesh Chaturvedi	Sd/-		Sd/-
Partner	S K R Bajaj		Anil Jain
M. No: 102075	Director		Director
	DIN.: 00225950		DIN.: 00226137
	Sd/-		Sd/-
Place: Thane	Rupesh Nikam		Aakash Keshari
Date: 30/05/2019	CFO& Director		Company Secretary
	DIN: 07007815		

BAJAJ HEALTHCARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2018-2019
(CIN No. : L99999MH1993PLC072892)

Sr No	Particulars	2018-2019		2017-2018	
		Amt in Rs.	Amt in Rs	Amt in Rs.	Amt in Rs
A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax		24 16 97 658		22 68 46 471
	Adjustment for:				
	Depreciation	11 41 00 429		11 08 34 894	
	(profit)/loss on sale of Assets	15 53 628		-	
	Interest & Finance Charges	8 01 78 131		7 52 40 702	
	Interest on FD	- 24 92 111		- 15 65 186	
	Provision for Employee Benefits	72 96 710		32 38 392	
	Dividend Income	-4 450	20 06 32 337	-7 500	18 77 41 302
	Operating Profit before Working Capital Changes		44 23 29 995		41 45 87 773
	Adjustment for:				
	(Increase)/ Decrease in other current assets	1 13 71 597		- 4 86 70 650	
	(Increase)/ Decrease in Sundry Debtors	2 25 76 234		- 27 69 85 708	
	(Increase)/ Decrease in Inventories	3 61 17 224		- 16 89 97 301	
	(Increase)/ Decrease in non current and current liabilities	- 13 04 64 837	-6 03 99 783	30 58 50 986	
	Cash generated from operations				- 18 88 02 673
	Income Tax Paid		38 19 30 212		22 57 85 100
	Net Cash Flow from Operating activities		-13 02 43 527		-5 96 44 063
			25 16 86 685		16 61 41 037
B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	- 15 00 59 452		- 9 77 03 599	
	Increase / (Decrease) in Capital WIP	-79 06 305		- 1 74 20 112	
	Sale of Fixed Assets	83 172		-	
	Interest on FD	24 92 111		15 65 186	
	Payment to Gratuity Fund	- 31 82 855		- 28 28 642	
	Insurance Claim Received	1 25 00 000		-	
	Dividend Income	4 450		7 500	
	Net Cash used in Investing activities		- 13 02 56 269		- 11 63 79 667
C)	CASH FLOW FROM FINANCING ACTIVITIES				
	Redemption of Preference Shares Capital	-		-	
	Proceeds From Issue of Equity Shares	-		-	
	Proceeds from Long Term Borrowing	- 3 60 37 658		- 4 61 52 824	
	Repayment of Unsecured Long Term Borrowing	- 47 86 800		- 75 50 267	
	Decrease of Short Term Borrowing From Bank	1 52 70 432		17 06 31 968	
	Increase of Borrowing from Directors & Inter corporate	- 1 16 21 337		- 1 69 91 742	
	Interest Paid	- 8 01 78 131		- 7 52 40 699	
	Dividend Paid	- 68 99 600		-	
	Dividend Distribution Tax paid	- 14 18 233		-	
	Net cash used in financing activities		- 12 56 71 327		2 46 96 436
	Net increase in Cash & Cash Equivalents (A+B+C)		- 42 40 911		7 44 57 806
	Cash and Cash equivalents as at 01.04.2018		8 28 56 303		83 98 496
	Cash and Cash equivalents as at 31.03.2019		7 86 15 392		8 28 56 303

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: 30/05/2019

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. 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.

I. 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.

J. INVESTMENTS

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

K. 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.

L. 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.

M. 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,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Authorised Share Capital : 140 00 000 (P.Y. 100 00 000) Equity Shares of Rs.10 each		14 00 00 000		10 00 00 000
			14 00 00 000		10 00 00 000
	Issued Subscribed and Paid Up Capital : 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
	Total		6 89 96 000		6 89 96 000

2	Reconciliation of number of shares outstanding is set out below: Equity Shares	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	At the beginning of the period		68 99 600		68 99 600
	Addition during the period		-		-
	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,2019		As at 31st March,2018	
		% Holding	No of Shares	% Holding	No of Shares
	a. Equity Shares:				
	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.				

3	RESERVES & SURPLUS	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Capital Reserve				
	As per Last Balance Sheet	5 60 623		5 60 623	
	Add/(Less): Changes during the Year	-	5 60 623	-	5 60 623
	Revaluation Reserve				
	As per Last Balance Sheet	40 84 42 782		41 52 83 081	
	Add/(Less): Changes during the Year (Refer Note No. 3.1)	- 61 99 103	40 22 43 679	- 68 40 299	40 84 42 782
	Shares Premium				
	As per Last Balance Sheet	6 64 36 000		6 64 36 000	
	Add/(Less): Changes during the Year	-	6 64 36 000	-	6 64 36 000
	Profit & Loss Account				
	As per last Balance Sheet	59 16 93 677		43 87 28 573	
	Add: Depreciation on Revalued Figure	61 99 103		68 40 299	
	Less: Adjustment for Provision of Gratuity as per AS 15 (Net)	1 50 000		- 57 37 960	
	Less : Provision for Dividend	- 68 99 600		-	
	Less : Tax on Distribution of Dividend	- 14 18 233		-	
	Add: Transferred from Profit and Loss Account	16 31 03 073	75 28 28 021	15 18 62 766	59 16 93 677
	Total		1 22 20 68 322		1 06 71 33 082

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,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Secured				
	Term Loan from Bank	12 43 61 126		15 84 80 498	
	Term Loan from NBFC	3 75 63 787	16 19 24 913	3 94 82 073	19 79 62 571
	Unsecured Loans				
	Inter Corporate Loans (For Related Party Transaction Refer Note no. 32)		1 20 02 044		1 67 88 844
	Total		17 39 26 957		21 47 51 415

4.1	* Repayment Schedule for Secured Term Loans	FY 2020-21	FY 2021-22	FY 2022-23	2023 and later
	Year				
	Amount (Rs.)	5 92 29 841	4 24 48 209	2 13 99 944	3 88 46 919

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

5	LONG TERM PROVISIONS	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Provision for Employee benefits				
	Present Value of Obligation as per AS 15	1 84 75 807		1 61 40 848	
	Fair Value of Plan Asset as at the End	- 1 01 78 905	82 96 902	- 84 22 256	77 18 592
	Provision for Leave Encashment		59 45 534	-	-
	Total		1 42 42 436		77 18 592

6	TRADE PAYABLES	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Micro Small & Medium Enterprises	-		-	
	Others (Net)	29 98 48 884	29 98 48 884	43 37 57 251	43 37 57 251
	Total		29 98 48 884		43 37 57 251
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,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Secured				
	Working Capital Loan From Banks				
	Cash Credit	-		-	
	Preshipment/Postshipment/ Buyers Credit	52 68 92 426	52 68 92 426	51 16 21 994	51 16 21 994
	Unsecured				
	From Director	1 06 03 489		47 858	
	Inter Corporate Deposits (For Related Party Transaction Refer Note no. 32)	1 13 68 432	2 19 71 922	3 35 45 400	3 35 93 258
	Total		54 88 64 347		54 52 15 252

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,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Current Maturity of Long Term Borrowings Banks (Secured)		8 12 80 586		10 14 91 474
	Current Maturity of Long Term Borrowings from NBFC (Secured)		31 89 747		36 95 331
	Sundry Creditors For Expenses		9 29 09 986		8 35 01 004
	Sundry Creditors for Capital Goods		97 79 708		1 15 21 528
	Advances Received from Customers		67 98 105		29 75 134
	Statutory Dues Payable		1 76 32 027		1 86 60 805
	Deposits From Selling Agents		14 51 601		10 23 201
	Other Payables		4 31 48 812		3 64 02 409
	Total		25 61 90 572		25 92 70 885

9	SHORT TERM PROVISIONS	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Present Value of Obligation as per AS 15	24 46 366		11 97 450	
	Less : Fair Value of Plan Asset as at the End	- 24 46 366	-	- 11 97 450	-
	Provision for Leave Encashment		9 47 225		-
	Provision for Income Tax		6 75 00 000		7 25 00 000
	Total		6 84 47 225		7 25 00 000

Schedule -10- Depreciation as Per Companies Act

01/04/2018 TO 31/03/2019

FIXED ASSETS	Gross Block 01/04/2018	Addition During.Year.	Deduction During.Year.	Gross Block '31/03/2019	Dep.Up To '01/04/2018	Dep.For The Year	Deduction Dur.Yr.	Total Dep '31/03/2019	Net Block '31/03/2019	Net Block '31/03/2018
AIR CONDITION	6,657,774	537,665	-	7,195,439	5,263,995	714,905	-	5,978,900	1,216,538	1,393,778
COMPUTER	18,127,248	4,224,621	-	22,351,869	16,652,813	2,051,087	-	18,703,900	3,647,969	1,474,436
ELECTRICAL EQUIPMENT	53,117,064	6,917,629	2,911,204	57,123,489	36,679,055	4,455,679	1,339,543	39,795,191	17,328,298	16,438,009
FACTORY & OFFICE EQUIPMENT	8,990,116	308,681	-	9,298,797	7,704,380	583,588	-	8,287,968	1,010,829	1,285,736
FACTORY BUILDING	526,043,502	21,779,975	5,788,542	542,034,935	229,151,200	28,774,057	966,596	256,958,661	285,076,274	296,892,302
FIRE FIGHTING EQUIPMENT	311,261	398,150	-	709,411	292,716	72,879	-	365,595	343,816	18,545
FURNITURE & FIXTURE	26,101,055	849,602	-	26,950,657	16,871,518	2,526,944	-	19,398,462	7,552,194	9,229,536
GUEST HOUSE STAFF QUARTERS	25,871,017	-	-	25,871,017	5,674,107	991,430	-	6,665,537	19,205,480	20,196,910
LAB EQUIPMENT	49,398,798	11,158,585	-	60,557,383	25,616,798	7,010,669	-	32,627,467	27,929,916	23,782,000
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	27,453,171	1,890,237	844,820	28,498,589	15,925,763	3,095,737	827,493	18,194,006	10,304,582	11,527,409
OFFICE PREMISES (FREEHOLD)	66,525,065	-	-	66,525,065	6,314,219	2,932,268	-	9,246,486	57,278,579	60,210,846
OFFICE PREMISES (LEASEHOLD)	36,798,230	-	-	36,798,230	15,426,185	2,466,625	-	17,892,809	18,905,421	21,372,045
PLANT & MACHINERY	866,313,202	101,994,307	14,638,416	953,669,093	448,732,574	58,424,560	3,895,920	503,261,213	450,407,880	417,580,628
TOTAL	2,096,468,664	150,059,452	24,182,982	2,222,345,134	830,305,323	114,100,429	7,029,553	937,376,197	1,284,968,937	1,266,163,341
(Previous Year)	1,998,765,065	97,703,599	0	2,096,468,664	719,470,431	110,834,894	0	830,305,325	1,266,163,339	1,279,294,634
CAPITAL W.I.P									1 17 81 098	1 96 87 403

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.

Notes No. 10.2 Deduction during the Year except for Motor vehicle are due to the Fire accident on 21/04/2018.

11	LONG TERM INVESTMENTS	As at 31st March,2019		As at 31st March,2018	
		(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
	Total		30 625		30 625

12	INVENTORIES	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	(As Valued and certified by Management)				
	Raw Material	19 75 41 883		26 89 18 683	
	Finished Goods	8 42 45 625		5 12 25 692	
	Packing Material	63 65 788		43 37 270	
	Stores and Spares	1 23 25 475	30 04 78 771	1 21 14 350	33 65 95 995
	Total		30 04 78 771		33 65 95 995

13	TRADE RECEIVABLES	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Unsecured - Considered Good				
	Over 6 months	5 28 17 101		4 91 58 777	
	Others	72 84 51 636	78 12 68 737	75 46 86 194	80 38 44 971
	Total		78 12 68 737		80 38 44 971

14	CASH & CASH EQUIVALENTS	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Cash Balance on Hand				
	Cash in Hand		4 37 865		4 65 332
	Bank Balance with Scheduled Bank				
	In Current Accounts		5 06 77 527		8 23 90 971
	In Deposit Accounts		2 75 00 000		-
	Total		7 86 15 392		8 28 56 303

15	OTHER CURRENT ASSETS	As at 31st March,2019		As at 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Advances Receivable in cash or kind or Value to be received		9 85 38 435		11 61 36 567
	Fixed Deposit With Banks (Under Lien for Bank Guarantee)		1 79 70 810		73 57 932
	Deposit With Public Authorities and Others		2 34 15 135		2 23 41 462
	Advance to Suppliers		42 83 589		97 43 605
	Advance Tax / Tax Deducted at Source		6 71 23 982		1 65 82 546
	Total		21 13 31 950		17 21 62 112

16	REVENUE FROM OPERATIONS	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Local Sales				
	Manufacturing Sales	2 48 45 29 234		2 07 44 47 028	
	Add: Duties & Taxes on Sales	45 15 37 336	2 93 60 66 570	37 48 18 146	2 44 92 65 174
	Export Sales				
	Manufacturing Export Sales	74 80 70 580		79 64 09 785	
	Duties and Taxes on Export Sale	-	74 80 70 580	10 44 571	79 74 54 356
	Processing Charges		1 76 00 154		2 43 73 454
	Total		3 70 17 37 304		3 27 10 92 984

17	OTHER INCOME	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Dividend Received		4 450		7 500
	Interest on Fixed Deposit Received		24 92 111		15 65 186
	Insurance Claim on Stock		43 75 518		-
	Rent Income		15 30 000		-
	Scrap Sale		12 51 931		6 05 311
	Income of Duty Drawback		2 678		-
	Profit on sale of Assets		60 799		-
	Gain Due to Foreign Exchange Rate Fluctuation		-		1 84 87 339
	Total		97 17 488		2 06 65 336

18	COST OF MATERIAL CONSUMED	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Opening Stock	27 32 55 953		11 25 89 598	
	Add: Purchases	1 93 23 95 747		1 93 89 78 761	
	Less: Closing Stock	20 39 07 671	2 00 17 44 029	27 32 55 953	1 77 83 12 406
	GST/ Excise Duty & Sales Tax		45 15 58 258		37 60 08 105
	Total		2 45 33 02 287		2 15 43 20 511

19	OTHER DIRECT EXPENSES	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Effluent Treatment Chgs		3 24 37 976		3 02 60 073
	Fuel charges		9 16 56 714		8 15 09 922
	Furnance Oil / LDO		61 54 783		38 60 598
	Freight Forwarding & Transport		8 18 10 699		7 83 68 229
	Material Testing & Inspection Charges		1 18 95 032		63 60 476
	Processing & Labour Charges		7 56 89 520		7 03 27 122
	Power Charges		10 94 48 994		10 15 57 209
	Repairs & Maintenance Plant & Mach.		2 30 07 329		1 58 28 703
	Stores & Spares		1 68 64 773		98 33 320
	Water Charges		1 10 61 982		1 12 12 961
	Total		46 00 27 800		40 91 18 613

20	CHANGES IN INVENTORIES	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Finished Goods				
	Opening Stock	5 12 25 692		4 97 28 344	
	Less: Closing Stock	8 42 45 625	- 3 30 19 933	5 12 25 692	- 14 97 348
	Total		- 3 30 19 933		- 14 97 348

21	EMPLOYEE BENEFIT EXPENSES	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Salary		21 73 73 285		19 18 10 424
	Staff Welfare		1 07 92 525		98 52 186
	Provision for Gratuity & Leave Encashment		72 96 710		49 76 364
	Provident Funds and Other Contributions		1 07 27 074		98 63 854
	Total		24 61 89 594		21 65 02 828

22	FINANCE COSTS	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Bank Charges		1 18 46 998		1 07 27 536
	Processing Fees		2 00 700		2 37 300
	Interest on Buyers Credit		1 58 69 805		73 61 079
	Interest on C.C., L.C. & P.C. facilities		1 89 10 982		1 57 71 091
	Interest on Unsecured Loan		74 58 194		94 08 476
	Interest On Car Loan		4 33 227		7 26 706
	Interest on Term Loan	2 76 37 945		3 25 86 485	
	Less : Interest Capitalised	- 21 79 719	2 54 58 226	- 15 77 972	3 10 08 513
	Total		8 01 78 131		7 52 40 702

23	Depreciation & Amortization of Expenses	For the year ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Depreciation		11 41 00 429		11 08 34 894
	Total		11 41 00 429		11 08 34 894

23.1 Depreciation on Building has been calculated at the rates provided under Companies Act, 2013 which includes additional charge of Rs. 61 99 103/- (P.Y. Rs. 68,40,299/-) due to revalued assets.

24	OTHER EXPENSES	For the Year Ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Advertisement & Presentation		14 02 212		33 24 611
	Brokerage & Commission		1 50 90 104		1 19 77 436
	Courier Charges & Telephone Expenses		25 02 602		22 76 742
	Discount & Rebate		-		1 498
	Donation		1 79 04 551		2 37 48 740
	Loss Due to Foreign Exchange Rate Fluctuation		2 54 55 895		-
	Hotel/Boarding/Lodge/ Guest House Exp.		16 24 025		2 85 323
	Insurance		83 59 057		71 49 623
	Interest On Excise, Service Tax & TDS		29 74 541		20 74 894
	Legal & Professional Expenses		2 08 05 666		1 35 93 381
	Loss on Gst Fire Claim		5 79 100		-
	Loss on Sale of Assets		16 14 428		-
	Corporate Social Responsibility Expenses		55 30 887		-
	Sundry Balance W/off		2 67 488		21 09 650
	Membership & Subscription		4 47 217		5 90 103
	Miscellaneous Expenses		15 38 846		11 81 012

24	OTHER EXPENSES	For the Year Ended on 31st March,2019		For the Year Ended on 31st March,2018	
		(Amount in Rs.)		(Amount in Rs.)	
	Motor Vehicle & Fuel Expenses		12 04 839		10 84 058
	Printing & Stationery		45 46 627		32 73 086
	Repairs & Maintenance Building		90 43 354		42 72 729
	Repairs & Maintenance Others		1 09 14 340		91 87 656
	Rent Rates & Taxes		48 45 820		42 02 536
	Security & Cleaning Charges		15 06 771		11 85 213
	Seminar Expenses		1 16 590		1 500
	Travelling & Conveyance Expenses		79 88 439		65 31 951
	Travelling Expenses - Foreign		17 15 676		9 40 772
	Audit Fees				
	Statutory Audit Fees	3 50 000		3 01 000	
	Tax Audit Fees	1 00 000	4 50 000	1 00 000	4 01 000
	Sponsorship Expenses		5 49 751		9 98 136
	Total		14 89 78 824		10 03 91 649

25	Earning Per Share	2018-19	2017-18
A.	Net Profit/ Loss available for Equity shareholders (after tax)	16 31 03 073	15 18 62 766
B.	Weighted number of equity share outstanding during the year	68 99 600	68 99 600
C.	Basic earnings per share of Rs. 10/- each	23.64	22.01

- 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 preference or priority of one lender over the other:
- For Term Loan**
Pari Passu Charge on Movable Fixed Assets and immovable properties and Second Pari Passu charge on current assets.
 - For Working Capital**
First Pari Passu Charge on Current assets and 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 were exclusively mortgaged / hypothecated with The Saraswat Co. Op. Bank Ltd for Term Loan and Bank Guarantee Facility, however outstanding balance for Term Loan as on 31st March 2019 is NIL.
- 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.
- E) 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 2019, 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 31st March 2019 comprises of the following :(Amt. in Rs.)

Particulars	As at 31.3.2019	As at 31.3.2018
Timing Difference on account of		
1) Depreciation on fixed asset	38 92 493/-	35 79 625/-
Total	38 92 493/-	35 79 625/-

31) CONTINGENT LIABILITIES:

- Letter of credits issued by Banks US \$ 17,95,331/- (Previous year US \$ 17,74,660/-)
- Bank Guarantee issued by Bank amount of Rs.179.71 Lakhs (Previous Year Rs. 173.57 Lakhs) to MGVCL, MPCB, Customs etc.
- Estimated amount of Capital Commitment towards expansion of Manufacturing Unit at Baroda (Gujarat) Rs. 546.76 Lakhs (P Y : Rs. 121.48 Lakhs)
- Claim Against company not acknowledged as debts:
Central Excise, Custom Duty, Central Sales Tax & GVAT Liabilities Rs 709.17 Lakhs (Previous year Rs. 649.44 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
9	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	36,65,812/-	2015-16	Commissioner of Customs (Appeals)
10	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	23,07,325/-	2014-15	Deputy Commissioner of Commercial Tax (Appeals), Baroda
	Total		7,09,17,204/-		

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	1,21,37,660/- (120,28,398/-)	47,500/- (5,70,000/-)	Nil (Nil)	Nil (Nil)
2	Rent Paid	Nil (Nil)	Nil (Nil)	12,000/- (12,000/-)	Nil (Nil)

3	Interest Paid (net of interest recd)	7,43,709/- (Nil)	Nil (Nil)	67,14,485 /- (94,08,476/-)	Nil (Nil)
4	Sponsorship For Education	Nil (Nil)	4,19,751/- (9,98,136/-)	Nil (Nil)	Nil (Nil)
5	Balance outstanding as on 31.3.2019 of Long Term Unsecured loan taken	Nil (Nil)	Nil (Nil)	1,20,02,044/- (1,67,88,844/-)	Nil (Nil)
6	Balance outstanding as on 31.3.2019 of Short Term Unsecured loan taken	1,06,03,489/- (47,858/-)	Nil (Nil)	1,13,68,432/- (3,35,45,400/-)	Nil (Nil)
7	Purchase	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Sale of Machinery	Nil (Nil)	Nil (Nil)	Nil (Nils)	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 & Nutrition Pvt Ltd	C Y	1,67,88,844/-	1,20,02,044/-
		P Y	(2,10,15,910/-)	(1,67,88,844/-)

Short Term Borrowings Include:

Sr. no.	Name of the Party	Year	Opening	Closing
1	Bajaj Health & Nutrition Pvt Ltd	C Y	2,97,37,857	1,02,60,745/-
		P Y	(4,64,33,807/-)	(2,97,37,857/-)
2	Bansal Pharma Limited	C Y	38,07,543/-	11,07,687/-
		P Y	(35,87,263/-)	(38,07,543/-)
3	S K R Bajaj	C Y	Nil	98,71,558/-
		P Y	4,48,045/-	Nil
4	Anil Jain	C Y	Nil	7,31,931/-
		P Y	68,027/-	Nil
5	Namrata Bajaj	C Y	47,858/-	Nil
		P Y	47,858/-	(47,858/-)

Income and Expenditure:

- Purchase includes purchase from Bajaj Health & Nutrition Pvt Ltd Rs. Nil (P Y Rs Nil/-).
- Rent Paid Includes paid Bansal Pharma Ltd Rs.12,000(P Y Rs. 12,000/-).
- 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.36,00,000/-), to Dhananjay S Hatle Rs.12,31,667/- (P Y Rs. 12,11,000/-), to Namrata Bajaj Rs. 10,12,917 /- (P Y Rs. 9,87,500/-), to Rupesh H Nikam Rs. 14,93,076/- (P Y Rs.14,29,898), to Babita Bajaj Rs.25,000 /- (P Y Rs. 3,00,000/-), and to Padma Jain Rs.22,500/- (P Y Rs. 2,70 ,000/-).
- Interest payment includes payment to Bansal Pharma Ltd Rs. 5,23,137 /- P Y (Rs. . 4,00,522/-) , to Bajaj Health and Nutritions Pvt Ltd Rs. 61,91,348 (P Y Rs. 90,07,954/-) , to SKR Bajaj: Rs. 7,29,719/- (P Y Rs. Nil) and to Anil Jain Rs. 13,990 (P Y Rs. Nil) .
- Sponsorship payment for education includes payment made to Ms. Gayatri Hatle Rs.Nil (P Y Rs. 4,04,716/-); to Siddhesh Hatle Rs. 1,36,551/- (P Y Rs. 3,39,450/-); to Pakshal Jain Rs. 2,83,200/- (P Y Rs. 2,53,970/-).

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
Revenue :				
Segment Revenue (Excluding Intersegment Revenue)	CY	36155.31	862.06	37017.37
	PY	(32,053.51)	(657.42)	(32710.93)
Segment Revenue (Intersegment Revenue)	CY	676.41	85.10	761.51
	PY	(752.49)	(80.71)	(833.20)
Gross Segment Revenue (Including Intersegment Revenue)	CY	36831.72	947.17	37778.88
	PY	(32,806.00)	(738.13)	(33544.13)

Segment Results :				
Profit/Loss (Before Tax & Finance Cost)	CY	4956.61	-248.06	4708.55
	PY	(4,051.71)	(-211.81)	(3,839.90)
Less: Finance Cost	CY	-	-	801.78
	PY	-	-	(752.41)
Less : Other Unallocable Expenditure (Net)	CY	-	-	1489.8
	PY	-	-	(819.03)
Total Profit Before Tax	CY	-	-	2416.98
	PY	-	-	(2,268.46)

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

Particulars	Information about Secondary Segments: Geographical				(Rupees in lakhs)	
	India		Outside India		Total	
	2019	2018	2019	2018	2019	2018
Gross Sales *	29,536.67	25,569.59	7,480.71	7,974.54	37,017.38	33,544.13
Less: Taxes	4,515.37	3,748.18	-	10.45	4515.37	3,758.63
Net Sales	24,162.67	21,821.40	7480.71	7,964.10	32502.01	29,785.50

* 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, recognized as expense for the year is as under :

Particulars	2018-19	2017-18
Employer's Contribution to Provident and Pension Fund	99,26,630	90,48,645

Defined Benefit Plan

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

Particulars	2018-19	2017-18
Defined Benefit Obligation at beginning of the year	1,73,38,298	1,55,53,840
Interest Cost	13,34,100	11,34,625
Past Service Cost	-	-
Current Service Cost	26,54,803	25,40,601
Actuarial (Gain) / Loss	2,99,993	2,23,064
Benefits Paid	(7,05,021)	(21,13,832)
Defined Benefit Obligation at year end	2,09,22,173	1,73,38,298

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

Particulars	2018-19	2017-18
Fair value of Plan Assets at beginning of year	96,19,706	82,86,710
Fair value of Plan Assets at year end	1,26,25,271	96,19,706

iii. Reconciliation of fair value of Assets and Obligations :

Particulars	2018-19	2017-18
Fair value of Plan Assets	1,26,25,271	96,19,706
Present value of Obligation	2,09,22,173	1,73,38,298
Net Liability recognised in Balance Sheet	82,96,902	77,18,592

iv. Expenses recognised during the year :

Particulars	2018-19	2017-18
Current Service Cost	26,54,803	25,40,601
Interest Cost	13,34,100	11,34,625
Expected Return on Plan Assets	(7,40,191)	(6,04,501)
Actuarial (Gain) / Loss	3,62,453	1,67,667
Net Cost	36,11,165	32,38,392

v. Actuarial Assumptions :

Particulars	2018-19	2017-18
Discount Rate (%)	7.70	7.30
Expected Return on plan assets (%)	7.70	7.30
Rate of escalation in Salary (per annum) (%)	5.00	5.00

35) EXPENDITURE IN FOREIGN CURRENCY:

	<u>31/03/2019</u>	<u>31/03/2018</u>
CIF Value of Import in	Rs. 132,78,71,169/-	Rs. 115,87,97,013/-
Other Expenses in	Rs. 1,48,69,512/-	Rs. 56,52,658/-

36) INCOME IN FOREIGN CURRENCY:

	<u>31/03/2019</u>	<u>31/03/2018</u>
FOB Value of exports in	Rs. 78,88,33,740/-	Rs. 73,60,94,357/-

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 31st 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.

Nature of Expenditure	(Amt In Lakhs)	
	2018-19	2017-18
Revenue Expenditure:		
Salary Expenses of R&D Personnel	102.03	97.40
R & D Chemical Purchase	45.42	10.24
Stores & Spares & Consumables in R & D	-	4.70
Sample Testing Charges	-	1.90
Travelling & Other Exp.	0.18	0.23
Common Utilities Expenses	23.21	22.16
Capital Expenditure:		
Laboratory Equipment	61.55	9,9.56
Furniture & Fixtures	-	0.40
Computer	-	0.26
Other Electric Equipment	-	0.33
TOTAL	232.39	237.18

37) EVENT OCCURRING AFTER THE BALANCE SHEET DATE:

- Shareholders of the Company through ballot on March, 29, 2019 has approved the issue of Bonus Equity Shares in the ration of 1:1 (i.e one Equity Share of Rs. 10/- each fully paid for every one equity shares held on the record date 10th April 2019, the Bonus Shares were allotted on April 11, 2019.
- 38) Figures are rounded off to nearest value of Rupees.
- 39) Previous year's figures have been regrouped or rearranged wherever necessary.