



**Date: 13<sup>th</sup> July, 2020.**

To,  
The Manager,  
Listing Compliance Department,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

Dear Sir/Madam,

**Ref : Script Id "BAJAJHCARE", Script Code "539872".**

**Sub: Earning Updates for the Quarter and year ended 31<sup>st</sup> March, 2020**

In terms of regulation 30 of SEBI (LODR) Regulation, 2015, please find attached Earning Updates for Quarter and year ended on 31<sup>st</sup> March, 2020.

You are requested to kindly take the same on record.

Thanking you.

Yours faithfully,

**For and behalf of Board of Directors of  
Bajaj Healthcare Limited**

A handwritten signature in black ink, appearing to read 'Aakash Keshari', enclosed in a hand-drawn oval.

**Aakash Keshari  
Company Secretary**

**BAJAJ HEALTHCARE LIMITED**

Registered Office: 602-606, Bhoomi Velocity Infotech Park, Plot No: B-39, B-39A, B-39A/1, Road No. 23, Wagle Ind. Estate, Thane (West), Thane - 400604  
Tel. : + 91 22 66177400/ 401; Fax : +91 22 66177458; E-mail : bajajhealth@bajajhealth.com  
CIN No. L99999MH1993PLC072892



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Rd No.23, Wagle Ind. Estate Thane West, Mumbai – 400604

## EARNING UPDATES

### 12M FY2020 Earning Updates

**Revenue from Operations reported at INR. 4100.08Mn**

**EBITDA at INR. 510.24Mn**

**PAT at INR. 225.00Mn**

**Mumbai**, 30<sup>th</sup> June 2020: Bajaj Healthcare Limited (BHL) has announced that the Company in its meeting of the Board of Directors held on June 30, 2020 has inter-alia considered and approved the following, subject to the approval of the Members of the Company as intimated to the BSE LTD (BSE).

- Approved the audited Financial Results of the Company for the 4th quarter and year ended 31<sup>st</sup> March, 2020 along with Auditor Report thereon.

BHL announced its Financial Results for the quarter and year ended on March 31, 2020 in the above-referred Board Meeting.

Particulars	FY 20 Q4(INR MN)
Revenue from Operations	1,184.97
Other Income	28.61
<b>Total Revenue</b>	<b>1,213.57</b>
Total Expenses	1,073.49
<b>EBITDA</b>	<b>187.80</b>
<b>EBITDA Margin (%)</b>	<b>15.47%</b>
Depreciation	33.78
Finance Cost	13.93
<b>PBT with Exceptional Item</b>	<b>140.09</b>
<b>Exceptional Items</b>	-
<b>PBT</b>	<b>140.09</b>
Tax	
Current Tax	37.00
Earlier Years	0.26
Deferred Tax	6.82
<b>PAT</b>	<b>96.00</b>
<b>PAT Margin %</b>	<b>7.91%</b>

**Note: Comparative Figures for Quarter ended 31st March 2019 were not provided, since the company was listed in SME segment of BSE Limited until 31st March 2019 and was required to prepare & publish half yearly results instead of quarterly results upto 31st March 2019**

**Yearly Ended (INR MN)**

<b>Particulars</b>	<b>FY19</b>	<b>FY 20</b>
Revenue from Operations	3,701.74	4,100.08
Other Income	9.72	31.79
<b>Total Revenue</b>	<b>711.45</b>	<b>4,131.87</b>
Total Expenses	241.70	3,807.36
<b>EBITDA</b>	<b>435.98</b>	<b>510.24</b>
<b>EBITDA Margin (%)</b>	<b>11.75%</b>	<b>12.35%</b>
Depreciation	114.10	121.23
Finance Cost	80.18	64.49
PBT before Exceptional Item	241.70	324.51
Exceptional Items	-	-
PBT	241.70	324.51
Tax	78.59	99.52
<b>PAT</b>	<b>163.10</b>	<b>225.00</b>
<b>PAT Margin %</b>	<b>4.39%</b>	<b>5.45%</b>
Basic/Diluted EPS	11.82	16.31

**Highlights of FY20 financials**

**Stronger market penetration, manufacturing efficiencies key to further outperformance**

- BHL posted a buoyant operating performance by growing product mix and expanded volumes and lower finance costs
- Revenue from operations increased by 10.76% from 3701.74mn to 4100.08mn in FY20
- The EBITDA increased by 17.03% from Rs.435.98mn in FY19 to Rs. 510.24mn in FY20.
- Finance cost reduced by 19.56% from 80.10mn in FY19 to 64.49mn in FY20
- Net profit stood at Rs 225.00mn in FY20, compared to Rs163.10mn in FY19.
- PAT margins increased to 5.45% in FY20 from 4.39% in FY19
- Return on Capital Employed( ROCE) increased by 14bps from 21.53% in FY19 to 21.67% in FY20
- Return on Equity (ROE) increased by 221bps from 12.63% in FY19 to 14.84% in FY20

**Impact of the COVID-19 Pandemic**

*In December 2019, there was an outbreak of a new strain of coronavirus (COVID-19) and on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and workforce participation due to “work- from- home” restrictions by various governments’ worldwide and created significant volatility and disruption of businesses.*

*We initially faced some difficulties in the distribution side. Thankfully, our manufacturing operations were well-managed because most of the people were staying with us there, the key people. So we had no*

*disruption in the manufacturing side although we had initial disruption in the secondary operations and movement of the goods, which in the month of May, actually got quite good. At this moment, we are more or less normal and have achieved the same kind of supply chain as we left before the COVID.*

- Manufacturing and distribution operations are considered “essential businesses” under current coronavirus shelter-in-place directives; minimal disruption to manufacturing and distribution capacity
- Based on current inventory levels and a robust supply chain strategy, BHL does not anticipate interruptions, to supply its products, even if extended disruptions to manufacturing operations were to occur as a result of the COVID-19 pandemic.
- Procurement of raw materials: In this challenging situation of Covid 19, we were able to communicate with our critical suppliers to determine inventory levels and potential issues in the short and long term.
- Employees: Office-based employees, to a large extent been working from home in most countries and will continue as such till the continuation of the lockdown period.
- Sales and Marketing: BHL has experienced an impact on its sales and marketing activities due to widespread restrictions on in-person meetings with its clients. Bajaj has expanded its use of digital solutions to support employee’s ability to work from home & interact with the customers.

#### **Business Update for FY 19-20:**

Bajaj Healthcare Limited has executed agreement with Vetpharma Limited to purchase its two Manufacturing facilities of intermediates for Active Pharmaceutical Ingredient (APIs) comprising of Immovable and movable properties for a purchase consideration of INR 205.00mn.

Manufacturing Facility: A manufacturing plot admeasuring 2040 sq. mtrs each along with the Plant and Machinery located at Tarapur Industrial Area of MIDC, Maharashtra.

Product Portfolios: BHL would be manufacturing intermediate of CH Base crude, CPCC crude & Meta Bromo Anisole crude at this facility.

#### **Guidance for FY 20-21**

Our performance during the quarter underlines the strength of our operations and largely our focus during the year had been to further magnify visibility and reach of our product portfolio. As the pandemic struck, we saw a strong surge in requirement for our products both domestically and in key export markets. We must commend all our teams for showing exemplary dedication towards BHL and helping us streamline the functioning of the business through the national lockdown despite several hurdles. We faced challenges initially with respect to labor and logistics, which have now been normalized. In order to help the migrant laborers and people below poverty line, we partnered with various institutions to distribute daily meals as well as essential groceries. Our superior market position in key customer segments has continued to enhance. Our research not only works towards developing superior products but also address the need from potential market niches and present scenario.

FY20 was also a milestone year as a corporate for us where we finalized a key acquisition and were in negotiation for another acquisition of Manufacturing Facilities. Given the momentum in our business and can see that we are poised to deliver sustained improvement in earnings with enhanced margins in the years to come.

Coming back to our highlights, our sales grew by 11% year-on-year. Our API segment grew by 6.78% and formulation segment grew by 185.86%. In the near-term, margins would continue expanding with higher volumes owing to higher manufacturing efficiencies and process fungibility/mix, and operating de-leverage

Overall revenues of INR 4100.08 mn in FY20, BHL plans to add additional 07 product lines by FY22 to have a portfolio of 12–15 products with an initial focus on India and Europe. BHL intends to spend INR 750mn to 800mn on acquisition for the next 2 years.

### **Management view on Industry and Business**

**Foreword on the industry:** India's plan to draw foreign majors to ramp up production of active pharmaceutical ingredients (APIs) has drawn interest from eight companies as it mulls extending sops to existing domestic entities as well to reduce dependence on China. The government would in a fortnight roll out the framework for the production linked subsidy scheme that was announced in March this year. Eight foreign companies have evinced interest in investing in the last one month. Though India has a globally recognized pharmaceuticals industry, it is heavily dependent on China for inputs. India imports about \$3.5 billion of APIs annually of which 70% is from China. The Union cabinet approved an INR 69,400 mn production-linked scheme to promote domestic manufacturing of critical drug intermediates and APIs, as well as an INR 30,000 mn scheme to promote bulk drug parks. The government has identified 53 APIs under the scheme, which will be flexible enough to permit existing companies to participate.

**Source:** (<https://economictimes.indiatimes.com/>; 4<sup>th</sup> June 2020)

**BHL to benefit from additional product portfolio and value migration to premium segment to continue:** BHL is poised for buoyant growth in API segment due to its expanded product profile and stronger market penetration. We further expect BHL to grow stronger in the nutraceutical industry in the long run due to expectations of continued value migration from its core segment. It would be critical for BHL to improve its competitive positioning in the fast-growing segments and areas to see sustained success.

**Export market to offer huge headroom for growth:** BHL plans to double its target export market to 100 countries over the next few years. While APIs exports to European and South American markets are a huge opportunity, BHL has a varies product offering scaling up market penetration and these markets will further open better opportunities and work in BHL's favor.

**Financial Positioning:** ROE and ROCE is around 14.84% and 21.67% respectively and book value per share is around INR 81.00 and share is trading at 2.53 (x) of its book value as on 31<sup>st</sup> march 2020. Net Cash flow from operating activities as of March 2020 is around INR 205.74mn Vs. 251.68mn as of March 2019.

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## **About Bajaj Healthcare Limited,**

Bajaj Healthcare Limited a leading manufacturer of APIs, and Formulations established in the year 1993. It specializes in manufacturing of Amino Acids, Intermediates, API, formulations & Nutraceuticals. The company has state-of-art manufacturing facilities, of which 3 units are dedicated to API, 1 unit to Intermediates and 1 unit for formulations. These facilities are designed to meet the requirements of both advanced as well as emerging market opportunities. It has a strong presence globally in countries like Europe, USA, Australia, Africa, Middle East and South America.

**For further information on the Company, please visit: [www.bajajhealth.com](http://www.bajajhealth.com)**

### **For further information contact:**

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