



CONFIGURED FOR GROWTH

BAJAJ HEALTHCARE LIMITED
27TH ANNUAL REPORT 2019-20

FORWARD-LOOKING STATEMENTS

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS - WRITTEN AND ORAL - THAT WE PERIODICALLY MAKE, MAY CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS. WE HAVE TRIED WHEREVER POSSIBLE

TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATES', 'ESTIMATES', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES' AND WORDS OF SIMILAR NATURE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE. WE CANNOT GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN OUR ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN

OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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THE story of Bajaj Healthcare Limited (BHL) continues to be intertwined with its core philosophy of creating a differentiated niche.

The Company has continuously strived to widen its horizon and grow exponentially.

Even as we made strides ahead, but at the same time, we ensured that we are rooted to our core and at every opportunity we focused on strengthening them.

Our road to success has been defined by the configurations we undertook to strengthen our cores, from manufacturing to research and development.

Thus, today, BHL has emerged as a company who has been able to create a niche that is ring-fenced by significant competitive advantages.

At BHL, we configured our cores to develop such a business model that helped us grow from strength to strength, year after year.

The result is evident in the numbers:

FY20 proved to be an extremely challenging year.

The slowdown global and national economy dented most bottomlines in FY20, BHL's profit after tax profit enhanced by 38%.

The slowdown affected margins; BHL's PBT margin expanded 1,340 bps to 7.85%.

THE BIG PICTURE

Largest

World's largest
manufacturer of
Chlorhexidine base

Largest

India's largest
manufacturer of
Ascorbic Acids

51⁺

Countries
of presence

50⁺

Clients
portfolio

6

Manufacturing
facilities

80⁺

Products
manufactured in
API, Intermediates &
Formulations

7,776^{TPA}

BHL's API &
Intermediates
manufacturing
capacity

38%

PAT growth
in FY20

1,104

million pcs p.a.
BHL's Formulation
manufacturing
capacity

200⁺

Finished dosage
formulations
manufacturing
approval

5

New molecules
launched in FY20

₹ 3,755.45

million
Market capitalisation
as on June 30, 2020



Bajaj Healthcare Limited.

Manufacturer of APIs,
Intermediates and Finished
Formulations.

Amongst one of the emerging
global manufacturers of
high-volume and high-value
pharmaceutical products.

Grew at 249%, over the last
decade, while expanding margins.

AND NOW **RECONFIGURED**
TO ACCELERATE GROWTH
EVEN FASTER.



WHAT YOU NEED TO KNOW ABOUT BAJAJ HEALTHCARE LIMITED

Values navigating our existence



Our Vision

- Our vision is to be a leading pharmaceutical company in India and to become a significant global player by providing high quality and affordable products.
- Commitment to continuous improvement and innovation.
- To develop environment friendly system.
- Contributing towards better healthcare through innovation.



Our Mission

- Innovation and excellence with customer satisfaction.
- Our mission at Bajaj Healthcare Limited is to become a global leader in manufacturing of APIs and Pharmaceuticals with high standards of quality and technical services.
- Our mission is to provide cost-effective products with reliable quality and delivery within a short span of time.
- To achieve excellence in our products and services and to build long term relationships with our customers.



A respectable track record

Incorporated in 1993, Maharashtra-based Bajaj Healthcare Limited is one of India's emerging large scale and vertically integrated pharmaceutical manufacturer for quality-conscious customers across the globe.

Bajaj Healthcare Limited (BHL) differentiates itself from its competitors through its unrivalled combination of market-leading product portfolio and track record in innovation, its expert knowledge of the pharmaceuticals market,

longstanding and sustainable relationships with the partners, and a highly talented and engaged workforce.

Our purpose

BHL aims to create new niches in the markets of its presence to ensure that its market share remains strong and our product portfolio remains innovative. It intends to enhance our global relevance with the help of a unique business model and wide spread offerings.



Generate profitable growth in our core markets



Realise global opportunities in the emerging pharmaceuticals market



Continue to step-change of our business capabilities



Build trust and respect in the market and communities of our presence



To focus on smart acquisitions to strengthen portfolio and sustain growth

Our world-class products that have strengthened our recall

Over the years, BHL has metamorphosed into a specialty company and focused on development, manufacturing and supply of Active Pharmaceutical Ingredients (APIs), Intermediates and Finished Dosage Formulations (FDFs) for the globally renowned companies across pharmaceutical, nutraceuticals and food industries.

API: We focus on efficiently manufacturing high-quality and high-value APIs in key therapeutic categories.

Intermediates: We focus manufacturing intermediates which form a key input component for its API and FDF manufacturing, thereby ensuring a steady demand for our products.

Finished Dosage Formulation (FDFs):

We focus on manufacturing tablets, capsules, and powders which find application in key therapeutic segments.

Our professional and knowledgeable management team

BHL is headed by Mr. Sajankumar R. Bajaj (Chairman & Managing Director) and Mr. Anil C. Jain (Joint Managing Director) who, in turn, are supported by a competent managerial team with an experience of more than 10 years. With the promoters having an enriching industry experience of more than 25 years, the Company has been highly successful in taking advantage of key decision taken by them and different business opportunities.

Our culture

Our workforce is central to our ability to succeed. As we continue to transform our culture and capabilities to meet the demands of tomorrow, our employees' integrity, pride and spirit are paramount. We will continue to focus on employee engagement to create a culture which makes us proud and helps us deliver on our long-term goals.



OUR MANUFACTURING CAPACITIES

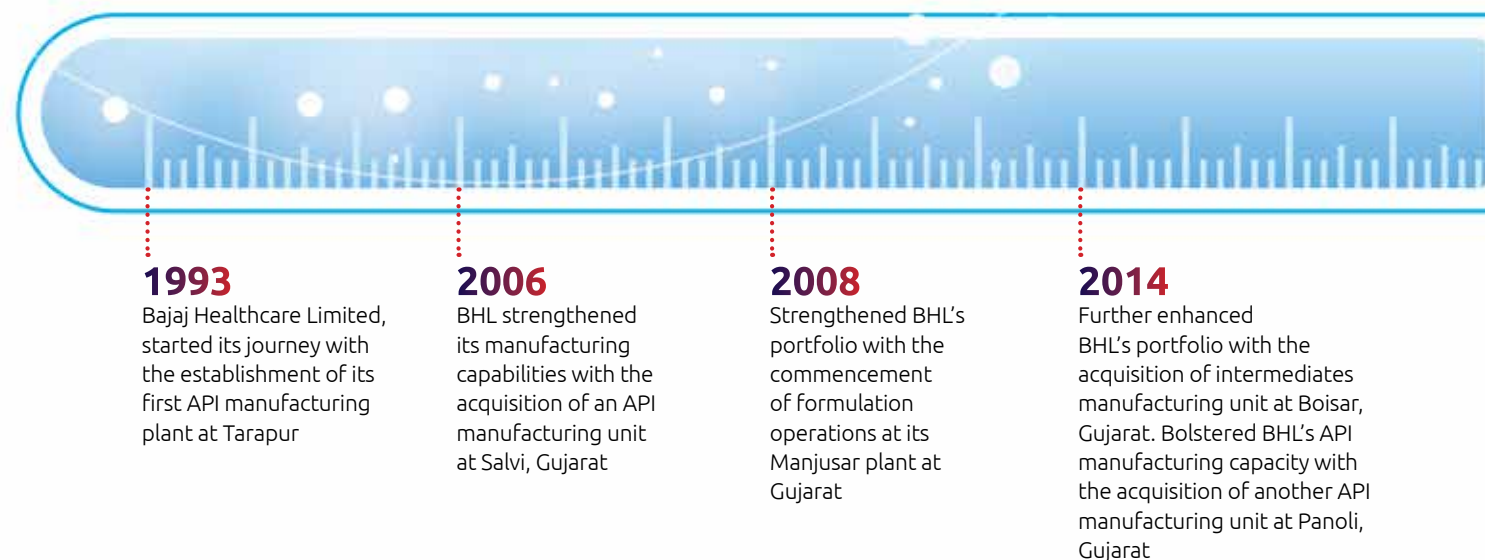
...that have enhanced our preparedness

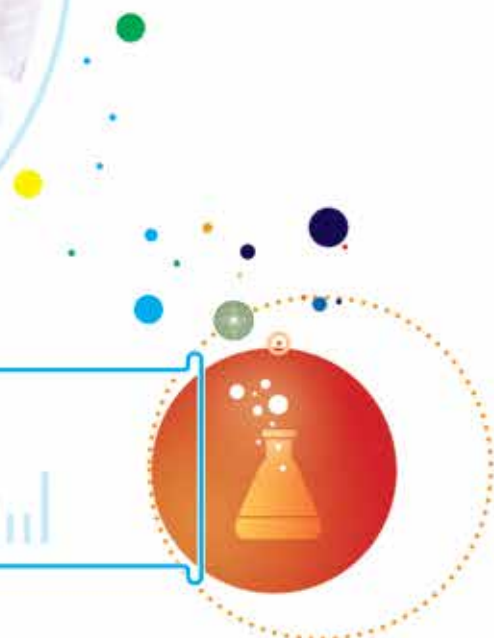
BHL has periodically enhanced its capacities to address consumer demands

Product category	Facility location	Product	Certifications
Active Pharmaceutical Ingredients (APIs) and intermediates	1. Savli, Gujarat 2. Tarapur, Maharashtra 3. Panoli, Gujarat	Ascorbic Acid, CH Base and Its Derivatives, Citicoline Sodium, Carbamazepine, Theobromine, Ferrous Ascorbate, Doxofylline, Oxcarbazepine, Choline Bitartrate and its derivatives Octenidine Hydrochloride, Calcium Phosphoryl Chlorine Chloride, among others.	ISO 9001:2015 ; HACCP certification since 2012; Star-Kosher and OK Kosher certification; GMP certification; Certificate from CDSCO i.e. Written Confirmation for exporting products into European Union (EU) Countries; EU-GMP Certification from Croatia; MFDS (KFDA) Certificate; Certificate of Suitability (CEP) for the product- Chlorhexidine Gluconate 20% Solution from EDQM authority; MFDS (KFDA) Certificate for the product- Theobromine; Halal Certificate; FSSAI License from FDA, Gujarat; FSSC 22000 from TUV NORD CERT GmbH, Germany; WHO-GMP Certificate from FDA, Gujarat
Finished Dosage Formulation (FDF)	Vadodara, Gujarat	Cellin 500, Septran DS Tablet, Aspirin Gastro Resistant Tablets and Ecosprin Tablet, among others.	ISO 9001:2015 ISO 9001:2015 certified for its Quality Management Systems; WHO – GMP certification for the manufacturing of Capsules, Oral Powder and Tablets; FSSAI from FDA, Gujarat; Certificate of product registration from FDA, Philippines for Hydroxychloroquine sulphate

BHL'S STORY OF EVOLUTION

Key inflection points in BHL's existence





2016

BHL got listed on the stock exchange, on BSE- SME Platform

2019

Migrated from BSE-SME Platform to BSE main board

2020

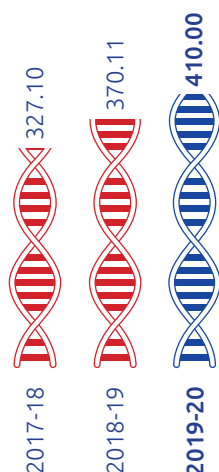
Further strengthen portfolio with the acquisition of another intermediate manufacturing unit at MIDC, Tarapur, Maharashtra. As a part of this acquisition, BHL is all set to acquire four manufacturing facilities, comprising of three API manufacturing facilities and one engineering unit

RECALIBRATED CORE DELIVERED GROWTH

Numbers behind the story.

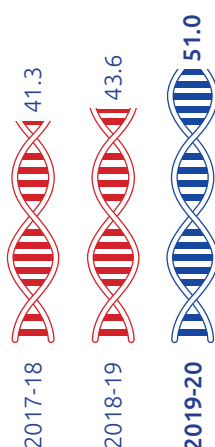
P&L Metrics

Revenue from operations (₹ in crores)



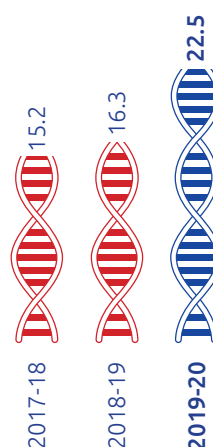
7.9%
3-year CAGR

EBIDTA (₹ in crores)



7.3%
3-year CAGR

PAT (₹ in crores)



14%
3-year CAGR

Debtors Turnover Ratio

4.67% in FY19 **4.60%** in FY20

Inventory Turnover Ratio

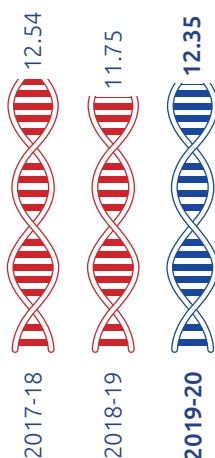
7.70% in FY19 **7.74%** in FY20

Interest Coverage Ratio*

4.46% in FY19 **6.37%** in FY20

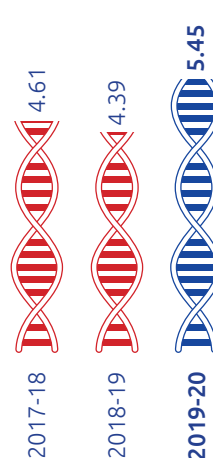
* Interest Coverage Ratio changed more than 25% during the year, owing to decrease in interest paid during the year.

EBIDTA Margin (%)



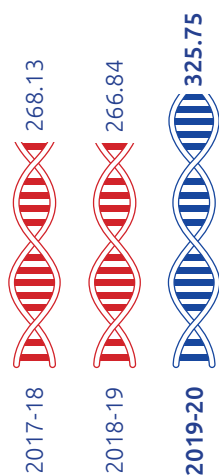
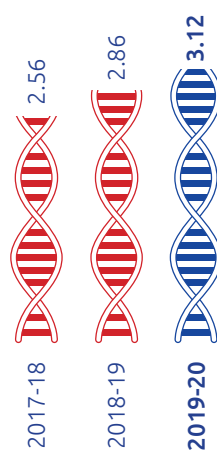
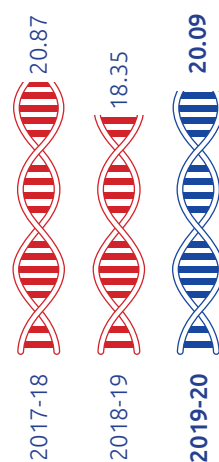
23.6%
Growth over last two years

PAT Margin (%)

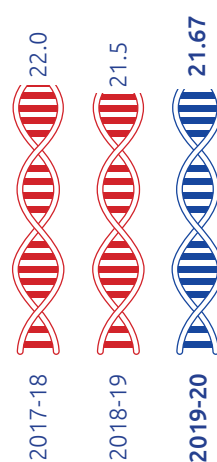


48.2%
Growth over last two years

Balance Sheet Metrics

Total Assets
(₹ in crores)Fixed Asset turnover ratio
(in times)Return on Net
Worth (RoNW)
(%)

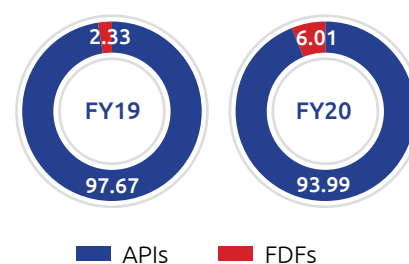
11%
Growth over last two years

Return on Capital
Employed (RoCE)
(%)

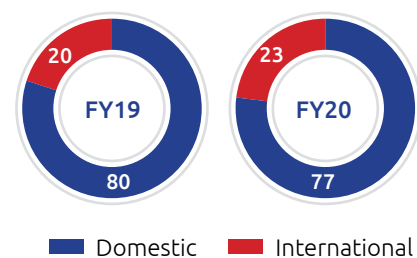
1.2%
Growth over last two years

Sales breakup

Product wise (%)



Revenue by Geography (%)



OUR GROWING PRESENCE



- Algeria
- Argentina
- Australia
- Bangladesh
- Belgium
- Brazil
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- France
- Germany
- Ghana
- Greece
- Guatemala
- Indonesia
- Iraq
- Israel
- Japan
- Jordan
- Kenya
- Malaysia
- Mexico
- Morocco
- Netherlands
- New Zealand
- Peru
- Poland
- Saudi Arabia
- Singapore
- South Africa
- Spain
- Sudan
- Syria
- Taiwan R.O.C
- Turkey
- United Arab Emirates
- United States
- Uruguay

OUR STRONG CLIENT-BASE



Sun Pharma Ltd.



Pfizer Ltd.



Abbott Healthcare P. Ltd.



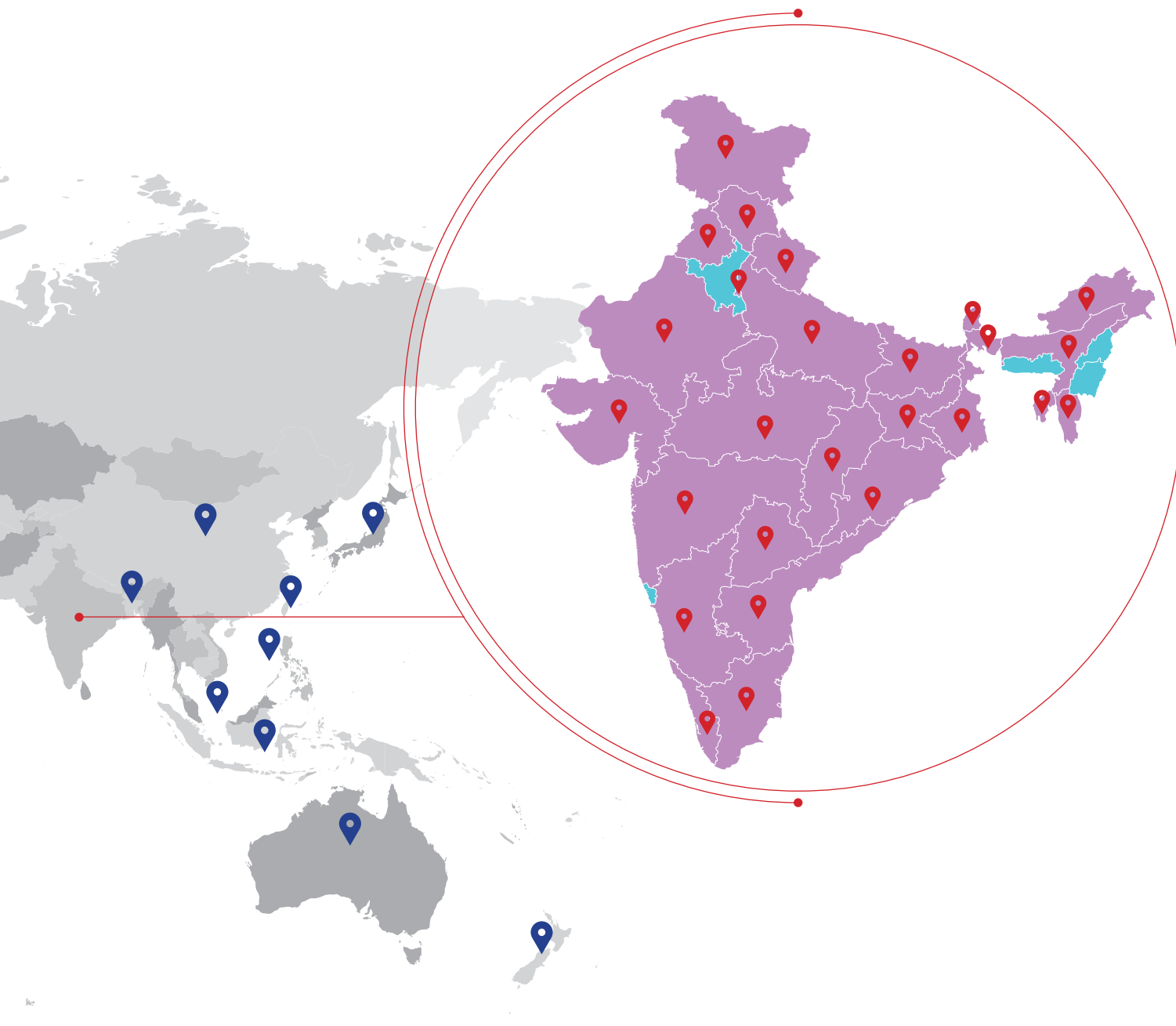
Glaxosmithkline Pharmaceuticals Ltd.



Lonza Group



Bajaj Medical LLC



Nestlé Group



Evonik Industries AG



Koye Pharmaceuticals Limited



Usv Pvt.Ltd.



Intas Pharmaceutical Ltd.



Interquim S.a.

CHAIRMAN & MANAGING DIRECTOR MESSAGE

BAJAJ HEALTHCARE, TODAY, STANDS ON AN IMPORTANT JUNCTURE OF GROWTH, WHERE WE EXPECT **TO ACCELERATE MUCH FASTER THAN WHAT WE HAVE ACHIEVED TILL NOW!**



Mr. Sajankumar R. Bajaj, reviews the performance of the Company in 2019-20 and chalks out future growth path.

Dear shareholders,

I am happy to present you the 27th annual report of the Company. The year 2019-20 was the watershed financial year in BHL's history. Over the past few years, we have worked relentlessly to graduate from a commodity-driven company to a value-driven company. In line with this tenant, we have tried to create a robust research and development team working on molecules nearing patent expiry. We are happy to announce that in 2019-20, we launched five new molecules in the premium segment and are expected to guarantee the future growth of the Company in terms of revenue and profitability.

Performance review 2019-20

We report a revenue of ₹ 413.18 crores in 2019-20, a growth of 11.3% over 2018-19. Our focused approach on enhancing profitability over the past few years helped us increase our EBITDA by 17% over 2018-19 and our PAT by 37.9% over 2018-19.

Despite our investments in business-strengthening initiatives, we continue to possess a strong balance sheet with a long-term gearing of 0.14 times and a cash and cash Equivalents balance of ₹ 4.16 crores.



Business strengthening initiatives

As we continued to strengthen our financial performance, we equally concentrated on strengthening our core, the results of which should become more visible over the foreseeable future. These initiatives included a proactive investment in research that should deepen our presence and should establish BHL as a more broad-based player with a relevance across a wider range of businesses and regions.

- Over the past few years, the Company focused on taking itself to the next big league in the API segment. We invested in strengthening our research capabilities with the induction of competent manpower. We also focused on developing a pipeline of molecules which are slated for patent expiry in the near future. This has helped us to successfully introduce five new molecules during 2019-20. These are high-value and low-volume products, and are expected to strengthen our profitability in the coming years. Moreover, the Company embarked on building another state-of-the-art research and development center (expected to commission by October 2020) in Baroda to further bolster our research strengths.
- One of our major achievement during the year was the GMP approvals from the European customers and the South Korean customers. These approvals revalidated our stringent quality-control parameters. With these two approvals, we are now present across the world's major regulated pharmaceutical markets, with exports contributing to about 23% of our revenues in 2019-20. The road to this achievement was challenging. To achieve these approvals, we realigned our processes, invested in cutting-edge equipment, recruited experienced industry professionals, and extensively trained our existing
- employees to match international standards. Achieved after rigorous planning and implementation for the past three years, these approvals are not just going to strengthen the Company's performance in the coming years but would also help us expand our market base. Our standard operating procedure helps us in streamlining the processes while resulting into an overall efficiency improvement.
- Furthermore, the Company is strengthening its manufacturing capabilities through the acquisition of assets of Vet Pharma Limited including land and building. In a post balance sheet development, we have acquired another API manufacturing unit in Maharashtra. The targeted assets have installed manufacturing capacities of 111 metric tons per month and are capable of manufacturing bulk drugs and Active Pharmaceutical Ingredients (APIs) like mefenamic acid, artemether, lumefantrine, aceclofenac/benzodazole, and nimesulide. The existing product portfolios of these assets are highly complementary to our current priorities and future priorities. Going forward, this transaction ensures our access to additional portfolio opportunities within a very short period of time. Plus, the above mentioned units have additional capacities, useful to manufacture the value-added products. The full impact of the acquisition will be experienced from 2020-21 onwards.
- In a bid to become more self-reliant in line with the Prime Minister's vision of an 'Aatmanirbhar Bharat,' we have acquired a land parcel at Dahej with the required environment clearance (approximately 9 acres) that will be dedicated towards our backward integration initiatives and reduce our dependence on imported chemicals from China.

23%

We are now present across the world's major regulated pharmaceutical markets, with exports contributing to about 23% of our revenues in 2019-20.



Governance

At Bajaj Healthcare, we believe in a principle of transparency that is validated by the high level of governance in our organization. We have a well-diversified Board of Directors engaged in timely and transparent communication with our entire universe of stakeholders.

People

We consider people as our key resource and invest heavily in developing our “people” resources. We have invested in an inductive work environment, well-defined training programs, and detailed career progression plans. A testimony to our employee-centric initiatives: out of our 715 employees, more than 60% have been working for more than 10 years! A testimony of the Company’s employee-centric initiatives.

Impact of COVID-19

The world-wide coronavirus pandemic drastically changed the way businesses operations are being carried out across the world and across organizations, and we are no different. In turn, we quickly facilitated a work-from-home initiative. It helped us prevent our employees from exposure to the coronavirus.

Health first - that is the underlying message that the COVID-19 pandemic has re-asserted. The pandemic is a health as well as an economic crisis and hence the role of the pharmaceutical industry has become very critical. The pandemic has shaken the global economy but has given the world an opportunity to correct decades of under investment in healthcare.

Over the past many years governments across the world have given more importance to controlling healthcare costs to balance their overall budgets. The COVID-19 pandemic and the economic costs that it has extracted may force governments to reconsider this presumption and try to strike a balance between providing adequate healthcare and the ability to fund it.

Road Ahead

We have an optimistic outlook towards the coming years. Our continuous study of molecules going off-patent is helping us create a steady product pipeline, with opportunities to add significant value to the topline as well as the bottom-line. By launching 2-5 new molecules every year, we plan to strengthen our position as a value-added API manufacturer in the market.

60%

A testimony to our employee-centric initiatives: out of our 715 employees, more than 60% have been working for more than 10 years!



Our acquisition of assets over the last few years has helped us prepare for the marketing of the near patent expiry molecules. This inorganic route of expansion has helped us keep our balance sheet light and gain a significant head-start in becoming ready for the market.

Additionally, we have shifted from just API manufacturer to a combination of formulations and APIs. These constant reconfigurations have not only helped maintain our growth momentum but also enable us to stay ahead of the competition.

BHL's sterling performance, during the year under review, through the economic maelstrom is a testament to our robust business strategy, diversified businesses and operating fundamentals.

Riding on these initiatives, we expect to emerge as a ₹ 1,000+ crore company in the next 3 years.

Note of thanks

I am thankful to all our stakeholders for trusting our business model and staying invested in our business. We stand at an important juncture in our history and expect to prosper exponentially more than what we have achieved in the past 27 years!



SUSTAINING GROWTH MOMENTUM BY RECONFIGURING OUR REVENUE BASE

FOR A MAJOR PART OF OUR EXISTENCE, BHL HAS BEEN PERCEIVED AS A COMPANY WHO IS STUCK IN THE LOW MARGIN AND HIGH-VOLUME GAME.

But a meaningful understanding of our business expansion strategy would reveal that we relentlessly focused on improving our manufacturing efficiencies and undertook strategic acquisitions, leading to some of the highest margins in the products we compete in.

Over the years, we strengthened our ability to enhance margins and revenues.

We did so by...

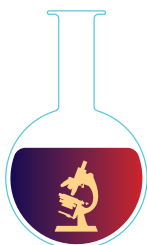
Progressively evolving our product mix from Intermediates to APIs to FDFs. Our FDF sales contributed to 6% of our revenue in FY20 compared to just 2% in FY19. Every year, we use more of our APIs for captive consumption to manufacture FDFs. While we offer all three components of the value chain, an increasing number of our customers are being converted from the purchase of APIs to lucrative formulations.

Enhancing our presence in the key therapeutic areas such as pain management, anti-malaria and tapeworm infection in the API segment which are high on value and low on volume. We focused on regular new product addition to our portfolio to support commercial launches on patient expiry.

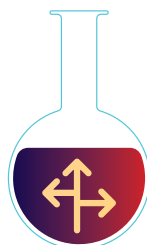
Altered our sales mix towards value-added products in the pharma value chain – from a 100% API business in 2007, the sales mix altered to 94% to 6% between APIs and FDFs in FY20.

Leveraged our cost advantage in API manufacturing to forward integrate into generic FDF manufacturing.

Making Bajaj Healthcare Limited future-ready



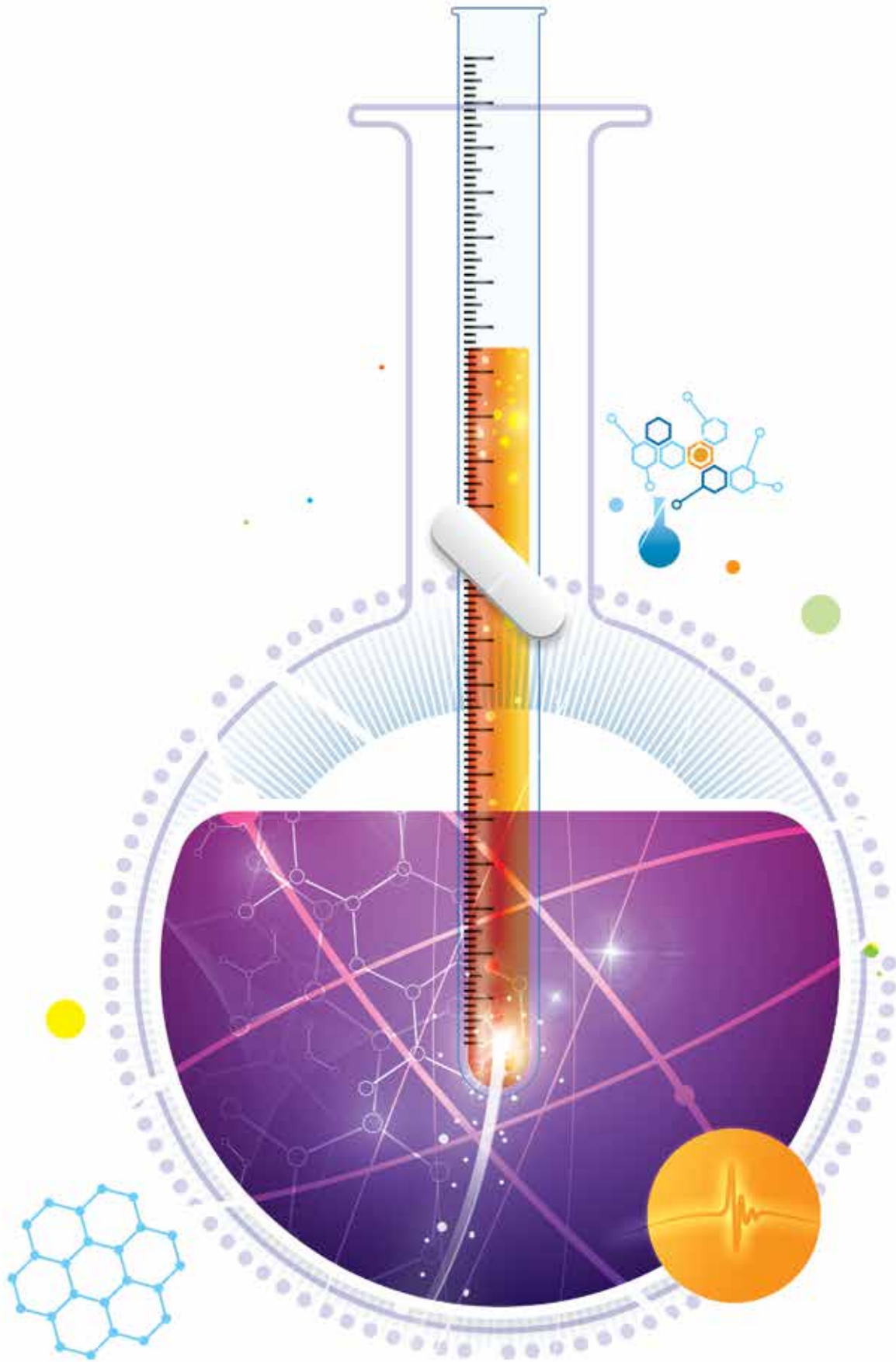
Research and innovation:
Creation of strong R&D team
Investment in cutting-edge infrastructure
Continuous development of off-patent molecules
Annual introduction of 2-5 molecules

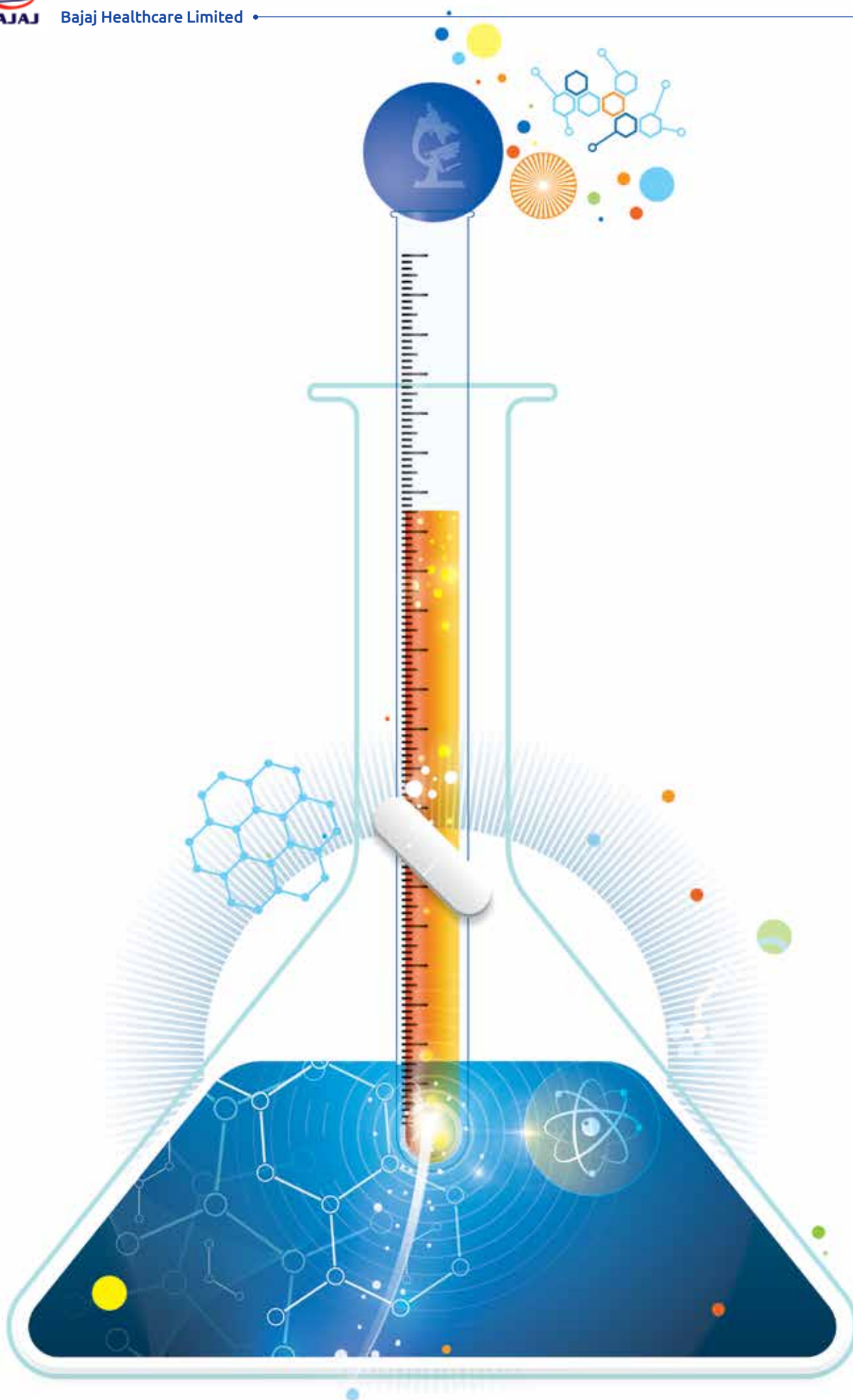


Market expansion:
Strong manufacturing practices
Creation of well-defined SOPs
Expansion in newer export markets



Inorganic expansion route:
Acquisition of stressed assets
Quick turnaround of these assets
Marginal investments in upgrading assets
Faster scale-up





TO SUSTAIN GROWTH MOMENTUM ENHANCING OUR RESEARCH AND DEVELOPMENT (R&D) COMPETITIVENESS

EXPERTS OPINED THAT BHL IS MAJORLY A MANUFACTURING FOCUSED PHARMACEUTICAL COMPANY WITH LIMITED RESEARCH CAPABILITIES.

A more accurate portrayal of our business model would reveal how we are building on our competitive advantage i.e. R&D to grow wallet share while simultaneously investing in new R&D opportunities to grow revenue and improve margins.

R&D is a critical component of our growth engine, because we believe that R&D would help us to create a wider basket of products of an improving quality at a progressively lower cost. Further, effective research and new product development helps take our business ahead.

The different R&D strengthening initiatives taken by the company over the last few years are depicted by the fact our new molecule launches over the past few years.

We strengthened our R&D capabilities by...

- Forming a strong R&D team comprising of experienced professionals
- Possess a pool of talented and experienced scientists including organic/analytical chemists to 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
- Undertaking regular training programs to keep ourselves updated
- Ensuring that our R&D division has the required accreditations
- Investing latest technologies to bolster capacity and ensure quality
- Equipped with 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
- Department of Scientific and Industrial Research (DSIR), India certified R&D laboratory

To drive its business growth in a profitable way, the Company created a focused R&D unit to service the growing needs of its API and FDF Segment.

Result, today our R&D facility is being accredited by Department of Scientific & Industrial Research, Ministry of Science and Technology, GOI.

The importance of R&D segment cannot be over-stated. Continuous focus on R&D helped us is substantially shrinking the product transfer time from the lab to pilot scale to the commercial scale. It not only ensured a seamless conversion but also helped in improving asset utilisation at downstream facilities and improve revenue generation.

Proactive reverse engineering has helped us to reduce our dependence on our external partners for input raw-materials.

BHL'S COMPETITIVE ADVANTAGE

Leadership: The Company is among the leading global manufacturers of high-volume APIs including Ascorbic Acid, CH Base and its derivatives among others. Additionally, BHL has expanded its business scope over the years with extending its presence in the intermediates and finished dosage formulations (FDF).

Experienced management:

The promoters of the Company has been long associated with the pharmaceutical industry, nearly three decades, and has a proven background and rich experience in the pharmaceutical industry. Further, the top management is being aided by a team of experienced professionals having technical, operational and business development experience. The top managements enriching industry experience has enabled the Company successfully mitigate the challenges and grab on the opportunities.

Economies of scale: The Company's has in place six state-of-the-art manufacturing facilities spread across India. The facilities can accommodate large-scale customers; the Company is amongst the top five suppliers to the regulated markets for its product portfolio. The Company is the one of the leading manufacturers of Nutraceuticals in domestic market – Ascorbic Acid IP, Sodium Ascorbate, Ferrous Ascorbate. BHL is the largest manufacturer of CH Base and its derivatives in the world, and India's largest manufacturer of Vitamin-C.

Integration: While most pharmaceutical manufacturers focus on one product vertical (APIs or FDFs), BHL invested in all three – APIs, Intermediates and Finished Dosage Formulations (FDFs), which enables the Company to add value throughout the manufacturing value chain.





Approvals: All of the Company's facilities are approved by some of the most demanding global regulatory authorities, making it possible for the Company to market products in countries marked by relatively low competition and attractive realisations.

Flexibility: Being spread across the pharmaceutical manufacturing value chain enables the Company to offer quality and wide range products to its customers across the value chain. Thereby offering BHL's customers with flexibility and also enabled the Company to widen its geographical presence.

Diversified customer base: The Company has been in the business for nearly three decades and over the years, the Company has continuously expanded its product portfolio. This wide spread product range across three segments has enabled the Company established a strong customer base and an unyielding marketing setup. Further, each of BHL's manufacturing unit functions as an independent division and garners customer base of its own. Supervised by the core marketing team of the Company, this strategy enabled the BHL build a diversified and strong customer base. This also helps de-risk the business from an excessive dependence on a handful of large clients.

Wide product range: From a couple of products in 2000, the Company today had more than 80 products in its portfolio. Also, the Company ensured that it has marked its presence in the key therapeutic areas, to ensure a steady demand for its products. This has enabled the Company to successfully meet the customers demand for the latest product and also undertake market expansion activities for its suppliers.

Value-addition products: APIs accounted for 100% of the Company's sales when it went into business in 1993; the Company increased the non-API proportion of its sales from scratch to 6%, over the last decade year.

Operational excellence: The Company periodically implemented operational excellence programme and technological upgrade programme that helped debottleneck operating units and enhance capacities for only a marginal capital outlay, strengthening profitability. These dedicated upgradation programme has enabled the Company to offer quality products at a competitive price and enhance profitability.

WHAT MAKES BHL DIFFERENT?

As a growth focused company, we are a dedicated pharmaceutical products manufacturer across some of the key product segments. It has helped our customers to sell more while enabling them to reduce cost and manage their business risk.

We are able to do so because of the scale of our manufacturing and our investment in R&D, innovation, process improvement, quality control, great service and our people.

Our scale

Enables us to serve large customers efficiently on a multinational basis

- Our presence across the three segments and in some of the major markets such as Europe and the US enables us to serve wide array of customers and with short lead-times
- Long-standing relationships with a wide range of multinational and globally renowned pharma companies

Investment in R&D and innovation

Adds value to our customers

- Forward thinking approach
- Progressive investment in R&D
- Strong in-house quality management system
- Technology know-how

Total value approach

Aligns us with our customers need who seek to maximise their efficiency

- Presence across the value chain
- Wide array of products across key therapeutic areas
- Leverage relationships; through timely, and quality-consistent delivery

Our people

We employ dedicated, skilled and motivated people, and invest in ensuring that they understand how to play their part in the success of the business. We work hard to integrate new colleagues, including those who join from manufacturing facilities acquired by BHL, as quickly and smoothly as possible. Our strong corporate values underpin our culture and behaviours and are central to how wider value is created for our business and stakeholders.



We help our customers achieve more
More sales > Wide range of products | Timely availability | Consistent quality

Managed risk > Stringent quality controls | Sustainable business practice | Accreditation by international regulatory agencies | Regulatory compliance

Lower cost > Economies of scale | Integrated manufacturing | Presence across the value chain



HOW WE HAVE ENHANCED SHAREHOLDER'S VALUE?

BHL enhanced value for its shareholder's through various long-term initiatives.

Tangible value-addition

Revenue growth: The Company grew sales (revenues and volumes) across markets and products through enhanced capacities, global approvals from authorities and customers and increasing demand for its products. The Company is amongst the leading manufacturers in its product lines for the regulated markets.

12.96%

CAGR revenue growth from operation over the last five years

Improving profitability: The Company climbed the value-chain from APIs to Finished Dosage Formulations (FDFs). BHL grew its API business from ₹ 115.03 crores in FY10 to ₹ 385.37 crores in FY20 and FDF's business from ₹ 02.34 crores in FY10 to ₹ 24.64 crores in FY20. Further, enhanced its presence in regulated markets while building on capacities through strategic acquisitions. This has enabled BHL to sustainably grow its bottom-line.

22.4%

CAGR PAT growth over the last five years

Strengthening fundamentals: BHL consistently grew its free cash flows through a strategic volume and value-driven initiatives, maintained a prudent ratio between the need to reward shareholders and business investments. In the last three years, the Company deployed retained earnings to repay debt, undertake portfolio strengthening acquisitions, enhance shareholder's return and strengthen investor recall.

26.05%

Grew shareholder's fund over the last three years

Business reinvestment: BHL, over the years, reinvested in enhancing its production capacity with the objective to make growth sustainable. BHL undertook several acquisitions since its inception. The cumulative gross block addition in the years leading to FY20 was funded through a prudent mix of debt and accruals while maintaining a healthy debt equity ratio.

15%

Grew gross block over the last three years

Why BHL is an ideal investment opportunity?

We invest where there is long-term growth. We have delivered industry-leading performance, time and again, by continuing to execute our robust long-term growth strategy with passion and with perfection.

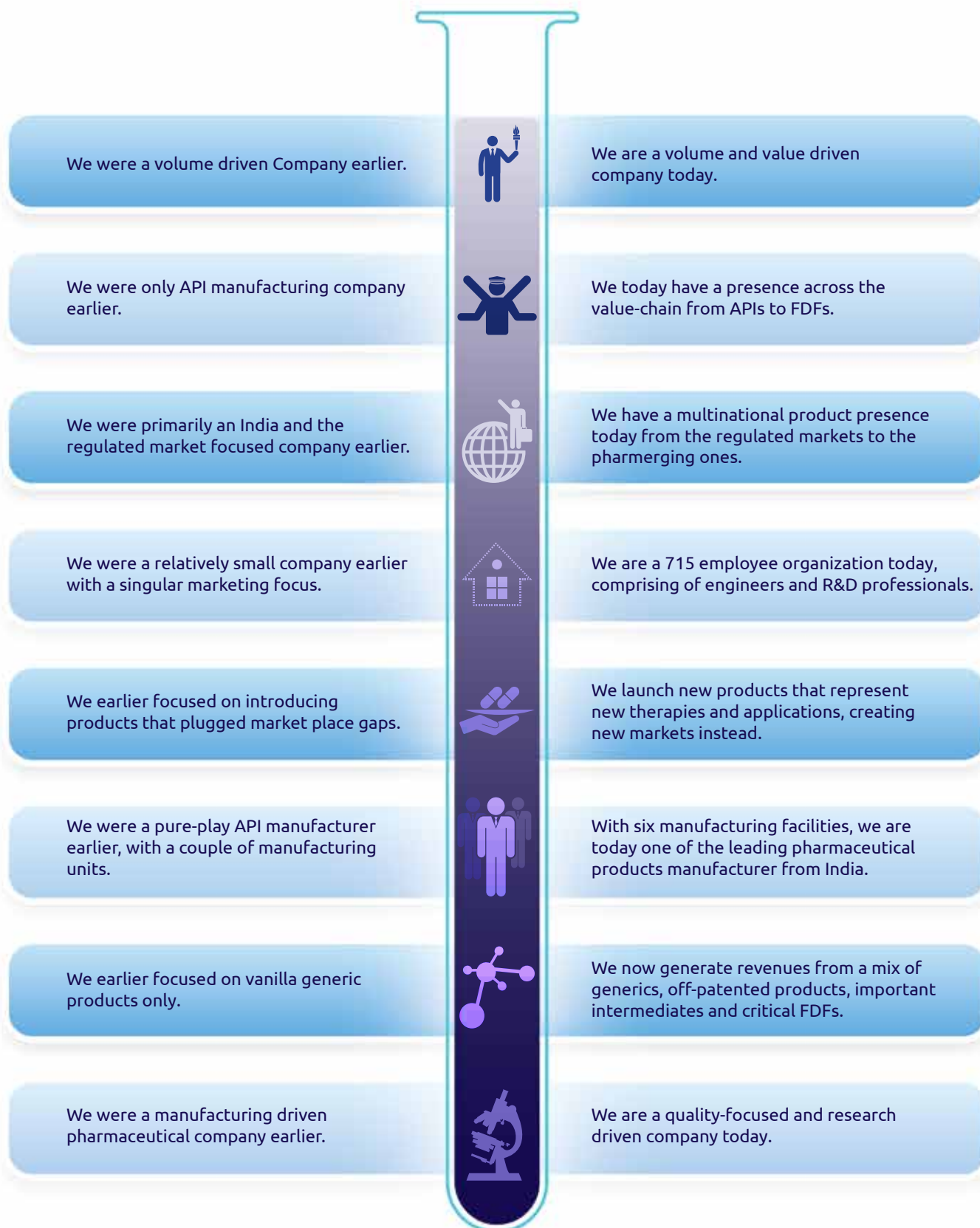
We have always put our customers first and diligently focused on partnering in their success.

We have consistently delivered profitable growth, 9 years out of our last 10 years we reported profitable growth.

We ensured that our capital allocation was disciplined and was in line with our strategy. Our ROCE grew every year over the last five years.

We are committed towards continuous enhancement of our operational efficiency and R&D capabilities.

HOW BHL HAVE RECONFIGURED OVER THE YEARS?



OUR **STRATEGY** FOR DRIVING GROWTH

Our strategy is to build a leading and future-focused pharmaceutical company powered by advanced research and development and effective product portfolio. As we implement our strategy, we have four priorities to shape our future and help us continue to create value for our Company, stakeholders and society. This is delivered via our four strategic goals.

To lead the way sustainability

- Reduce our carbon footprint
- Protecting natural resources by making the most of natural resources used
- Reducing waste and disposing the wastes responsibly

To realise the potential of our people

- Ensuring the safety of our people
- Creating an environment that our people are proud of and where they can give their best
- Building individual and organizational capability

To delight our customers

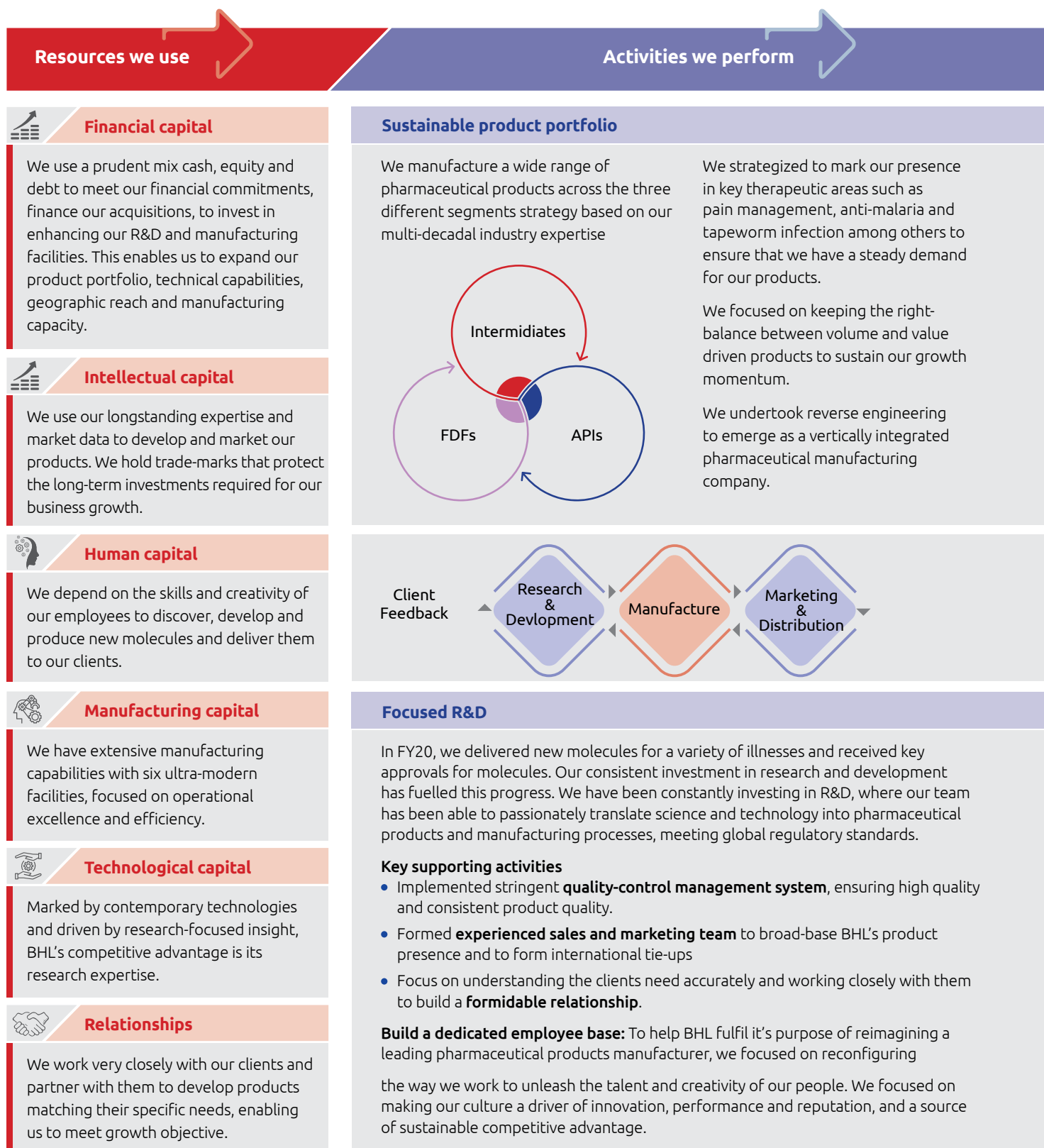
- Delivering on our commitments for top quality pharmaceutical products and within the given time
- Providing a wide range of products to choose from with a presence across the value chain
- Driving innovation while focusing on a research-based approach
- Expanding manufacturing scope by adding new products to the portfolio

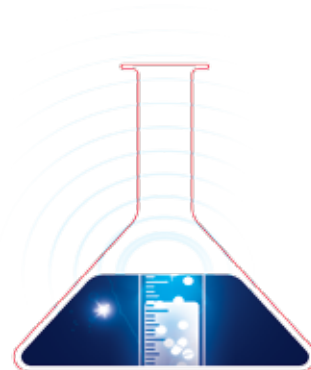
To double our size and profitability

- Driving organic market share gains by enhancing our international presence into newer market
- Maximizing the opportunities from the acquired manufacturing facilities and focus on inorganic growth opportunities
- Regularly investing in R&D to develop custom and consistent manufacturing process, and also to synthesize efficient and technologically advanced products
- Expand our formulation manufacturing capacity to help increase BHL's presence in the global market and also increase the loan licensing work

OUR BUSINESS MODEL

Our business model is focused on garnering the maximum value from our input resources and drive sustainable growth over the long-term.





Outputs we generate

Value we create

For our clients

- High quality, affordable medicines
- Widen product portfolio to help them cater a wider segment
- Products tailored to clients' needs

For our investors

- Sustained business growth
- Regular return on investment
- A pipeline of products ensuring long-term growth
- Focused R&D investment
- Strong balance sheet position

For our people

- Creating a dynamic and rewarding place to work with clear development opportunities.
- We're creating an organization where people are inspired, curious and unbossed.

For our business partners

- We are rethinking how we work, embracing new technologies and building better productivity into our company to free resources that we can invest in innovation and help boost returns.
- Regular investment in R&D training to build on our capabilities

For the society and environment

- Focused on managing carbon footprint, offering quality employment opportunities and better health outcomes

10.76%

y-o-y Sales growth

17%

EBIDTA margin

21.67%

ROCE

₹ 2.41 crores

Technology leadership through R&D investment

₹ 57.58 crores

Exchequer contribution in FY20

₹ 17.44 crores

Invested in upgrading manufacturing facilities

₹ 49.05 lakhs

Contributed towards different social activities

DELIVERING ON OUR SOCIAL COMMITMENT

An organisation's true success is not defined by the financial success it has achieved for its shareholders, rather it defined by the positive change it has been able to bring to the communities where they operate and thrive. Believing in this ethos, we embarked on different sustainable development of the society through different direct and indirect participation for the larger community.

How we ensured our participation?

Investment in CSR programmes | Focus on sustainability | Empowering communities by creating employment and self-employment opportunities | Upliftment of underprivileged sections of the society | Reducing the environment impact of our operations | Help creating a healthy community | Help the larger community fight against the pandemic Covid-19.



CORPORATE INFORMATION

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. Pakshal A. Jain
Whole Time Director

Mr. Hemant R. Karnik
Independent Director

Mr. Ram B. Banarse
Independent Director

Mr. Avinash Dalal
Independent Director

Mr. Loukik D. Tipnis
Independent Director

Mr. Luke B. Fernandez
Independent Director

Ms. Kejal N. Shah
Independent Director

Company Secretary

Mr. Aakashkumar Keshari

Statutory Auditors

M/s. Paresh Rakesh & Associates

Chartered Accountants
103, Namrata CHS, Bldg No. 15,
Shastri Nagar, Link Road, Goregaon (West),
Mumbai- 400 104.

Chief Financial Officer

Mr. Rupesh H. Nikam

Registered Office:

602-606, Bhoomi Velocity Infotech Park,
Plot No.B-39, B-39a, B-39 A/1,
Road No.23 Wagle Industrial Estate,
Thane (West), Thane - 400 604.
CIN L99999MH1993PLC072892
E-mail Id: investors@bajajhealth.com
Website: www.bajajhealth.com

Registrar & Transfer Agent

Link Intime India Private Limited
C-101, 24*7 Park, L B S Marg,
Vikhroli West, Mumbai-400083.
E-mail Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Bankers



Saraswat Bank



Standard Chartered Bank



Citi Bank



SVC Bank

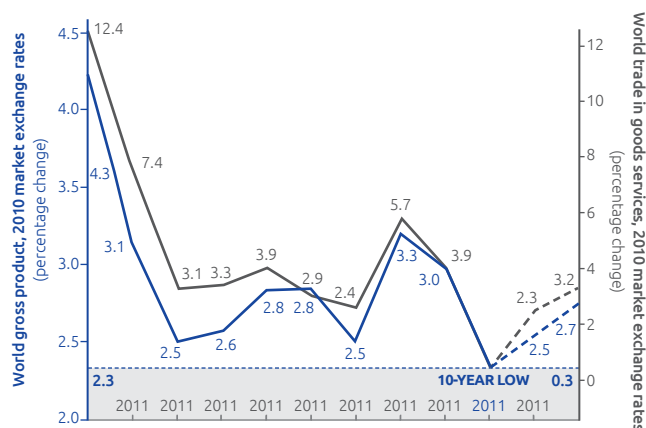
Management Discussion and Analysis

Global economy overview and outlook

2017 and the first half of 2018, saw the global economy witness robust growth of around 3.8%. But, since then the global economy saw a constant decline in the GDP growth, reflecting the effect of a confluence of several geopolitical factors such as the growing trade tensions between the US and China, US sanctions on certain major oil-producing nations, failure of the Brexit negotiations and also due to slowdown in some of the key emerging economies of the globe.

Escalating trade disputes and the deepening climate crisis, coupled with recession fears, tapering merchandise trade volumes, and capacity constraints in several developed economies, resulted in the global economy recording its lowest growth rate of the decade. Growing at just 2.3% in 2019, the global economy ended up having the slowest global economic expansion since the world financial crisis in 2008-2009.

World GDP growth and Trade growth



(Source: https://unctad.org/en/PublicationsLibrary/wesp2020_summary_en.pdf)

Despite the short-term risks and uncertainties surrounding the policy measures adopted by the developed and emerging nations, the industry experts had opined modest acceleration in global growth in 2020 and 2021. It is expected that the global economy would grow at 2.5% in 2020 and 2.7% in 2021.

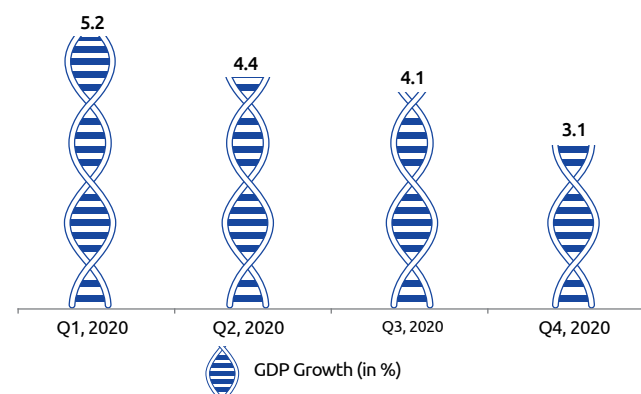
However, the outbreak of the pandemic COVID-19 in early 2020 has not only resulted in a mammoth health crisis but also pushed the global economy towards a severe economic fallout. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much more compared to the 2008-09 financial crisis. As economies across the globe continue to adapt to the 'new normal', the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes aided by policy support.

Indian economy overview and outlook

The brightest spot in the global economic map, the Indian economy retained its position as the sixth-largest economy and emerged as the fastest-growing trillion-dollar economy in 2018 driven by strong consumption demand and steady growth in some of the key sectors.

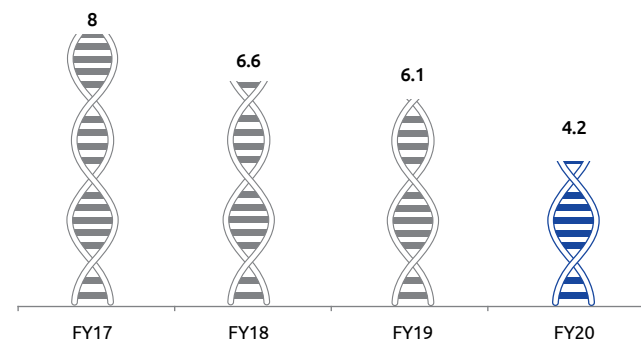
However, since early 2019 the economy witnessed a slowdown in economic activities in some of the key sectors and also witnessed tapering of the domestic demand. In 2018-19, the Indian economy grew at 6.1%. However, in 2019-20, the economic growth slowed to an 11-year low of 4.2% and for the last quarter of FY20, the GDP growth fell to just 3.1%, the lowest growth rate in the last 44 quarters. A fall in consumption, lack of private investments, and sluggish exports are being blamed for sluggish GDP growth.

Quarterly (FY20) growth of the Indian Economy



(Source: <https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-in-q4-fy20-sinks-to-11-year-low/articleshow/76099894.cms>)

Y-O-Y growth of the Indian Economy (in %)



(Source: <https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-in-q4-fy20-sinks-to-11-year-low/articleshow/76099894.cms>)

Low wages and income inequality resulted in diminishing domestic demand and emerged as the biggest roadblock in India's path for sustainable economic growth. Degrowth in the services sector further complicated the situation. The slowdown in the GDP growth also contributed to an increase in fiscal deficit mainly on account of lower aggregate demand, lower fiscal revenue, lower economic activity, and higher fiscal expenditure on account of the measures to address the economic slowdown.



COVID-19 impact on the Indian economy

The pandemic COVID-19 is the first and foremost human disaster in 2020 and is unprecedented in recent human history.

Since the pandemic outbreak in late March 2020, the Indian government announced a nationwide lockdown to stem the spread of the virus. While the lockdown may have been necessary, but as a side-effect, the nation witnessed a screeching halt in almost all the major economic activities. It resulted in massive job losses, income loss, and dramatic curtailment of production and infrastructural activities among others.

Consumption demand, the bedrock of the Indian economy, also witnessed a steep fall due to the collapse of incomes, and rampant job losses.

According to the International Monetary Fund, the Indian economy is likely to see a sharp contraction of 4.5% in 2020 due to COVID-19 and the subsequent lockdown. However, experts expect that the Indian economy to bounce back in 2021 with a robust 6% growth on the back of the assumption that the economic activity is likely to see a gradual pick up in the latter half of FY21 and an uptick in demand in the second half.

Global pharma industry

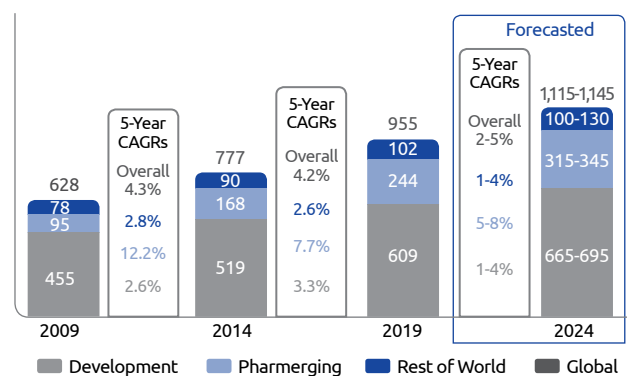
The global research-based pharmaceutical industry has entered a new era of medicine development due to the recent progress in pharmaceutical science and technology. Emerging technologies are creating transformative opportunities for life sciences, and scientific achievements are on a record pace. Evolving research methods have opened up several promising horizons with an array of possibilities offered by personalized medicines, and by harnessing the power of big data. The innovative pharmaceutical industry both drives and is being driven by medical progress.

Despite operating in an uncertain environment owing to the persisting issues of cost and supply-chain disruptions, the global pharma industry is positioned to grow in excess of USD 1.5 trillion by 2023 after growing at a CAGR of 6.3%. Growth of the global pharma industry is likely to be driven by the aging global population, rising purchasing power leading to better health care access, rising focus on tapping the specialty disease market, growing R&D pipelines, and favorable government policies.

The principal growth of the global pharmaceutical sector is expected to come out of the United States and pharmerging markets, reporting 4-7% and 5-8% CAGR respectively. In the United States, overall spending growth is driven by a range of factors including new product uptake and brand pricing, while it is offset by patent expiries and generics.

In terms of spending, the global healthcare spending is expected to grow at 5% annually between 2019 and 2023. This acceleration is likely to be driven by a variety of factors such as expanding healthcare coverage in emerging markets, growing needs of the current pandemic situation, new treatment methods, aging, population, and increasing labour wages. Global spending on medicines stood at about USD 1.0 trillion in 2019, which is likely to grow at 3-6% to about USD 1.1 trillion by 2024.

Expected global medicine spending is projected



(Source: <https://heatinformatics.com/sites/default/files/images-videos/FileContent/global-medicine-spending-and-usage-trends.pdf>)

Worldwide prescription drug sales are projected to have a positive CAGR of 6.9% between 2019-24 with sales expected to reach USD 1.18 trillion.

Drivers of growth

- Accelerated drug approvals
- Increased potential for an additional USD 109 billion from orphan drug sales
- Amplified sales from oncology therapies



Oncology is expected to have almost a 20% share of the worldwide market by 2024 and a 11.4% in CAGR growth.



Worldwide orphan drug sales are expected to have double the CAGR of non-orphan drugs, at 12.3% over the 2019-24 period.



Global medical devices market was valued at USD 425.5 billion in 2018 and is expected to reach USD 612.7 billion by 2025.

Global generics drug market

Growing at a CAGR of 6.9%, the global generic drugs market is estimated to reach a value of USD 441.89 billion by 2028. Generic drugs are bio-equivalents of brand-name drugs in terms of strength, quality, dosage, form, effect, side effect, intended use and route of administration. More than 80% of the total global generic market is accounted for by ten key markets like USA, Canada, Germany, the UK, France, Spain, Italy, Japan, China and India.

With major therapeutics coming off patent and increasing demand for low cost medication, several big players are moving into the generic drugs market, spearheaded by leading pharma companies, and specialist pharma organisations especially in pharmerging markets.

Indian pharmaceutical industry

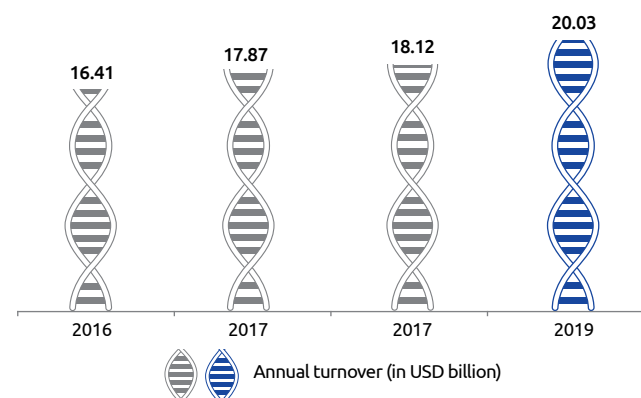
Nourished by increased spending, improved accessibility and growing exports, India's pharmaceutical sector has showcased sustainable growth over the last few years despite being shrouded by dark clouds of pricing and cost headwinds.

Source to nearly 60,000 generic brands across 60 therapeutic categories and manufacturer of more than 500 different Active Pharmaceutical Ingredients (APIs), the Indian pharmaceutical industry today ranks 3rd worldwide for production of generic medicines in terms of volume and 10th in terms of value. India fulfils 20% of global demand for generic medicines in terms of volume and supplies over 60% of the global demand for various vaccines and Antiretroviral (ARV) drugs.

The pharmaceutical industry is indeed a sector of pride, as India is the only country with largest number of US-FDA compliant Pharma plants (more than 262 including APIs) outside of USA, has nearly 1,400 WHO-GMP approved pharmaceutical plants, and 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state-of-the-art-technology.

Home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities, the Indian pharmaceutical market grew by 9.8% in 2019 to reach USD 20.03 billion from USD 18.12 billion in 2018.

Annual turnover of the Indian Pharmaceutical industry

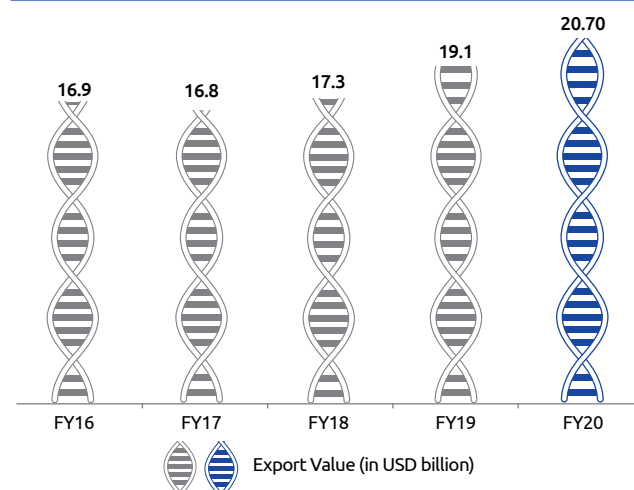


(Source: <https://www.ibef.org/download/Pharmaceuticals-August-2020.pdf>)

With the rising share of the Indian generic drugs, the domestic generic drug market is expected to reach USD 27.9 billion in 2020.

India's ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic players in the industry. With the cost of production nearly 33% lower than that of the US and backed by strong R&D, over the years, the Indian pharma industry has emerged as a competitive player in the export market. Capitalizing on these factors, pharmaceutical export from India, which include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products, and surgical, reached USD 20.70 billion in FY20. The biggest export destination for Indian pharma products is the US. In FY20, 32.1% of India's pharma exports were to North America, followed by 17.96% to Africa and 15.70% to the European Union. India's formulation exports to increase at 10-11% compound annual growth rate (CAGR) from fiscals 2020-25, compared with 6-7% CAGR over the previous five years. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian drugs and pharmaceuticals sector attracted cumulative FDI inflow worth USD 16.50 billion between April 2000 and March 2020.

Pharmaceutical Exports from India (USD billion)



(Source: <https://www.ibef.org/download/Pharmaceuticals-August-2020.pdf>)



Korean Pharmaceutical market

An aging population and rising life expectancy have contributed to a strong demand for medicines in the country. The pharmaceutical industry in Korea is evolving in reaction to the government's funding for R&D and anti-illegal rebate initiatives, with leading organizations the earliest to respond to the evolving climate. Further R&D spending is being spent on new medicines, and bio-similars, despite high growth rates in global markets. The Korean pharmaceutical industry is likely to grow at a CAGR of 2.5% over the 2020-25 period.

Expected to grow at a CAGR of about 5-6% over the next five years, Indian pharma exports to semi-regulated markets is expected to touch USD 9 billion by fiscal 2025. Characterized by lower penetration of healthcare facilities, low per capita consumption of medicines, high population growth rates, a wide base of patients with acute and chronic diseases, and low penetration of generics, Africa and many Asian countries have emerged as the key semi-regulated markets in the recent years.

Active Pharmaceutical Ingredients (APIs)

Domestic API consumption is expected to reach USD 18.8 billion by FY22.

Biosimilar

The Indian domestic biosimilar market is expected to reach USD 40 billion by 2030 as the Government intends to allocate USD 70 million for local players to develop Biosimilar.

Contract Research and Manufacturing Services (CRAMS)

Fragmented with more than 1,000 players, the Indian CRAMS industry has posted 48% CAGR between FY15-18 and expected to witness a strong growth over 25% over 2018-21.

Formulations

India is the largest exporter of formulations in terms of volume with 14% market share and 12th in terms of export value. It expects to sustain double-digit growth over the next five years.

Government of India's (GOI's) Key Initiatives and Policy Support

- GOI's 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing and thereby reduced the approval time for new facilities to boost investment
- Under Budget 2020-21, allocation to the Ministry of Health and Family Welfare is ₹ 65,012 crores (USD 9.30 billion)
- GOI allocated ₹ 34,115 crores (USD 4.88 billion) towards the National Health Mission under which rural and urban people will get benefited
- To hasten the growth of the sector, the government allowed 100% FDI is allowed under automatic route
- Exemptions to drugs manufactured through indigenous R&D from price control under NPPP-2012

- The GOI allocated ₹ 6,400 crores (USD 915.72 million) towards health insurance scheme Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)
- According to Economic Survey 2019-20, the Government enhanced its healthcare expenditure in FY20, from 1.2% in FY15 to 1.6% in FY20
- The GOI announced National Health Protection Scheme plan in 2018-19. It is the largest Government funded healthcare programme across the globe, and is expected to benefit 100 million poor families in the country by providing a cover of up to ₹ 5 lakhs (USD 7,723.2) per family per year for secondary and tertiary care hospitalization.

Key growth opportunities for the Indian pharmaceutical industry

Enhanced medical spending: With medical spending in India projected to grow at 9-12% over the next five years, India is likely to become one of the top 10 countries in terms of medicine spending and which likely to propel the growth of the Indian pharmaceutical industry further.

Patent expiry: The Indian generics industry can benefit substantially from the patent cliff as patents for branded molecules with cumulative global sales of over USD 251 billion are expected to expire between 2018 and 2024, opening new opportunities for the industry. Further, about 120 drugs are expected to go off-patent over the next 10 years; with expected worldwide revenue between USD 80 to USD 250 billion.

Key challenges faced by the Indian Pharmaceutical sector

Lack of a stable pricing and policy environment: Frequent and unexpected changes to domestic pricing policy have created an uncertain environment for investments and innovations. According to IPA, until both the government and stakeholders work together to develop a plan to produce affordable drugs for Indian patients, the Indian pharma industry may find it difficult to reach its true potential.

Lack of capabilities in the innovation space: India lacks behind in the innovation space compared to other developing nations. The government needs to invest in research initiatives and talent in order to grow India's innovation quotient. Clinical trials should also be supported and subjectivity in certain regulatory decision-making removed.

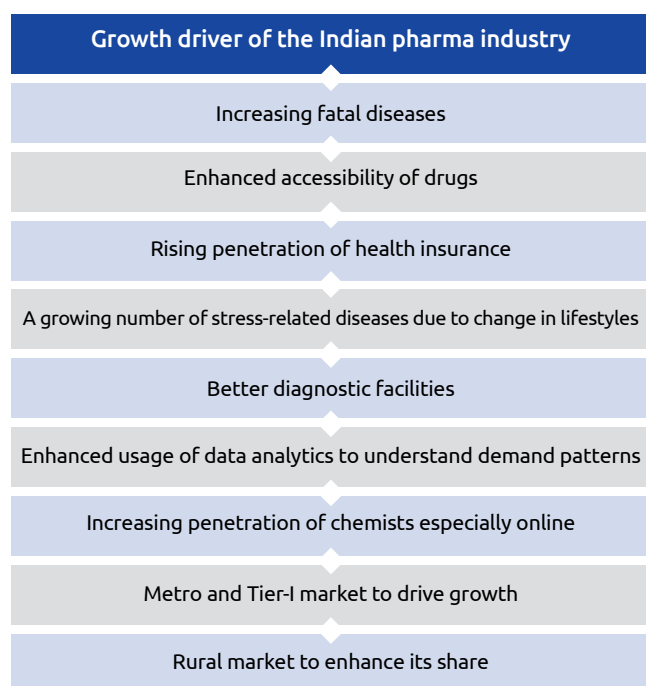
Dependence on external markets: India is heavily reliant on other countries for intermediates and active pharmaceutical ingredients (APIs), with approximately 80% of the APIs used in India fulfilled by China. The country is therefore at the mercy of supply disruptions and unpredictable price fluctuations. Implementing improvements to infrastructure would help in the development of internal facilities to stabilise supply.

High quality compliance scrutiny: India experienced the highest number of FDA inspections since 2009; therefore, continued investment into upgrading quality standards is likely to divert capital away from other areas of development such as R&D and distract from growth.

COVID-19 and its impact on the Indian pharmaceutical industry

Forming a part of the essential commodities, the Indian pharma industry was given special permission by the Government of India to operate in a restricted environment after following all the government-mandated norms. Despite all the government support, the industry faced a few challenges just like the other industries. The major challenges faced by the industry are listed below.

Disruptions in Supply Chain	Delay in Approvals	Slower traction for key products	Reduced earnings
<ul style="list-style-type: none"> Restricted and limited sea/cargo transport capacity is likely to impact sales in semi-regulated markets The cost of exports has also gone up owing to demand and supply mismatch Supply of ancillary products such as packaging materials and bottle caps were limited and time-consuming owing to restricted transport 	<ul style="list-style-type: none"> Delayed foreign inspections by USFDA is likely to result in a delay in pre-approval inspections and clearances of major plants under OAI/ warning letters of Indian players This would, in turn, lead to a delay in approvals of key products for Indian players 	<ul style="list-style-type: none"> An extended lockdown in many of the key export countries has resulted in limited MR visits to doctors, which in turn resulted in slower take-up of new products Further, the lockdown is likely to result in slower adoption of biosimilars 	<ul style="list-style-type: none"> Slower exports are likely to negatively impact export revenue growth for most players Weakness in emerging market currencies is also likely to impact earning for players Rising transportation cost has also resulted in enhanced input cost, which in turn may impact profitability



Road ahead

Increased spending, improved accessibility, and growing exports are some of the key factors that are likely to drive the growth of the domestic pharmaceutical industry. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants, and anti-cancers, which are on the rise.

Further, the Indian government is proactively undertaking the necessary steps to reduce costs, bring down healthcare expenses, and help India emerge as 60,000 pharma products manufacturing hub. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. Also, the thrust on rural health programmes, lifesaving drugs, and preventive vaccines augurs well for Indian pharmaceutical companies.

On the exports front, the industry expects its next wave of growth could come from increasing exports to large and traditionally underpenetrated markets such as Japan, China, Africa, Indonesia, and Latin America, which would help the industry meet its aspiration of becoming the world's largest supplier by volume. Given all these favourable factors, the Indian pharmaceutical industry is expected to grow to USD 100 billion, while medical device market is expected to grow USD 25 billion by 2025. Further, India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected to grow at an average growth rate of around 30% (on a y-o-y basis) to reach USD 100 billion by 2025.

Company overview

Founded in 1993, Bajaj Healthcare Limited (BHL) is an established player in the Indian pharmaceutical industry and one of the fastest-growing mid-cap pharmaceutical companies in India. A bulk drug manufacturer, BHL's product line focuses on the manufacturing of Active Pharmaceutical Ingredients (APIs), Intermediates, and Formulations.

With a widespread international and domestic presence, the Company's product line has helped BHL successfully serve

various globally renowned companies in the pharmaceuticals, nutraceuticals, and food industries with a spirit of scrupulousness. Backed by six state-of-the-art manufacturing facilities and strong R&D capabilities, the Company is a major player in India with a keen focus on the development, manufacturing, and supply of amino acids, nutritional supplements, and active pharmaceutical ingredients (API). However, recently, the Company has undertaken a shift in its business strategy and from being a volume-based player to a value-driven player. The Company's manufacturing facilities are accredited with accreditations such as EU-GMP Certificate from Agency of Medicinal Products and Medical Devices, Croatia, Certificate of Suitability (CEP), KFDA Certificate, ISO 9001:2015 Certificate, WHO-GMP Certificate, GMP Certificate, FSSAI License, FSSC 22000, and HACCP Certificate among others. and focuses on manufacturing products such as Ascorbic Acid, Chlorhexidine Base, Carbamazepine, Chlorhexidine Gluconate 20% Solution, Oxcarbazepine, Doxofylline, Citicoline Sodium, and Choline Bitartate among others.

In FY 2019-20, the Company acquired Intermediates manufacturing Unit at MIDC, Tarapur Maharashtra and also agreed to acquire Four Manufacturing facilities, comprising of three APIs manufacturing facilities, one Engineering Unit, at MIDC, Tarapur Maharashtra along with an Industrial Plot at Dahej, Gujarat.

Business segment review

Business Vertical-I

Active Pharmaceutical Ingredients (APIs)

Vertical status in Company:	1
Revenues, 2019-20:	₹ 385.37 crores
Revenue proportion:	93%
API's share in the export business:	23%

Over the years Bajaj Healthcare Limited has emerged as one of the leading API manufacturers from India. The Company has six API manufacturing facilities spread across different states in India and are accredited by international regulatory agencies. Contributing more than 90% to the overall revenue mix, API manufacturing forms the core business of the Company. Additionally, more of BHL APIs are being used for captive consumption. The API vertical will continue to be critical to the Company's success since it the starting point for the Company's FDI vertical. Major products within the vertical are Ascorbic Acid CH Base and Its Derivatives, Citicoline Sodium, Carbamazepine, Theobromine and Ferrous Ascorbate among others. Bajaj Healthcare Limited is one of the leading manufacturers of Nutraceuticals in the domestic market – Ascorbic Acid IP, Sodium Ascorbate, and Ferrous Ascorbate.

With a strong in-house product registration team for export of APIs, the Company has strong international presence in more than 50 countries with an aggregate API manufacturing capacity of 726 MT per month.

Over the years the Company adopted several R&D enhancing measures, like setting up of a new in-house R&D centre, undertake extensive training, and strategic acquisitions, to extend its product offerings in the API space.

Talking Points, 2019-20

- Introduced 5 new molecules during the year
- Enhanced sales by 7% during the year
- Enhanced manufacturing capacity by 111 MT / month, thanks to strategic acquisitions

Blueprint for FY21

Going forward, we plan to focus on the products which are currently under development such as Brivaracetam, Alogliptin, Tigecycline, Ertapenem, Rivaroxaban, Acotiamide Hydrochloride, and Leflunomide BP / EP / USP Olmesartan Medoxomil BP / EP / USP, among others, as most of these products are likely to go off patent soon.

The Company expects to see strong direct sales from the API vertical along with an increase in captive consumption to fuel FDI business growth. Also commissioning and stabilisation of the newly acquired facilities would be an area of focus for the Company going forward. To focus on domestic market for APIs Vildagliptin, Ticagrelor, Theobromine, and Ascorbic Acid, and for APIs Vildagliptin, Sitagliptin, Deferasirox, Chlorhexidine Gluconate, Fosfomycin, Theobromine, and Octenidine Hydrochloride in the global market. Also, we plan to undertake more API product registrations in the international market.

We also intend to grow our presence in the international market from 51 countries to 100 countries over the next few years.



BHL's Star Performing Product Ascorbic Acid

With a substantial market share, BHL is one of the leading manufacturers of Ascorbic Acid with dedicated manufacturing facility.

Application industries

- Used in Food and Beverage industry as a Preservative, Antioxidant, and Acidity Regulator
- Used as Nutritional Supplement and Antioxidant for Cosmetics & Pharmaceuticals
- Used in skin and hair care products
- Used in treatment of diseases like Scurvy, prevention of Cardiovascular Diseases and as a treatment for common cold

Business Vertical-II

Finished Dosage Formulations (FDFs)

Vertical status in Company:	2
Revenues, 2019-20:	₹ 24.64 crores
Revenue proportion:	7%

Backed by state-of-the-art formulation manufacturing facility complied with USFDA, TGA (Australia), MHRA (UK), the Company entered into the formulations business in 2008 and represents the highest end of the value chain. The Company entered this business in 2008 through an installed capacity of 92 million pieces per month. Today, FDF accounts for 7% of the Company's revenues. BHL's FDF facility in Vadodara, Gujarat, comprises automated processes, robust infrastructure and superior quality systems that efficiently produce FDFs.

BHL's offers multiple FDF forms comprising tablets, caplets, capsules and oral powders in bulk.

Highlights 2019-20

- Increased revenues by 186% from ₹ 8.62 crore in FY19 to ₹ 24.64 crore in FY20
- Recruited human capital in several key positions

Blueprint for FY21

Moving forward, our key focus would revolve around adding more products in our FDF portfolio through extensive research and strategic acquisitions. Also, we would focus on widening our customer base with the FDF segment.

Business Vertical-III

Intermediates

Vertical status in Company:	3
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One of the few manufacturers of speciality intermediates like Calcium Phosphoryl Choline Chloride (CPCC) & Chlorhexidine (CH Base), BHL's intermediates manufacturing capacity today stands at 94 MT per annum. This has given the company a sustainable competitive edge in terms of economies of scale and cost advantages. Presently, the intermediates business supports its API manufacturing and are consumed in-house only.

During the year, BHL acquired Vetpharma Limited to boost its intermediates manufacturing facility.

Moving forward, we intend to focus on launching 7 new products through reverse engineering in intermediates segment by 2022.

Credit Rating

BBB/Positive: Long term

A3+: Short term

by CRISIL

Financial overview

Key financial metrics

Parameters	FY 2018-19	FY 2019-20	Growth (%)
Revenue from operations (in ₹ crores)	370.17	410.01	10.76
EBITDA (in ₹ crores)	43.60	51.02	17.03
PBT (in ₹ crores)	24.17	32.45	34.26
PAT (in ₹ crores)	16.31	22.50	37.95
Earnings per share (in ₹)	11.82	16.31	37.99

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 10.76% growth from ₹ 370.17 crores in 2018-19 to reach ₹ 410.01 crores in 2019-20. Other income of the Company accounted for only 0.77% share of the Company's revenue pie, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 9.73% from ₹ 346.98 crores in 2018-19 to ₹ 380.74 crores primarily due to rise in the raw-material cost and employee cost, among others. Raw-material costs (65.44% of the Company's revenue from operations) increased 9.37% from ₹ 245.33 crores in 2018-19 to ₹ 268.32 crores in 2019-20. Employee expenses, accounting for 6.88% share of revenues, increased by ₹ 3.81 crores (15.49%) from ₹ 24.62 crores in 2018-19 to ₹ 28.43 crores in 2019-20.

Profitability: Company's EBITDA increased to ₹ 51.02 crores in 2019-20 compared to ₹ 43.60 crores in 2018-19. Net profit for the year stood at ₹ 22.50 crores compared to ₹ 16.31 crores in the previous year. PAT grew by 37.95% during the year. Operating profit margin for the year stood at 12.35% compared to 11.75% in the previous year, whereas net profit margin stood at 5.45% in 2019-20 as against 4.39% in 2018-19.

Analysis of the Balance Sheet

Sources of funds

- The net worth of the Company increased by 26.03% from ₹ 88.88 crores as on 31st March, 2019 to ₹ 112.02 crores as on 31st March, 2020 owing to increase in reserves and surplus. The Company's equity share capital comprising 137.99 lakhs equity shares of ₹ 10 each, enhanced by 100% during the year under review.
- The capital employed by the Company stood at ₹ 149.51 crores as on 31st March, 2020 as compared to ₹ 179.48 crores as on 31st March, 2019.
- Long-term debt of the Company increased by 25.75% to ₹ 32.49 crores as on 31st March, 2020 owing to the external loans undertaken to fund our acquisitions. The long-term debt-equity ratio of the Company stood at par in 2019-20 compared 2018-19. Finance cost decreased by 19.56% from ₹ 8.02 crores in 2018-19 to ₹ 6.45 crores in 2019-20. Interest coverage ratio in 2019-20 stood at 6.37 compared to 4.46 in the previous year.

Applications of funds

Fixed assets (gross) of the Company increased by 8.13% from ₹ 222.23 crores as on 31st March, 2019 to ₹ 240.31 crores as on

31st March, 2020. Depreciation and amortisation marginally increased by 12.64% from ₹ 93.74 crores in 2018-19 to ₹ 105.59 crores in 2019-20.

Working capital management

Current assets of the Company increased by 31.64% from ₹ 137.17 crores as on 31st March, 2019 to ₹ 180.57 crores as on 31st March, 2020. The current and quick ratios of the Company stood at 1.23 and 1.05, respectively in 2019-20 compared to 1.17 and 1.05, respectively in 2018-19.

Trade receivables as on 31st March, 2020 stood at ₹ 100.13 crores, representing 70-80 days of as on 31st March, 2020. The entire receivables are considered good and secure.

Cash and cash equivalents decreased 47.10 % from ₹ 7.86 crores as on 31st March, 2019 to ₹ 4.16 crores as on 31st March, 2020.

Margins

Better product mix, increased volume with less than a linear increase in expenses helped the Company report better margins during the year under review. The EBITDA margin for the FY2019-20 stood at 12.35% as compared to 11.75% in FY2018-19.

Human resources

BHL believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company also believes in working as a team to meet targets and hence puts emphasis on providing equal opportunities to all employees.

The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes proactive decisions which are in alignment with the professional and personal goals of employees, thereby achieving an ideal work-life balance and enhancing pride association. BHL's employee count stood at 715 as on 31st March, 2020.

Quality and Compliance

BHL always believed in quality of products and patient safety. This is being achieved through the implementation of best quality systems, creating a right quality culture and periodic training of employees. We always had a vision to be ahead of the curve in business and are investing significantly in the digitalisation program of the key quality systems like Quality Management Systems (QMS), Document Control, Change Control, Internal Audit, Data Management, Policy Management, Training Records Management, and CAPA Management among others on a continuous basis to further strengthen our core. We continue to sustain a very high level of transparency with our customers, regulators, statutory bodies, and employees. Our accreditations include the regulatory approvals from the top regulatory authorities from some of the stringently regulated pharma markets. As a proactive organisation, we have started the implementation of our very aggressive plans for expanding our quality function including investments in laboratories and newer analytical capabilities and technologies to make BHL a future ready organisation.

Risk management at Bajaj Healthcare Limited

BHL leverages its deep domain expertise and management insight to undertake proactive risk mitigating measures that helped strengthen BHL's viability across verticals, products, geographies and market cycle. The Company has also implemented an integrated risk management strategy to review and assess the significant risk on regular basis to help ensure that there is a robust system of internal control in place. Governed by a strong compliance's ethic, BHL relies heavily on risk management and forecasting framework to manage competitive, economic, financial, geo-political and social risks. Further, the Company has put in place a response mechanism that helped BHL mitigate environmental, operational and business risk and minimize impact on business.

Industry risk

A slowdown in the pharma industry may negatively impact the performance of the company.

Mitigation

- The Global pharma industry is expected to grow at over 6% over the next few years.
- Ageing global population, improving standards of living, and innovation in manufacturing making medicines cheaper, among others is likely to drive the demand for the pharma industry
- Indian pharma industry is likely to grow at 10% - 12% over the next couple of years and medicine spending is also likely to see double digit growth over the foreseeable future.

Regulatory risk

Any change in regulation might dent the growth of the Company as it can impact production

Mitigation

- Every product manufactured by the Company is passed through extensive R&D checks and stringent quality control tests as per international norms and standards.
- All manufacturing units of the company are in 100% conformance with the guidelines issued by the different regulatory bodies across the world.
- The Company regularly invests in plant automation which has helped meet the regulatory compliances.

Technology obsolescence risks

The Company can be a victim of technology obsolescence, if timely technological upgradations are not taken into consideration.

Mitigation

The Company regularly monitors its technology quotient and also undertakes periodic up-gradation measures to keep itself apprised with the latest technology.

Geographical risk

Presence in one market or over dependence on any one region could result in stagnant revenues.

Mitigation

- The Company has a business presence in more than 51 countries across the world including countries like the USA and UK.

- The Company entered 10 new countries in the last 5 years.
- Two of the biggest pharma markets in the world i.e. the USA and the UK account for only 64% of the Company's revenue.

Competition risks

The Company operates in a competitive environment and, as such, may experience increased competition that could adversely affect BHL's sales, operating margins and market share. Further, introduction of new products by competitor may impair the BHL's competitive advantage and lead to erosion of revenue.

Mitigation

- The Company has a continued focus on its operating performance from manufacturing to R&D to distribution to ensure that it continues to service the needs of its clients efficiently and in a timely manner. Further, the Company periodically enhanced its offerings basket to stay ahead of the curve.
- The Company has further developed unique capabilities to innovate on product offering across the market customized as per the client's need, this gives BHL an edge over its competition.

Foreign currency risk

The Company is exposed to foreign currency risk arising primarily owing to its business presence in a number of foreign countries. Therefore, exposing the company to fluctuation in currency movements.

Mitigation

- Foreign exchange rate exposures are managed by the Company by utilizing forward foreign exchange contracts.

- The Company enters into forward foreign exchange contracts to manage the risk associated with anticipated future business transactions denominated in foreign currencies.
- The Company's senior management team reviews and manages the foreign exchange risk in a systematic manner. Undertakes regular monitoring of exposures, seeks proper advice from market experts, and undertakes hedging of exposures, among others.

Internal Control Systems and Adequacy

Commensurate with the size and nature of operations, the Company has adequate systems of internal control and procedures covering all financial and operating functions. It believes that a strong internal control framework is one of the most indispensable factors of Corporate Governance. Continuous efforts are being made to enhance the controlling system's response to unauthorised use or losses. The audit committee supervises all aspects of internal functioning and advises corrective action as and when required.

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.

Directors' Report

To,
The Members
Bajaj Healthcare Limited

Your Directors have pleasure in presenting their 27th Board Report together with the Audited Financial Statements for the financial year ended 31st March, 2020.

Financial Performance of the Company

	(₹ in Lakhs)	
	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Gross Income	41,318.74	37,114.55
Profit before Interest, Depreciation & Tax	5,102.39	4,359.76
Finance Charges	644.92	801.78
Provision for Depreciation	1,212.33	1,141.00
Profit before Tax	3,245.12	2,416.97
Less: Current Tax / Deferred Tax	995.15	785.94
Net Profit after Tax	2,249.97	1,631.03
Surplus carried to Balance Sheet	2,249.97	1,631.03
Earnings Per Share	16.31	11.82

The Company's gross revenue for the year increased to ₹ 41,318.74 lakhs as compared to last year's ₹ 37,114.55 lakhs increased by 11.33% over the previous year, which includes the Domestic Turnover of ₹ 31,733.62 lakhs as compared to last year's Domestic Turnover was ₹ 29,536.67 lakhs, and the Export Turnover of ₹ 9,267.22 lakhs as compared to last year's export turnover of ₹ 7,480.71 lakhs.

The net profit after tax during the year amounted to ₹ 2,249.97 lakhs as compared to net profit of ₹ 1,631.03 lakhs in the previous year increased by 38% over the previous year.

Dividend

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

Deposits

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

Change in Nature of Business

There are no changes in the nature of business of the Company. However, the Company has commenced new business in Agro Sector during the year under review.

Extract of Annual Return

The extract of Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-9 is

provided as 'Annexure-I' to this Report and is also made available on the website of the Company at www.bajajhealth.com

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 2019-2020.

Transfer of Unpaid and Unclaimed Dividend to Investor Education and Protection Fund ("IEPF")

Pursuant to the provisions of Section 124 of the Act 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 Report on Corporate Governance that forms part of this Annual Report.

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

The Company acquired intermediates manufacturing Unit at MIDC, Tarapur Maharashtra and also has agreed to acquire four manufacturing facilities, comprising of three Active Pharmaceutical Ingredients (APIs) manufacturing facilities and

one engineering facility, at MIDC, Tarapur Maharashtra and 9 acres of an industrial plot at Dahej, Gujarat.

COVID-19 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. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. Although there were uncertainties due to the pandemic, the manufacturing operations of the Company was well managed with the underlying support of the key personnel of the Company. The initial disruption faced in handling secondary operations including the distribution channels was gradually streamlined in the month of May. The Company have taken all the steps necessary to adapt itself to emerging changes and the new normal.

Information about Subsidiary / JV / Associate Company

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

Share Capital

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 ₹ 10/- each for one fully paid up equity share) on 11th April, 2019.

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

The Board has an optimum combination of Executive and Non-Executive Independent Directors and is headed by an Executive Chairman, Mr. Sajankumar R. Bajaj. The Board of the Company is diverse in terms of qualification, competence, skills and expertise which enables it to ensure long term value creation for all the stakeholders.

Director retires by rotation

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Dhananjay S. Hatle (DIN 00226390), an Executive Director is retiring by rotation at the ensuing Annual General Meeting (AGM) and is eligible for re-appointment.

Appointment/Re-appointment of Directors

On the recommendation of the Nomination and Remuneration Committee, the appointment of Mr. Luke B. Fernandez (DIN: 08188583) and Ms. Kejal N. Shah (DIN: 08608399) as Non-executive Independent Directors of the Company for a term of 5 (five) years w.e.f. 30th June, 2020 is proposed by the Board for the approval of the shareholders at the ensuing AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, the appointment of Mr. Pakshal A. Jain (DIN: 08776385)

as an Executive Director of the Company for a term of 3 (three) years w.e.f. 30th June, 2020, is proposed by the Board for the approval of the shareholders at the ensuing AGM of the Company.

The term of office of Mr. Sajankumar R. Bajaj as Chairman and Managing Director of the Company has expired on 31st March, 2020. The Board at their meeting held on 30th June, 2020, on the recommendation of the Nomination and Remuneration Committee, has proposed the re-appointment of Mr. Sajankumar R. Bajaj as Chairman and Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2020, for the approval of shareholders at the ensuing AGM of the Company.

The term of office of Mr. Anil C. Jain as Managing Director of the Company has expired on 31st March, 2020. The Board at their meeting held on 30th June, 2020, on the recommendation of the Nomination and Remuneration Committee has proposed the re-appointment of Mr. Anil C. Jain as Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2020, for the approval of shareholders at the ensuing AGM of the Company.

The term of office of Mr. Dhananjay S. Hatle (DIN 00226390), Ms. Namrata S. Bajaj (DIN 05327071) and Mr. Rupesh H. Nikam (DIN 07007815) as Whole Time Directors of the Company has also expired on 31st March, 2020. The Board at their meeting held on 30th June, 2020, on the recommendation of the Nomination and Remuneration Committee, has proposed the re-appointment of Mr. Dhananjay S. Hatle, Ms. Namrata S. Bajaj and Mr. Rupesh H. Nikam as Whole Time Directors of the Company for a period of 3 (three) years with effect from 1st April, 2020, for the approval of shareholders at the ensuing AGM of the Company.

Mr. Hemant R. Karnik and Mr. Ram B. Banarse were appointed as Independent Director of the Company for the period of five years w.e.f. 08th January, 2016 and 14th January, 2016 respectively. The terms of Mr. Hemant R. Karnik and Mr. Ram B. Banarse are going to expire on 07th January, 2021 and 13th January, 2021 respectively. The Board of Directors on recommendation of the Nomination and Remuneration Committee have proposed the re-appointment of Mr. Hemant R. Karnik and Mr. Ram B. Banarse as Independent Director (Non-Executive) of the Company for a period of 5 (five) years with effect from 8th January, 2021 and 14th January, 2021 respectively, for the approval of shareholders at the ensuing AGM of the Company.

Resignation of Director

Mr. Vidyut Shah (DIN 02578165), Non-Executive Independent Director of the Company has resigned with effect from 12th June, 2020 from the directorship of the Company.

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 Directors proposed to be appointed/re-appointed is furnished along with the Explanatory Statement to the Notice to the 27th 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 2020 are Mr. Sajankumar R. Bajaj, Managing Director, Mr. Rupesh H. Nikam, Whole-time Director & Chief Financial Officer and Mr. Aakash Keshari, Company Secretary & Compliance Officer.

Independent Director(s)

The Company has received necessary declarations from all Independent Directors 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. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.

As per the Companies (Appointment and Qualifications of Directors) Fifth Amendment Rules, 2019, all the Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

Number of Meetings of the Board

During the year, 6 (six) 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 Committees 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, non-independent Directors and Board as a whole was also carried out by the Independent Directors at their separate meeting held as on 13th February, 2020 inter alia to:

- To evaluate the performance of non-independent directors and the Board as a whole;
- To evaluate performance of the Chairman and Managing Director of the Company; and
- 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

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted a set of Committees in accordance with the requirements of the Act and Listing Regulations. 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, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. A detailed note on the composition of the Committees, terms of reference and other such details of the above mentioned Committees are provided in the Report of Corporate Governance forming part of this Annual Report.

Nomination and Remuneration Policy

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations 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. The said policy 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

As per the provisions of Section 177(9) and (10) of the Act, the Company has adopted a Whistle Blower Policy for establishing vigil mechanism for 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. The said policy is available on the Company's website www.bajajhealth.com

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 (PIT Regulations). This Code is displayed on the Company's website. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed Company.

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

Business Responsibility Reporting

The Business Responsibility Report of the Company for the year ended 31st March, 2020, forms part of the Annual Report and marked as "Annexure-B".

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

M/s. 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 of the Company.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 14th September, 2020 has recommended the appointment of M/s. Chaturvedi & Agarwal, Chartered Accountants (Firm Registration No. 101717W) as Statutory Auditors of the Company, for a term of Five consecutive years, from the conclusion of 27th AGM till the conclusion of 32nd AGM of the Company, subject to the approval of shareholders of the Company at their ensuing AGM.

In this regard, M/s. Chaturvedi & Agarwal, Chartered Accountants have submitted their written consent that they are eligible and qualified to be appointed as Statutory Auditors of the Company in terms of Section 139 of the Act and also satisfy the criteria provided in Section 141 of the Act.

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

Cost Auditors & their report

As per Section 148 of the 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 31st March, 2021. 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 Act.

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 AGM. 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 31st March, 2021.

The Cost Audit Report for the year ended on 31st March, 2019 does not contain any reservation, qualification or adverse remark.

Internal Auditor and their report

Pursuant to the provisions of Section 138 of the Act 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 2020-21.

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 Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Haresh Sanghvi, Practising Company Secretary, Mumbai as a Secretarial Auditor to conduct Secretarial Audit of the Company. Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2020 is enclosed as **Annexure-II** to the Report. The said report does not contain any observation or qualification requiring explanation and the remarks mentioned in the report are self-explanatory.

Reporting of fraud by Auditors

There was no instance of fraud during the year under review, which required the Statutory Auditors, Internal Auditor, Cost Auditor or/and the Secretarial Auditor to report to the Audit Committee and/or the Board under Section 143(12) of Act and Rules framed thereunder.

Compliance with Secretarial Standards

The Company has complied with the applicable mandatory Secretarial Standards.

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 Act. 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, 2020 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, 2020 is annexed and marked as **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 2019-20, 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 forming part of the Annual 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, 2020 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 and marked 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. Commissioned low pressure steam turbine. This works on back pressure of steam boiler & generates electrical power of 100 KW/HR.
- b. Installed Solar Panels of capacity of 700 KW in vacant land of factory premises.
- c. To prevent heat loss replaced old insulation of reactors and cold well of brine storage tank.
- d. Installed softener plant capacity of 10 M3/HR to improve cooling water quality and efficient running of chilling plant. This prevents scaling & ensure better heat transfer & saves energy.

- e. Installed DM plant to improve boiler feed water quality and run efficient. This saves scaling in tubes & enhances life of boiler tubes.
- f. Replaced the condenser of Brine Plant 2 by higher capacity to run machine efficient.
- g. Replaced steam trap by float type. This controls live steam wastage & helps improving steam savings.

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/4031/2019 dated 01st May, 2019 for the purpose of section 35(2AB) of the Income Tax Act, 1961 valid till 31st March 2022 subject to the condition underline therein.
- h. 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	2019-20	2018-19
Revenue Expenditure:		
Salary Expenses of R&D Personnel	68.00	102.03
R & D Chemical Purchase	117.06	45.42
Stores & Spares & Consumables in R & D	6.01	-
Travelling & Other Exp.	1.04	0.18
Common Utilities Expenses	30.85	23.21
Capital Expenditure:		
Laboratory Equipment	18.03	61.55
TOTAL	241.00	232.39

IV. Foreign Exchange Earning and Outgo

Earnings:

Foreign Currency inflow amounting to ₹ 94,65,58,475/-

Outgo:

Foreign Currency outgo amounting to ₹ 1,21,12,30,528/-

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 express their gratitude to 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 Board also wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees more particularly ensuring business as usual in spite of COVID-19 impact.

The Directors express their special thanks to Mr. Sajankumar R. 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 R. Bajaj

Date: 14th September, 2020
Place: Thane

Chairman and Managing Director
DIN: 00225950

Annexure-I

Form No. MGT-9

EXTRACT OF THE ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

(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	: 15 th 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:investors@bajajhealth.com; Website: www.bajajhealth.com
vi. Whether Listed Company	: Yes, Listed -BSE Limited Migrated to main board of BSE Limited w.e.f. 29 th May 29, 2019
vii. Name, Address and Contact details of Registrar and Transfer Agent:	M/s. Link Intime India Private Limited. C-101, 24*7 Park, L B S Marg, Vikhroli West, Mumbai - 400083. Website: www.linkintime.co.in

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	210	99.23

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 1 st April, 2019)				No. of shares held at the end of the year (As on 31 st March, 2020)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	45,66,000	-	45,66,000	66.178	91,32,000	-	91,32,000	66.178	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	75,000	-	75,000	1.087	1,50,000	-	1,50,000	1.087	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-
Directors Relatives	-	-	-	-	-	-	-	-	-
Person Acting in Concern	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	46,41,000	-	46,41,000	67.265	92,82,000	-	92,82,000	67.265	-

Category of shareholders	No. of shares held at the beginning of the year (As on 1 st April, 2019)				No. of shares held at the end of the year (As on 31 st March, 2020)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(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)	46,41,000	-	46,41,000	67.265	92,82,000	-	92,82,000	67.265	-
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) FIs	-	-	-	-	-	-	-	-	-
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	14,45,200	4,35,000	18,80,200	27.251	30,09,519	4,35,000	34,44,519	24.962	-2.289
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,02,800	-	1,02,800	1.490	1,70,884	-	1,70,884	1.238	-0.252
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,74,400	-	2,74,400	3.977	8,96,259	-	8,96,259	6.495	2.518
c) Others (specify)									
Trusts	-	-	-	-	-	-	-	-	-
Clearing member	400	-	400	0.006	594	-	594	0.004	-0.002
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	800	-	800	0.012	4,944	-	4,944	0.036	0.024
Non Resident Indians (Non-Repat)	-	-	-	-	-	-	-	-	-
Foreign Companies	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Independent Directors	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	18,23,600	4,35,000	22,58,600	32.736	40,82,200	4,35,000	45,17,200	32.736	-0.001
Total Public Shareholding (B) = (B)(1) + (B)(2)	18,23,600	4,35,000	22,58,600	32.735	40,82,200	4,35,000	45,17,200	32.736	-0.001
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	64,64,600	4,35,000	68,99,600	100	1,33,64,200	43,50,00	1,37,99,200	100	-

(ii) Shareholding of Promoters

Shareholders Name	No. of shares held at the beginning of the year (As on 1 st April, 2019)			No. of shares held at the end of the year (As on 31 st March, 2020)			% 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	
Mr. Sajankumar R. Bajaj	24,07,000	34.88	N.A	48,14,000	34.88	N.A	-
Ms. Babita Bajaj	3,76,000	5.45	N.A	7,52,000	5.45	N.A	-
Ms. Namrata S. Bajaj	4,04,000	5.86	N.A	8,08,000	5.86	N.A	-
Ms. Nihita Bajaj	4,04,000	5.86	N.A	8,08,000	5.86	N.A	-
Mr. Anil C. Jain	3,59,000	5.20	N.A	7,18,000	5.20	N.A	-
Mr. Padma A. Jain	76,000	1.10	N.A	1,52,000	1.10	N.A	-
S. K. R. Bajaj HUF	5,40,000	7.83	N.A	10,80,000	7.83	N.A	-
Bajaj Health & Nutrition Private Limited	60,000	0.87	N.A	1,20,000	0.87	N.A	-
Bansal Pharma Limited	15,000	0.22	N.A	30,000	0.22	N.A	-
TOTAL	46,41,000	67.27	N.A	92,82,000	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 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Sajankumar R. Bajaj				
At the beginning of the year	24,07,000	34.88		
Changes during the year:				
Add: Bonus Shares (11 th April, 2019) 24,07,000 shares			48,14,000	34.88
At the End of the year			48,14,000	34.88
Ms. Babita S. Bajaj				
At the beginning of the year	3,76,000	5.45		
Changes during the year:				
Add: Bonus Shares (11 th April, 2019) 3,76,000 shares			7,52,000	5.45
At the End of the year			7,52,000	5.45
Ms. Namrata S. Bajaj				
At the beginning of the year	4,04,000	5.86		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 4,04,000 shares			8,08,000	5.86
At the End of the year			8,08,000	5.86
Ms. Nihita S. Bajaj				
At the beginning of the year	4,04,000	5.86		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 4,04,000 shares			8,08,000	5.86
At the End of the year			8,08,000	5.86
Mr. Anil C. Jain				
At the beginning of the year	3,59,000	5.20		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 3,59,000 shares			7,18,000	5.20
At the End of the year			7,18,000	5.20
Ms. Padma A. Jain				
At the beginning of the year	76,000	1.10		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 76,000 shares			1,52,000	1.10
At the End of the year			1,52,000	1.10

	No. of shares held at the beginning of the year (As on 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
S K R Bajaj HUF				
At the beginning of the year	5,40,000	8.00		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 5,40,000 shares			10,80,000	8.00
At the End of the year			10,80,000	8.00
Bajaj Health & Nutrition Private Limited				
At the beginning of the year	60,000	0.89		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 60,000 shares			1,20,000	0.89
At the End of the year			1,20,000	0.89
Bansal Pharma Limited				
At the beginning of the year	15,000	0.23		
Changes during the year				
Add: Bonus Shares (11 th April, 2019) 15,000 shares			30,000	0.23
At the End of the year			30,000	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 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	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	5,28,900	7.666		
Changes during the year				
Particulars	Shares	Date		
Bonus	5,28,900	11 th April, 2019		
At the End of the year			10,57,800	7.666
2. Maa Sharada Distributors Private Limited				
At the beginning of the year	4,35,000	6.30		
Changes during the year				
Particulars	Shares	Date		
Bonus	4,35,000	11 th April, 2019		
At the End of the year			8,70,000	6.30
3. Shri Ravindra Media Ventures				
At the beginning of the year	2,70,300	3.918		
Changes during the year				
Particulars	Shares	Date		
Bonus	2,70,300	11 th April, 2019	5,40,600	3.918
Sell	(1,00,000)	26 th July, 2019	4,40,600	3.193
Sell	(1,00,000)	2 nd August, 2019	3,40,600	2.468
Buy	2,00,000	31 st March, 2020	5,40,600	3.918
At the End of the year			5,40,600	3.918
4. Escorp Asset Management Limited				
At the beginning of the year	2,37,600	3.444		
Changes during the year				
Particulars	Shares	Date		
Bonus	2,37,600	11 th April, 2019	4,75,200	3.444
Sold	(250)	1 st November, 2019	4,74,950	3.442
Sold	(450)	15 th November, 2019	4,74,500	3.439
Sold	(700)	6 th March, 2020	4,73,800	3.434
Sold	(100)	13 th March, 2020	4,73,700	3.433
At the End of the year			4,73,700	3.433

	No. of shares held at the beginning of the year (As on 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5. Vinod Harilal Jhaveri				
At the beginning of the year	1,45,200	2.104		
Changes during the year:				
Particulars	Shares	Date		
Bonus	1,45,200	11 th April, 2019	2,90,400	2.104
At the End of the year			2,90,400	2.104
6. Tia Enterprises Private Limited				
At the beginning of the year	143600	6.68		
Changes during the year				
Particulars	Shares	Date		
Bonus	1,43,600	11 th April, 2019	2,87,200	2.081
Sold	(49,600)	15 th November, 2019	2,37,600	1.722
At the End of the year			2,37,600	1.722
7. Shashank Pravinchandra Doshi				
At the beginning of the year	Nil	Nil		
Changes during the year				
Particulars	Shares	Date		
Buy	97,200	22 nd November, 2019	97,200	0.704
Buy	21,600	13 th March, 2020	1,18,800	0.861
Buy	4,500	20 th March, 2020	1,23,300	0.894
At the End of the year			1,23,300	0.894
8. Hetal Shashank Doshi				
At the beginning of the year	Nil	Nil		
Changes during the year				
Particulars	Shares	Date		
Buy	1,10,150	22 nd November, 2019	1,10,150	0.798
At the End of the year			1,10,150	0.798
9. Bipin Chabildas Shah				
At the beginning of the year	51,600	0.748		
Changes during the year				
Particulars	Shares	Date		
Bonus	51,600	11 th April, 2019	1,03,200	0.748
At the End of the year			1,03,200	0.748
10. MBM Bearings (Rajasthan) Private Limited				
At the beginning of the year	68,000	0.986		
Changes during the year				
Particulars	Shares	Date		
Bonus	68,000	11 th April, 2019	1,36,000	0.986
Sold	(37,600)	15 th November, 2019	98,400	0.713
At the End of the year	98,400	0.713		

(v) Shareholding of Directors and Key Managerial Personnel:

	No. of shares held at the beginning of the year (As on 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Sajankumar R. Bajaj				
At the beginning of the year	24,07,000	34.88		
Changes during the year:				
Particulars	Shares	Date		
Bonus	2,407,000	11 th April, 2019	48,14,000	34.88
At the End of the year			48,14,000	34.88

	No. of shares held at the beginning of the year (As on 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Ms. Namrata S. Bajaj				
At the beginning of the year	4,04,000	5.86		
Changes during the year				
Particulars	Shares	Date		
Bonus	4,04,000	11 th April, 2019	8,08,000	5.59
At the End of the year			8,08,000	5.86
Mr. Anil C. Jain				
At the beginning of the year	3,59,000	5.2		
Changes during the year				
Particulars	Shares	Date		
Bonus	3,59,000	11 th April, 2019	7,18,000	5.2
At the End of the year			7,18,000	5.2
Mr. Dhananjay S. Hatle				
At the beginning of the year	6,000	0.09		
Changes during the year				
Particulars	Shares	Date		
Bonus	6,000	11 th April, 2019	12,000	0.09
At the End of the year			12,000	0.09
Mr. Rupesh H. 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) ⁽⁶⁾				
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 R. 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
Mr. Pakshal A. Jain, Director⁽¹⁾				
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. Avinash Dalal (Independent Director) ⁽²⁾				
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. Loukik D. Tipnis (Independent Director) ⁽³⁾				
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. Luke Fernandez (Independent Director) ⁽⁴⁾				
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

	No. of shares held at the beginning of the year (As on 1 st April, 2019)		Cumulative at the end of the year (As on 31 st March, 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Ms. Kejal N. Shah (Independent Director) ⁽⁵⁾				
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. Aakash 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

⁽¹⁾ Mr. Pakshal A. Jain has been appointed as director w.e.f. 30th June, 2020.

⁽²⁾ Mr. Avinash Dalal has been appointed as director w.e.f. 22nd April, 2019.

⁽³⁾ Mr. Loukik D. Tipnis has been appointed as director w.e.f. 22nd April, 2019.

⁽⁴⁾ Mr. Luke B. Fernandez has been appointed as director w.e.f. 30th June, 2020.

⁽⁵⁾ Ms. Kejal N. Shah has been appointed as director w.e.f. 30th June, 2020.

⁽⁶⁾ Mr. Vidyut Shah has been resigned from the Directorship of the Company w.e.f. 12th June, 2020.

V. Indebtedness

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

(In ₹)

	Secured Loans excluding deposits & LC	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	77,32,87,672	3,39,73,966	NIL	80,72,61,638
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	80,72,61,638
Change in Indebtedness during the financial year				
Addition/(Reduction)	12,59,41,308	(2,39,44,566)	NIL	10,19,96,744
Net Change	12,59,41,308	(2,39,44,566)	NIL	10,19,96,744
Indebtedness at the end of the financial year				
i) Principal Amount	89,92,28,980	1,00,29,400	NIL	90,93,21,380
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	89,92,28,980	1,00,29,400	NIL	90,92,58,380

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(In ₹)

Particulars of Remuneration	Mr. Sajankumar R. Bajaj (Chairman and Managing Director)	Mr. Anil C. Jain (Managing Director)	Mr. Dhananjay S. Hatle (Whole Time Director)	Ms. Namrata S. Bajaj (Whole Time Director)	Mr. Rupesh H. Nikam (Whole Time Director & CFO)	Total Amount
Gross salary						
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	46,00,000	13,58,535	10,15,000	16,15,440	1,33,88,975
(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	-	-	-	-	-	-

(In ₹)						
Particulars of Remuneration	Mr. Sajankumar R. Bajaj (Chairman and Managing Director)	Mr. Anil C. Jain (Managing Director)	Mr. Dhananjay S. Hatle (Whole Time Director)	Ms. Namrata S. Bajaj (Whole Time Director)	Mr. Rupesh H. Nikam (Whole Time Director & CFO)	Total Amount
Stock Option	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission						
- as % of profit						
- others						
Others	-	-	-	-	-	-
Total (A)	48,00,000	46,00,000	13,58,535	10,15,000	16,15,440	1,33,88,975
Ceiling as per the Act	within the limits as approved by the Shareholders					

B. Remuneration to Other Directors:

(In ₹)						
Particulars of Remuneration	Total Amount					
Independent Directors	Mr. Vidyut J. Shah	Mr. Hemant R. Karnik	Mr. Ram B. Banarse	Mr. Loukik D. Tipnis	Mr. Avinash Dalal	Total Amount
• Fee for attending board / committee meetings	1,20,000	1,20,000	60,000	45,000	35,000	1,80,000
• Commission	-	-	-	-	-	-
• Others	-	-	-	-	-	-
Total (1)	1,20,000	1,20,000	60,000	45,000	35,000	3,80,000
Other Non-Executive Directors						
• Fee for attending board / committee meetings	-	-	-	-	-	-
• Commission	-	-	-	-	-	-
• Others	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-
Total (B)=(1+2)	3,80,000					
Total Managerial Remuneration	1,37,68,975					
Overall Ceiling as per the Act	NA					

VI. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)				
Particulars of Remuneration	Mr. Sajankumar R. Bajaj	Mr. Rupesh H. Nikam (CFO)	Mr. Aakashkumar Keshari (Company Secretary)	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	16,15,440	7,48,859	71,64,229
(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	48,00,000	16,15,440	7,48,859	71,64,229

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					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure-II

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2020

(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, 2020. 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 2020, 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 for the financial year ended on 31st March 2020, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- (e) 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 (Share Based Employee Benefits) Regulations, 2014;
 - (ii) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (iii) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (iv) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - (v) 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;
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 following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited.

During the audit period, 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:

- (i) Delay in filing of e-Form DPT-3 in accordance with the provisions of Section 76 of the Companies Act, 2013 and the rules framed thereunder; and
- (ii) Details on "change in Return on Networth" in accordance of Para (B)(1)(j) of Schedule V of SEBI (LODR), 2015 were inadvertently missed out in the Annual Report for FY 2018-19.

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 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. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

Haresh Sanghvi

Practicing Company Secretary
FCS 2259/COP No. 3675
UDIN: F002259B000706919

Date: 10th August, 2020
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 Narcotics Drugs and Psychotropic Substances Act, 1985;
 - iv. The Pharmacy Act, 1948;
 - v. The Drugs and Magic remedies (Objectionable Advertisements) Act, 1954;
 - vi. The Poisons Act, 1919;
 - vii. The Petroleum Act, 1934;
 - viii. The Legal Metrology Act, 2009;
 - ix. The Indian Boiler Act, 1923;
- b) All General Laws related to Direct and Indirect Taxation, Labour Laws and other incidental laws as applicable.

Haresh Sanghvi

Practicing Company Secretary
FCS 2259/COP No. 3675
UDIN: F002259B000706919

Date: 10th August, 2020
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. Due to ongoing COVID-19 pandemic and consequent lock-down imposed, I could not verify the compliance documents physically for the period under review and the reliance has been placed on the scanned documents obtained through electronic mode.
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.

Haresh Sanghvi

Practicing Company Secretary
FCS 2259/COP No. 3675
UDIN: F002259B000706919

Date: 10th August, 2020

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 2019-20, 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 2019-20	Ratio of the remuneration of each director to the median remuneration of the employees.
1	Mr. Sajankumar R. Bajaj (Chairman & Managing Director)	Nil	21.67: 1
2	Mr. Anil C. Jain (Managing Director)	27.78	20.77:1
3	Mr. Dhananjay S. Hatle Whole Time Director (WTD)	9.56	6.13:1
4	Mr. Namrata S. Bajaj Whole Time Director (WTD)	Nil	4.58:1
5	Mr. Rupesh H. Nikam Whole Time Director (WTD) & Chief Financial Officer (CFO)	8.20	7.29:1
7.	Mr. Aakashkumar Keshari (Company Secretary & Compliance Officer)	14.70	03.30:1

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

The % increase in median remuneration of employee is 9.85%.

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

There are 715 employee on pay rolls of the Company as on 31st March, 2020. The detailed break-up of our employees is as under:

PARTICULARS	Total Numbers of Employees including worker
Head Office, Mumbai	67
Tarapur Unit	114
Savli Unit	407
Manjusr Unit	93
Panoli Unit	34
TOTAL	715

- 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 14.52% 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 31st March, 2020 is as per the 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 by the Company are within the broad framework of schedule VII of the Companies Act, 2013.

2. The Composition of the CSR Committee:

Mr. Sajankumar R. Bajaj – Chairman

Mr. Ram B. Banarse – Member

Mr. Rupesh H. Nikam – Member

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

- To frame the CSR Policy and its review from time- to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- 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: ₹ 20,18,14,028/-

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 40,36,280/-

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year: ₹ 49,05,000/-

b) Amount unspent, if any: NIL

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

(1) Sr. 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, Tyiyodas Jyotiling Tirth, Taluka- Dharampur, Valsad (Gujrat)	Year wise- ₹ 1,20,00,000 Total Budget- ₹ 5,00,00,000	₹ 21,54,000/-	₹ 3,91,24,000/-	Directly
2.	Donation to Dhandhan Welfare Society for eradicating poverty and malnutrition's	Eradicating poverty and malnutrition	Village Dhandhan, Dist. Sikar, Rajasthan	Year wise- ₹ 75,00,000 Total Budget- ₹ 5,00,00,000	₹ 27,51,000/-	₹ 1,41,66,000/-	Directly

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

7. Responsibility statement of the CSR Committee:

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

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.

ANNEXURE-B

Business Responsibility Report

The Company believes that contributing back to the society is not only a RESPONSIBILITY but a COMMITMENT. The little value addition to the betterment of society is a part of the Company's mission, in line with its commitment to human health. Pursuant to regulation 34(2) (f) of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015, the Company has prepared Business Responsibility Report as under:

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	: L99999MH1993PLC072892
2. Name of the Company	: Bajaj Healthcare Limited
3. Registered address	: 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39 A/1, Rd No.23, Wagle Ind. Estate Thane West Thane MH 400604.
4. Website	: www.bajajhealth.com
5. E-mail id	: investors@bajajhealth.com
6. Financial Year reported	: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	: Industrial Activity Code - 220 Manufacturing of Pharmaceuticals
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	: Ascorbic Acid, CH Base and Its Derivatives, Citicoline Sodium
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	: Nil
(b) Number of National Locations	: In Maharashtra- 2 Locations & In Gujarat-3 Location
10. Markets served by the Company Local / State / National / International	: In addition to serving the Indian Market, the Company export to around 51 countries worldwide

Section B: Financial Details of the Company

1. Paid up Capital (₹)	: 13,79,92,000
2. Total Turnover (₹)	: 4,13,18,74,499
3. Total profit after taxes (₹)	: 22,49,97,780
4. Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax	: 2.18%
5. List of activities in which expenditure in 4 above has been Incurred	: (a) Promoting education including special education and environment. (b) Eradicating poverty and malnutrition. (c) Promoting healthcare including preventive Healthcare

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	: NO
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	: NO
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	: NO

Section D: BR Information

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

1.	DIN Number	: 00225950
2.	Name	: Mr. Sajankumar R. Bajaj
3.	Designation	: Chairman & Managing Director

(b) Details of the BR head:

SR. NO.	PARTICULARS	DETAILS
1.	DIN Number	00225950
2.	Name	Mr. Sajankumar R. Bajaj
3.	Designation	Chairman & Managing Director
4.	Telephone No.	022-6617 7400
5.	E-mail ID	bajajhealth@bajajhealth.com

2. Principle-wise (as per NVGs) BR Policy/policies:

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board								
3	Does the policy conform to any national / international standards?	The policies are broadly based on the National Voluntary Guidelines on Social, Environment and economical responsibility of business issued by the Ministry of Corporate Affairs, Government of India								
4	Has the policy being approved by the Board?	All the policies have been approved by the Board and have been signed by the Managing Director								
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Board has appointed Mr. Rupesh H. Nikam, Whole-time Director – Bajaj Healthcare Limited, to oversee the policy implementation								
6	Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course.								
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	It will be done in due course.								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

- Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- The Company does not publish BR / Sustainability Report. However, details are provided in the Management Discussion and Analysis Report forming part of Annual Report every year.

Section E: Principle-Wise Performance

Principal 1:

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

A successful business is built on the foundation of good principles. The philosophy of the Bajaj Healthcare Limited on corporate governance has been adhere to the highest standard of ethical corporate behaviour and fairness to the stakeholders. The Company have institutionalised a healthy governance structure.

Codes of Conduct have been adopted for Directors, Independent Directors and Senior Management Personnel as well as for employee of the Company. As a testament of its robust corporate governance practices and ethical conduct of business, the Company instituted an initiative that encompasses three important policies viz. Code of Conduct, Whistle blower policy and Prevention of Workplace harassment including sexual harassment at workplace.

The Company's vision and values form the base of its policies and practices. Each role at every level of the employees, from the top to the bottom, is transparently defined and held accountable for its responsibilities. While the Company strive to add value to every stakeholder, including the planet and the people, there is no compromise on ethics and integrity.

The key principles of its corporate governance philosophy are:

- High levels of transparency
- Delegation of responsibility
- Consistent value systems
- Accountability.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company did not receive any complaint from stakeholders.

Principal 2:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

- (a) Ascorbic acid & its salts a Vitamins
- (b) Chlorhexidine Gluconate a Disinfectant and Antiseptic
- (c) Vildagliptin an Anti-Diabetics drug

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company manufactures as well as distributes a varied range of generics and branded Formulations and active pharmaceutical ingredients at its state of art manufacturing facilities. Since consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad-based impact on energy and water consumption by consumers.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the company has standard operating procedures in place for approving vendor and to evaluate sustainability of suppliers which are reviewed periodically. Material are procured from approved vendors both local as also international. The company quality assurance team conducts periodic audits of vendors, especially those who supply key materials.

The Company has long standing business relations with regular vendors and enters annual freight contracts with leading transporters for movements of materials.

The raw material and packaging purchased is tightly specified due to critical nature of our products and no compromise is permissible on specifications.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the company procures goods and avails services from local and small vendors, particularly those located around its manufacturing locations. As a result of procurements of goods from local vendors, the company saves on transportation as also inventory carrying cost.

The Company sources packing materials and has awarded contracts like security, canteen, employee transport, housekeeping and other repairs and maintenance through local sources.

As the Company deals in hazardous and non-hazardous substances, the purchases are mostly from organized sector. However, it does buy some engineering items from small producers and help them improve their product quality by improving their engineering skills.

The Company also hire contractors from the areas neighbouring its plant and improve their capability by imparting training in various fields like safety, hazard handling, compliances etc.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

A mechanism for recycling and reuse of products is in place in the Company and it actively and continually promotes the concept of recovery, reuse and recycling.

About 65% of the waste water generated in plants, is recovered, recycled and reused thereby reducing usage of fresh water. Besides, steam condensate is recovered and reused which has resulted in reduction in use of fresh water.

Treated waste water is also used for gardening inside the Company premises in place of fresh water.

Principal 3:

1. Please indicate the Total number of employees.

Total number of employees on pay roll of Company are 715 and on temporary / contractual / casual basis are 696.

2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.

Total number of employees on temporary/contractual/casual basis 696.

3. Please indicate the Number of permanent women employees.

Total number of women employees are 65.

4. Please indicate the Number of permanent employees with disabilities: NIL

5. Do you have an employee association that is recognized by management? NO

6. What percentage of your permanent employees is members of this recognized employee association? NIL

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees – 100%
- Permanent Women Employees – 100%
- Casual/Temporary/Contractual Employees – 100%
- Employees with Disabilities – N.A.

Principal 4

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes, the Company has mapped its stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

The Company has distributed Mask, Sanitizer and food for poor during COVID-19 pandemic at Tarapur, Maharashtra for around 1,200 person on daily basis. And Company has also donated isolation ward at Rajasthan during COVID-19 Pandemic.

Principal 5

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

In line with the Company's commitment to respect and protect human rights, the Company neither hires child labour, forced labour or involuntary labour nor discriminates between its employees. The Company's code of conduct and the human resource practices cover most of these aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any complaint during the financial year in respect of violation of human rights.

Principal 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The policy covers the Company and all contractors working within the Company premises.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

The Company always accords the topmost priority to conservation and optimum utilization of natural resources. As humans keep producing more for convenience and comfort, they are ironically progressing towards a time where clean air, fresh water, rich biodiversity and required natural resources are getting scarce.

The Company is aware of the emerging situation and investing in measures that mitigate this situation. Be it conservation measures or reducing its dependence on limited resources, it is not only reducing the burden on the environment, but also on its operational costs. The Company is in process of framing The Environment, Health, Safety and Sustainability policy

Some of the green steps which are a must-do:

- Ensure statutory compliance
- Optimise natural resources
- Effect continuous improvement in environment management
- Innovate greener technologies and processes
- Spread green awareness across internal and external stakeholders

3. Does the company identify and assess potential environmental risks? Y / N

Yes, internal and external mechanisms are in place, whereby

all new facilities and products are risk assessed including environmental impact assessment and development of environmental management plans. The said environmental management plans are reviewed during internal meetings.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No, the company does not have any project related to Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.**

Yes, the company has installed solar panels at one of its Manufacturing Plants at Baroda.

6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, Emissions / Waste generated by the company are within the permissible limits.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no unresolved show cause / legal notice pending from CPCB / SPCB.

Principle 7:

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of various trade bodies, task forces and forums, chambers and associations including the "Federation of Indian Chambers of Commerce and Industry" (FICCI)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good?**

The Company has advocated at various forums about measures to be taken to address basic issues pertaining to improvement of public health and promote balanced as well as sustainable economic development. The Company supports the government in its efforts to harness the country's innovation capabilities and suggest measures to offer facilities and incentives viz. encourage investments in R&D.

Principle 8

1. **Does the company have specified programmes/initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has adopted CSR Policy for specified project in:

- Promoting education including special education and environment.
- Eradicating poverty and malnutrition.
- Promoting healthcare including preventive Healthcare

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

Programmes are undertaken through in-house team, own foundation, any other foundation and any other organisation

3. **Have you done any impact assessment of your initiative?**

Company regularly conduct impact assessment by internal sources of programmes undertaken under Corporate Social Responsibility Policy.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the year, an amount of ₹ 49.05 lakhs was spent on various CSR Activity for Promoting education including special education and environment, Eradicating poverty and malnutrition and Promoting healthcare including preventive Healthcare.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Most of the CSR initiatives undertaken by the Company are not imposed from the top but are designed with people's participation right from the village level. Consequently, only those activities, which are beneficial to the community are taken up.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

There are no customer complaints / Consumer cases are pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

Yes, the Company display product information on the product label, over and above what is mandated as per local laws

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year.**

No, there are no case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

The Company regularly carries out consumer surveys through feedback forms.

Report on Corporate Governance

1. 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.

2. 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 as on the date of this report is stated below:

Sr. No	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. Pakshal A. Jain ⁽¹⁾	Whole Time Director	Executive	Non 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 ⁽²⁾	Non-Executive Independent Director	Non Executive	Independent
10	Mr. Loukik D. Tipnis ⁽³⁾	Non-Executive Independent Director	Non Executive	Independent
11	Mr. Luke B. Fernandez ⁽⁴⁾	Additional Non-Executive Independent Director	Non Executive	Independent
12	Ms. Kejal N. Shah ⁽⁵⁾	Additional Non-Executive Independent Director	Non Executive	Independent

⁽¹⁾ Mr. Pakshal A. Jain has been appointed as director w.e.f. 30th June, 2020.

⁽²⁾ Mr. Avinash Dalal has been appointed as director w.e.f. 22nd April, 2019.

⁽³⁾ Mr. Loukik D. Tipnis has been appointed as director w.e.f. 22nd April, 2019.

⁽⁴⁾ Mr. Luke B. Fernandez has been appointed as director w.e.f. 30th June, 2020.

⁽⁵⁾ Ms. Kejal N. Shah has been appointed as director w.e.f. 30th June, 2020.

Resignation of Independent Director

Mr. Vidyut Shah has resigned from the Directorship of the Company w.e.f. 12th June, 2020 due to his other professional commitments and has confirmed that there was no material reason other than mentioned above for his resignation.

The Board of Directors confirms that, in the opinion of the Board, newly appointed Independent Director as well as existing Independent Directors fulfill the conditions specified in SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 and are independent of the management.

2.2 Board Meetings, Attendance and other details:

During the financial year under review, 6 (Six) Board Meetings were held at the registered office on 11th April, 2019; 22nd April, 2019; 30th May 2019; 14th August, 2019; 14th November, 2019 and 13th February, 2020. 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 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 in the Company are as follows: -

Name of Directors	DIN	No. of Board Meetings attended / held in F.Y. 2019-20	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	5/6	Y	1	Nil	Nil	48,14,000
Ms. Namrata S. Bajaj	05327071	5/6	Y	1	Nil	Nil	8,08,000
Mr. Anil C. Jain	00226137	6/6	Y	1	Nil	1	7,18,000
Mr. Dhananjay S. Hatle	00226390	6/6	Y	1	Nil	Nil	12,000
Mr. Rupesh H. Nikam	07007815	6/6	Y	1	Nil	1	Nil
Mr. Pakshal A. Jain ⁽¹⁾	08776385	0/0	N	1	Nil	Nil	Nil
Mr. Vidyut Shah ⁽⁶⁾	02578165	6/6	Y	2	2	Nil	Nil
Mr. Hemant R. Karnik	07377151	6/6	N	1	1	1	Nil
Mr. Ram B. Banarse	07405486	5/6	Y	1	Nil	1	Nil
Mr. Avinash Dalal ⁽²⁾	03574325	3/4	N	1	Nil	Nil	Nil
Mr. Loukik D. Tipnis ⁽³⁾	08188583	4/4	N	2	1	1	Nil
Mr. Luke B. Fernandez ⁽⁴⁾	01110174	0/0	N	1	1	Nil	Nil
Ms. Kejal N. Shah ⁽⁵⁾	08608399	0/0	N	2	Nil	Nil	Nil

⁽¹⁾ Mr. Pakshal A. Jain has been appointed as director w.e.f. 30th June, 2020.

⁽²⁾ Mr. Avinash Dalal has been appointed as director w.e.f. 22nd April, 2019.

⁽³⁾ Mr. Loukik D. Tipnis has been appointed as director w.e.f. 22nd April, 2019.

⁽⁴⁾ Mr. Luke B. Fernandez has been appointed as director w.e.f. 30th June, 2020.

⁽⁵⁾ Ms. Kejal N. Shah has been appointed as director w.e.f. 30th June, 2020.

⁽⁶⁾ Mr. Vidyut Shah has been resigned from the Directorship of the Company w.e.f. 12th June, 2020.

Notes:

- Excludes directorships in, Private Limited Companies, Foreign Companies and Section 8 Companies.
- 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.
- Mr. Sajankumar R. Bajaj and Ms. Namrata S. Bajaj are related to each other. Mr. Anil C. Jain & Mr. Pakshal A. Jain are related to each other. No other directors are related inter-se.
- The Company has not issued any convertible instruments.

2.3 Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on 31st March, 2020:

Name of Director(s)	Other Indian Listed entities in which they hold Directorship	Category of Directorship
Mr. Loukik D. Tipnis	Sky Gold Limited	Non-Executive Independent Director
Ms. Kejal N. Shah	Sky Gold Limited	Non-Executive Independent Director

2.4. 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 13th February, 2020 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 details of familiarization programme of the independent Directors are available on the website of the Company: www.bajajhealth.com. 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.

2.5 The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills / expertise / competence:

Sr. No.	Name of Director(s)	Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	International Business experience: Experience in leading businesses in different geographies / markets around the world	General management / Governance: Strategic thinking, decision making and protect interest of all stakeholders	Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc	Technical, professional skills and knowledge including legal and regulatory aspects
1.	Mr. Sajankumar R. Bajaj	Y	Y	Y	Y	Y
2.	Mr. Anil C. Jain	Y	Y	Y	Y	Y
3.	Mr. Dhananjay S. Hatle	Y	Y	Y	Y	Y
4.	Ms. Namrata S. Bajaj	Y	Y	Y	Y	Y
5.	Mr. Rupesh H. Nikam	Y	Y	Y	Y	Y
6.	Mr. Hemant R. Karnik	N	Y	Y	Y	Y
7.	Mr. Ram B. Banarse	Y	Y	Y	Y	Y
8.	Mr. Avinash Dalal	Y	Y	Y	Y	Y
9.	Mr. Vidyut Shah [#]	Y	Y	Y	Y	Y
10.	Mr. Loukik D. Tipnis	N	N	Y	Y	Y

[#] Mr. Vidyut Shah has resigned w.e.f. 12th June, 2020.

3. 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. The previous AGM of the Company was held on 30th September, 2019 and was attended by the Chairman of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

3.1.1 Brief Terms of Reference

The terms of reference of Audit Committee broadly includes-

- 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board
- Review of compliance with provision of SEBI Insider Trading Regulations, 2015.

- e) Review Compliance with Stock Exchange and legal requirements concerning financial statements.
- f) Approval of 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.
- g) Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
- h) 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.
- i) 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.
- j) Reviewing the Company's financial and risk management policies.
- k) 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.
- l) 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 5 (Five) times during the year on 22nd April, 2019; 30th May, 2019; 14th August, 2019; 14th November, 2019 and 13th February, 2020.

The details on composition, names of the members, chairperson, category of Directors and no. of the meetings attended by the members during the FY 2019-20 are as follows: -

Sr. No.	Names of Member	Category of Directors	Designation	No. of Meeting Attended
1	Mr. Luke B. Fernandez [#]	Independent Director	Chairman	0/0
2	Mr. Hemant R. Karnik	Independent Director	Member	5/5
3	Mr. Rupesh H. Nikam	Executive Director	Member	5/5

[#] Mr. Vidyut Shah resigned as Audit Committee Chairman w.e.f. 12th June, 2020 and Mr. Luke Fernandez has been appointed as Chairman w.e.f. 30th June, 2020.

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. The previous AGM of the Company was held on 30th September, 2019 and was attended by the then Chairman of the Nomination and Remuneration Committee, Mr. Vidyut Shah. The Company Secretary of the Company acts as the Secretary to the Committee.

3.2.1 Brief 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 22nd April, 2019.

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 Member	Category of Directors	Designation	No. of Meeting Attended
1	Mr. Ram Banarase	Independent Director	Chairman	1/1
2	Mr. Hemant R. Karnik	Independent Director	Member	1/1
3	Mr. Loukik D. Tipnis [#]	Independent Director	Member	0/0

[#] Mr. Vidyut Shah resigned as the Member of the Committee w.e.f. 12th June, 2020 and Mr. Loukik D. Tipnis has been appointed as the Member of the Committee w.e.f. 30th June, 2020.

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. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

3.2.6 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2020 are as follows:

(Amount in ₹)

Name	Relationship with the other Directors	Remuneration (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)
Mr. Sajankumar R. Bajaj	Immediate relative to Ms. Namrata S. Bajaj	48,00,000	Nil	Nil	48,00,000
Mr. Anil C. Jain	Immediate relative to Mr. Pakshal A. Jain	46,00,000	Nil	Nil	46,00,000
Mr. Dhananjay S. Hatle	None	13,58,535	Nil	Nil	13,58,535
Ms. Namrata S. Bajaj	Immediate relative to Mr. Sajankumar R. Bajaj	10,15,000	Nil	Nil	10,15,000
Mr. Rupesh H. Nikam	None	16,15,440	Nil	Nil	16,15,440
Mr. Vidyut Shah ⁽⁶⁾	None	Nil	Nil	1,20,000	1,20,000
Mr. Hemant R. Karnik	None	Nil	Nil	1,20,000	1,20,000
Mr. Ram B. Banarse	None	Nil	Nil	60,000	60,000
Mr. Avinash Dalal ⁽¹⁾	None	Nil	Nil	35,000	35,000
Mr. Loukik D. Tipnis ⁽²⁾	None	Nil	Nil	45,000	45,000
Mr. Pakshal A. Jain ⁽³⁾	Immediate relative to Mr. Anil C. Jain	Nil	Nil	Nil	Nil
Ms. Kejal Majethia ⁽⁴⁾	None	Nil	Nil	Nil	Nil
Mr. Luke B. Fernandez ⁽⁵⁾	None	Nil	Nil	Nil	Nil

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

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

⁽³⁾ Mr. Pakshal A. Jain has been appointed as director w.e.f. 30th June, 2020.

⁽⁴⁾ Ms. Kejal N. Shah has been appointed as director w.e.f. 30th June, 2020.

⁽⁵⁾ Mr. Luke B. Fernandez has been appointed as director w.e.f. 30th June, 2020.

⁽⁶⁾ Mr. Vidyut Shah resigned from the Directorship of the Company w.e.f. 12th June, 2020.

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 2019-20 is available to Managing Director, the Executive Director and the Whole-time Director. There are no provisions for notice period and payment of severance fees.
- 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.
- The Company has not granted any stock option to any of its Directors.

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. The previous AGM of the Company was held on 30th September, 2019 and was attended by the Chairman of the Stakeholders' Relationship Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

3.3.1 Brief 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

The Company's Registrar & Share Transfer Agents, M/s Link Intime 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

During the year under review, the Committee met on 13th February, 2020. The composition, names of the members, chairperson, category of Directors, and no. of the meetings attended by the members during the FY 19-20 are as follows:

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

3.3.3 Details in respect of Compliance Officer:

Mr. Aakashkumar Kesari, Company Secretary, acts as the Compliance Officer of the Company.

3.3.4 Details of Investors Complaints received during F.Y. 2019-20 are as follows:

Sr. No.	Nature of Complaints	Whether Received		No. of Complaints Redressed	Pending Complaints
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

3.4 Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Sajankumar R. Bajaj, as Chairman and Mr. Ram B. Banarase and Mr. Rupesh H. Nikam as Members of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 135 of the Companies Act, 2013 and are mentioned in Annexure IV - "Annual Report on CSR Activities" of the Directors' Report forming part of this Annual Report.

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
24 th AGM	31 st March, 2017	Friday, 29 th 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 R. Bajaj (DIN: 00225950) Chairman & Managing Director of the Company. Revision in terms of remuneration of Mr. Anil C. Jain (DIN: 00226137) Managing Director of the Company. Revision in terms of remuneration of Mr. Dhananjay S. Hatle (DIN: 00226390) Whole Time Director of the Company. Revision in terms of remuneration of Ms. Namrata S. Bajaj (DIN: 05327071) Whole Time Director of the Company. Revision in terms of remuneration of Mr. Rupesh H. Nikam (DIN: 07007815) Whole Time Director & Chief Financial Officer of the Company
25 th AGM	31 st March, 2018	Friday, 28 th 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
26 th AGM	31 st March, 2019	Monday, 30 th September, 2019 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"> Regularize Mr. Avinash Dalal (DIN: 03574325) as an Independent Director. Regularize Mr. Loukik D. Tipnis (DIN: 08188583) as an Independent Director

4.2 Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial years 2017-18; 2018-19 and 2019-20

4.3 Postal Ballot

During the year, no resolutions have been passed through postal ballot .

4.4. Whether any special resolution is proposed to be conducted through postal ballot:

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time

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.

The Company also issues press releases from time to time. Press releases and presentations made to the institutional investors / analysts after the declaration of the results are submitted to BSE Ltd. as well as uploaded on the Company's website.

6) General Shareholder Information

6.1

Sr. No.	Salient items of interest Company Registration Details	Particulars								
i.	AGM Date, time and venue	Friday, 30 th October, 2020, 1:00 PM Through Video Conferencing								
ii.	Financial year	The Financial Year of the Company is from 1 st April, 2019 to 31 st March, 2020.								
	Tentative Schedule for declaration of results during the financial year 2019-2020	<table><tr><td>First quarter:</td><td>30th June, 2020 - on or before 15th September, 2020</td></tr><tr><td>Second quarter/Half Yearly</td><td>30th September, 2020 - on or before 14th November, 2020</td></tr><tr><td>Third quarter/Nine months</td><td>31st December, 2020 - on or before 14th February, 2021</td></tr><tr><td>Fourth quarter/Annual</td><td>on or before 30th May, 2021</td></tr></table>	First quarter:	30 th June, 2020 - on or before 15 th September, 2020	Second quarter/Half Yearly	30 th September, 2020 - on or before 14 th November, 2020	Third quarter/Nine months	31 st December, 2020 - on or before 14 th February, 2021	Fourth quarter/Annual	on or before 30 th May, 2021
First quarter:	30 th June, 2020 - on or before 15 th September, 2020									
Second quarter/Half Yearly	30 th September, 2020 - on or before 14 th November, 2020									
Third quarter/Nine months	31 st December, 2020 - on or before 14 th February, 2021									
Fourth quarter/Annual	on or before 30 th May, 2021									
iii.	Date of Book closure	Friday 23 rd October, 2020 to Friday 30 th October, 2020 (both days inclusive)								
iv.	Dividend Payment Date	N.A.								
v.	Registrar & Share Transfer Agent	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083. Tel: +91-22-4918 6270; Fax: +91-22-4918 6060 Email: rnt.helpdesk@linkintime.co.in ; Website: www.linkintime.co.in Contact Person: Mr. K. C. Ajitkumar SEBI Registration No.: INR000004058								
vi.	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								
vii.	Dematerialization of shares and liquidity	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 31 st March, 2020, 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.								
viii.	Address for correspondence	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; Tel No.: +91-22-6617 7400.								

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 ₹)	Due Date for transfer to IEPF Account
1	2017-18	29 th September, 2018	1,600	28 th September, 2025

6.3 Listing on Stock Exchanges

Equity Shares

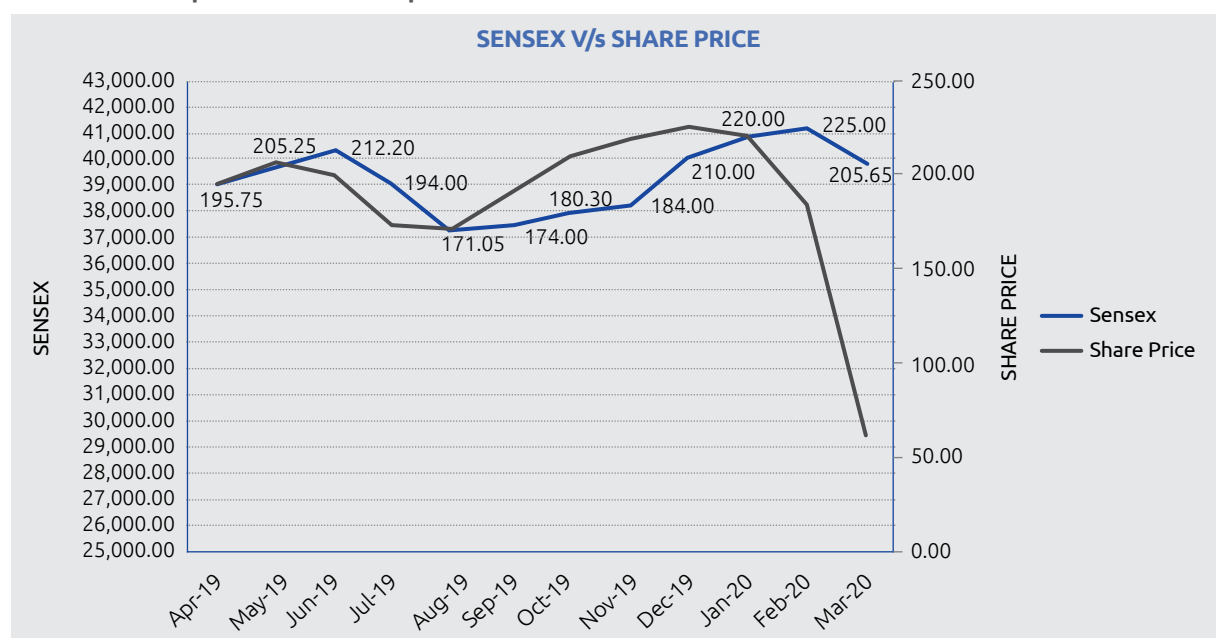
Name of the Stock Exchange	Security code/ Symbol	ISIN	Payment of Annual Listing fees for the FY 19-20 (Y/N)
BSE Limited	539872	INE411U01019	Y

6.4 Market Price Data:

High/Low during each month of 2019-20 on BSE limited

Market Price Data Month	Share prices of the Company for the Period April 2019 to March, 2020	
	HIGH	LOW
Apr-2019	195.75	197.75
May-2019	217.00	205.00
Jun-2019	215.00	200.00
Jul-2019	194.00	193.95
Aug-2019	180.00	171.05
Sep-2019	178.00	170.00
Oct-2019	181.95	172.00
Nov-2019	184.00	177.50
Dec-2019	222.45	210.00
Jan-2020	239.5	220.00
Feb-2020	235.00	225.00
Mar-2020	207.00	204.95

6.5 Share Price performance in comparison to BSE Sensex



6.6 Categories of Shareholding as on 31st March, 2020:

Categories	Number of Shares	Shares	%
(A) Shareholding of Promoter and Promoter Group			
Promoters	92,82,000		67.26
Total Shareholding of Promoter & Promoter Group (A)	92,82,000		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	10,67,143		7.74
NRI	4,944		0.04
Bodies Corporate	34,44,519		24.96
Overseas Corporate Bodies	Nil		Nil
Clearing Members	594		0.00
Total Public Non Institution (B) (ii)	45,17,200		32.74
Total Public Shareholding (B)=(B)(i)+(B)(ii)	45,17,200		32.74
Total Shareholding (A) + (B)	1,37,99,200		100

6.7 Top Ten equity shareholders of the Company as on 31st March, 2020 (other than Promoters)

Sr. No.	Name of Shareholders	No of equity Shares held	Percentage of holding
1	PROGYAN CONSTRUCTION AND ENGINEERS PRIVATE LIMITED	10,57,800	7.67
2	MAA SHARDA DISTRIBUTORS PVT LTD	8,70,000	6.31
3	SHRI RAVINDRA MEDIA VENTURES	5,40,600	3.92
4	ESCORP ASSET MANAGEMENT LIMITED	4,73,700	3.43
5	VINOD HARILAL JHAVERI	2,90,400	2.10
6	TIA ENTERPRISES PRIVATE LIMITED	2,73,600	1.72
7	SHASHANK PRAVINCHANDRA DOSHI	1,23,300	0.89
8	HETAL SHASHANK DOSHI	1,10,150	0.80
9	BIPIN CHABILDAS SHAH	1,03,200	0.75
10	MBM BEARINGS (RAJASTHAN) PRIVATE LIMITED	98,400	0.71

6.8 Distribution of Shareholding as on 31st March, 2020:

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
Upto 100	879	85.257	5,330	0.039
101 to 200	14	1.358	2,218	0.016
201 to 500	14	1.358	4,858	0.035
501-1,000	43	4.171	32,947	0.239
1,001-5,000	40	3.880	85,660	0.621
5,001-10,000	8	3.880	61,602	0.441
10,001-1,00,000	16	1.552	5,47,835	3.970
1,00,001- above	17	1.649	1,30,58,750	94.634
Total	1,031	100	1,37,99,200	100

6.9 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.

6.10 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 31st March, 2020, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

6.11 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

Unit- VI

Plot No. E-62 & E-63, MIDC, Tarapur, Boisar - 401 505, District Thane, Maharashtra

6.12 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.

6.13 List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

The Company does not have any debt instruments and CRISIL Limited rated bank facilities of Bajaj Healthcare Limited as under:

Facilities	Rating for the year 2019-20	Rating for the year 2020-21
Loan term Bank Facilities	CRISIL BBB/Stable	CRISIL BBB/Positive
Short term Bank Facilities	CRISIL A3+	CRISIL A3+

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.bajajhealth.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.bajajhealth.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 Details of utilization of funds

During the year under review, there were no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations

7.8. Disclosures with respect to demat suspense account / unclaimed suspense account

During the year under review, the Company was not required to transfer any shares to demat suspense account/unclaimed suspense account.

7.9 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 annexed to this Report.

7.10 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- | | | |
|----|--|-------|
| a. | number of complaints filed during the financial year | : Nil |
| b. | number of complaints disposed of during the financial year | : Nil |
| c. | number of complaints pending as on end of the financial year | : Nil |

7.11 Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons

During the year under review, the Board has accepted all the recommendation of all the Committees of the Board.

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) Review of Directors Responsibility Statement

The Board in its Report has confirmed that annual accounts for the year ended 31st March 2020 have been prepared as per Indian Accounting Standard (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

10) CEO / CFO Certificate:

As required under Regulation 17 (8) of SEBI (LODR) Regulations, 2015, the Certificate for the FY 2019-20 signed by Mr. Rupesh H. Nikam, Chief Financial Officer forms part of the Annual Report.

11) 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. The Company has in respect of the year ended 31st March, 2020, 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.

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

Sd/-

Sajankumar R. Bajaj

Chairman & Managing Director

DIN: 00225950

Place: Thane

Dated: 14th September, 2020

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 31st March, 2020. 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

Place: Mumbai
Date: 14th September, 2020

Compliance Certificate

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

We, Mr. Rupesh H. 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, 2020 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.

Place : Thane

Date : 30th June, 2020

Sd/-

Rupesh H. Nikam

Chief Financial Officer

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Sub 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-39 A/1,
Rd No.23, Wagle Ind. Estate
Thane West 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 required under section 164 of the Companies Act, 2013 ("Act"); and Disclosure of Directors' concern/interests 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-39 A/1, Rd No.23, Wagle Ind. Estate Thane West 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.

Based on my examination as well as on information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary 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 are on the Board of the Company as on 31st March 2020, 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 MCA or any such other statutory authority.

Sr. no.	Name of the Directors	DIN	Date of appointment*
1	Mr. Sajankumar Rameshwarlal Bajaj	00225950	1 st April, 2002
2	Mr. Anil Champalal Jain	00226137	15 th January, 2004
3	Mr. Dhananjay Sabaji Hatle	00226390	1 st April, 2005
4	Mr. Vidyut Jayantilal Shah	02578165	8 th January, 2016
5	Mr. Avinash Krishnalal Dalal	03574325	22 nd April, 2019
6	Ms. Namrata Sajankumar Bajaj	05327071	11 th January, 2013
7	Mr. Rupesh Hanumant Nikam	07007815	1 st November, 2014
8	Mr. Hemant Rajaram Karnik	07377151	8 th January, 2016
9	Mr. Ram Baliramji Banarse	07405486	14 th January, 2016
10	Mr. Loukik Deepak Tipnis	08188583	22 nd April, 2019

*the date of appointment is as per the MCA Portal

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 2020.

Place: Mumbai
Date: 5th September, 2020

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259B000670619

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 31st March 2020, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, 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 of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 level 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, but not for the purpose of expressing an opinion on whether company has in place an adequate internal financial control system over financial reporting 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.

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 Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) In our opinion, the managerial remuneration for the year ended 31st March, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations except as mention in Note no. 31 which would impact on its financial position.
 - The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Paresh Rakesh & Associates**

Chartered Accountants

FRN: 119728W

Rakesh Chaturvedi

Partner

M. No: 102075

UDIN: 20102075AAAAEO6942

Date: 30th June, 2020

Place: Mumbai

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

1. In respect of its Fixed Assets :

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- According to explanation provided to us the company has carried out physical verification of fixed assets, which in our opinion appears to be reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- According to the information, explanations and records given to us, Immovable properties owned by the Company, are held in the name of the Company as at the balance sheet date.

2. In respect of its Inventories :

- According to the information's and explanation given to us, Physical verification of inventory has been conducted, at reasonable intervals by the management.
- 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.
- The Company has maintained proper records of inventories. As per records provided 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

- Since, the Company has not granted any Loans to parties covered in in the register maintained under Section 189 of the Companies Act, 2013, the clause (iii) of paragraph 3 of the Order is not applicable to the Company.

4. In respect of Investment made by the Company:

- The Company has complied with the provisions of section 185
- The Company has complied with the provisions of section 186.

- According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

- The Company has maintained the Accounts and Records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act. However, we have not carried out a detailed examination of the same.

- According to the records examined by us, the Company has regularly deposited, undisputed statutory dues including Direct Taxes, Indirect Taxes and any other statutory dues with appropriate authorities and there were no outstanding dues as at 31st March 2020 for a period of more than six months from the date they became payable.
 - 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 which have not been deposited with concern authorities as on 31st March, 2020.

Sr. No	Nature of Liability	Name of Statute	Amt (in ₹)	Period which the amount relates	Forum where the dispute pending
1	Excise Duty	Central Excise Act, 1944	1,89,973/-	2007-08	CESTAT, Mumbai
2	Excise Duty	Central Excise Act, 1944	67,61,197/-	2007-08	CESTAT, Mumbai
3	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			92,58,495/-		

- In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of outstanding dues to any financial institutions or banks or any government during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
- In our opinion and according to the information and explanations given to us, Term Loan availed during the year has been applied for the purpose for which they have been raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments).
- Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
13. In our opinion and according to the information and explanations given to us, in respect of transactions with related parties :
 - a) All transactions with related parties are in compliance with sections 177 of the Act.
 - b) Company is in compliance with the section 188 of the Act and details have been disclosed in the financial statements as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares

or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, 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
FRN: 119728W

Rakesh Chaturvedi
Partner

Date: 30th June, 2020
Place: Mumbai

M. No: 102075
UDIN: 20102075AAAAEO6942

“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control over financial reporting of Bajaj Healthcare Limited (“the company”) as of 31st March 2020, in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, considering nature of business, size of operations and organizational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020 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
FRN: 119728W

Rakesh Chaturvedi
Partner

Date: 30th June, 2020
Place: Mumbai

M. No: 102075
UDIN: 20102075AAAAEO6942



Balance Sheet

as at 31st March, 2020

Particulars	Note No	As at 31 st March, 2020		As at 31 st March, 2019	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	13,79,92,000		6,89,96,000	
(b) Reserves and Surplus	3	1,37,80,70,102	1,51,60,62,102	1,22,20,68,322	1,29,10,64,322
(2) Non-Current Liabilities					
(a) Long-term borrowings	4	23,57,81,574		17,39,26,957	
(b) Long-term Provisions	5	2,08,90,929		1,42,42,436	
(3) Current Liabilities					
(a) Trade payables	6	47,70,73,321		29,98,48,884	
(b) Short Term Borrowings	7	58,43,25,430		54,88,64,347	
(c) Other current liabilities	8	30,95,65,823		25,61,90,572	
(d) Short Term Provisions	9	9,16,92,624	1,46,26,57,198	6,84,47,225	1,17,33,51,028
(4) Deffered Tax Liability		2,20,61,677		1,58,90,765	
Total		3,25,74,53,480		2,66,84,75,509	
II. Assets					
(1) Non-current assets					
(a) Tangible Fixed Assets	10	1,34,72,47,672		1,28,49,68,935	
(b) Capital work-in-progress	10	5,44,59,996		1,17,81,098	
(2) Long Term Investments		5,00,30,625		30,625	
(3) Current assets					
(a) Inventories	12	39,27,50,586		30,04,78,771	
(b) Trade receivables	13	1,00,13,23,857		78,12,68,737	
(c) Cash and cash equivalents	14	4,15,84,899		7,86,15,392	
(d) Other current assets	15	37,00,55,845	1,80,57,15,187	21,13,31,950	1,37,16,94,851
Total		3,25,74,53,480		2,66,84,75,509	

Accounting Policies 1
Notes to Financial Statements 2 to 40

As per our report of even date attached

For Paresh
Rakesh & Associates
Chartered Accountants
FRN: 119728W

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

Sd/-
Rakesh Chaturvedi
Partner
M. No: 102075

Sd/-
Aakash Keshari
Company Secretary

Sd/-
Rupesh H. Nikam
CFO and Director
DIN: 07007815

Sd/-
S. K. R. Bajaj
Chairman and Managing
Director
DIN: 00225950

Sd/-
Anil C. Jain
Joint Managing
Director
DIN: 00226137

Place: Thane
Date: 30th June, 2020

Profit and Loss Statement

For Year ended 31st March, 2020

Particulars	Note No	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Revenue from operations	16	4,10,00,83,914	3,70,17,37,304
Other Income	17	3,17,90,585	97,17,488
Total Revenue		4,13,18,74,499	3,71,14,54,791
Expenditure			
Cost of materials consumed	18	2,68,32,05,300	2,45,33,02,287
Other Direct Expenses	19	51,95,05,194	46,00,27,800
Changes in inventories	20	-5,08,75,545	-3,30,19,933
Employee Benefit Expenses	21	28,43,33,913	24,61,89,594
Financial costs	22	6,44,92,820	8,01,78,131
Depreciation and amortization expense	23	12,12,33,402	11,41,00,429
Other expenses	24	18,54,66,487	14,89,78,824
Total Expenses		3,80,73,61,570	3,46,97,57,133
Profit before Tax		32,45,12,929	24,16,97,658
Tax expense:			
(1) Current tax		9,10,00,000	6,75,00,000
(2) Deffered Tax		61,70,912	38,92,493
(3) Earlier Years		23,44,238	72,02,091
Profit/(Loss) for the period		22,49,97,780	16,31,03,073
Earning per equity share:	25		
(1) Basic		16.31	11.82
(2) Diluted		16.31	11.82

As per our report of even date attached

For Paresh

Rakesh & Associates

Chartered Accountants

FRN: 119728W

Sd/-

Rakesh Chaturvedi

Partner

M. No: 102075

Sd/-

Aakash Keshari

Company Secretary

Sd/-

Rupesh H. Nikam

CFO and Director

DIN: 07007815

Sd/-

S. K. R. Bajaj

Chairman and Managing

Director

DIN: 00225950

Sd/-

Anil C. Jain

Joint Managing

Director

DIN: 00226137

Place: Thane

Date: 30th June, 2020

For and on behalf of the Board

For **Bajaj Healthcare Limited**

Cash Flow Statement

For Year ended 31st March, 2020

Amt in ₹

Sr No	Particulars	2019-2020	2018-2019
A)	Cash Flow From Operating Activities		
	Net Profit Before Tax	32,45,12,929	24,16,97,658
	Adjustment for:		
	Depreciation	12,12,33,402	11,41,00,429
	(profit) / loss on sale of Assets	(2,71,482)	15,53,628
	Interest & Finance Charges	6,44,92,820	8,01,78,131
	Interest on FD	(30,88,473)	(24,92,111)
	Provision for Employee Benefits	91,69,367	72,96,710
	Dividend Income	(4,450)	(4,450)
	Operating Profit before Working Capital Changes	51,60,44,113	44,23,29,995
	Adjustment for:		
	(Increase) / Decrease in other current assets	(13,73,49,427)	1,13,71,597
	(Increase) / Decrease in Sundry Debtors	(22,00,55,119)	2,25,76,234
	(Increase) / Decrease in Inventories	(9,22,71,815)	3,61,17,224
	(Increase) / Decrease in non-current and current liabilities	23,05,99,688	(21,90,76,673)
	Cash generated from operations	29,69,67,440	38,19,30,212
	Income Tax Paid	(9,12,18,705)	(13,02,43,527)
	Net Cash Flow from Operating activities	20,57,48,734	25,16,86,685
B)	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(18,42,14,856)	(15,00,59,452)
	Increase / (Decrease) in Capital WIP	(4,26,78,898)	(79,06,305)
	Sale of Fixed Assets	9,74,199	83,172
	Interest on FD	30,88,473	24,92,111
	Payment to Gratuity Fund	(27,75,475)	(31,82,855)
	Insurance Claim Received	-	1,25,00,000
	Investment in Preference Shares	(5,00,00,000)	
	Dividend Income	4,450	4,450
	Net cash used in investment activities	(27,56,02,107)	(13,02,56,269)

Cash Flow Statement

For Year ended 31st March, 2020

Amt in ₹

Sr No	Particulars	2019-2020	2018-2019
C)	Net Cash used in Investing activities		
	Cash Flow from Financing Activities		
	Increase / (Decrease) From Long Term Borrowing	6,78,13,665	(3,60,37,658)
	Increase / (Decrease) Of Unsecured Long Term Borrowing	(59,59,048)	(47,86,800)
	Increase / (Decrease) of Short Term Borrowing From Bank	5,34,46,599	1,52,70,432
	Increase / (Decrease) Of Borrowing From Director & Inter corporates	(1,79,85,516)	(1,16,21,337)
	Interest Paid	(6,44,92,820)	(8,01,78,131)
	Dividend Paid	-	(68,99,600)
	Dividend Distribution Tax paid	-	(14,18,233)
	Net cash used in financing activities	3,28,22,880	(12,56,71,327)
	Net increase in Cash & Cash Equivalents (A+B+C)	(3,70,30,492)	(42,40,911)
	Cash and Cash equivalents as at 1 st April, 2019	7,86,15,392	8,28,56,303
	Cash and Cash equivalents as at 31 st March, 2020	4,15,84,899	7,86,15,392

As per our report of even date attached

For Paresh

Rakesh & Associates

Chartered Accountants

FRN: 119728W

Sd/-

Rakesh Chaturvedi

Partner

M. No: 102075

Sd/-

Aakash Keshari

Company Secretary

For and on behalf of the Board

For **Bajaj Healthcare Limited**

Sd/-

Rupesh H. Nikam

CFO and Director

DIN: 07007815

Sd/-

S. K. R. Bajaj

Chairman and Managing

Director

DIN: 00225950

Sd/-

Anil C. Jain

Joint Managing

Director

DIN: 00226137

Place: Thane

Date: 30th June, 2020

Notes to the Financial Statements

for the year ended 31st March, 2020

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

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

C. Fixed Assets

- Fixed Assets are stated at cost of acquisition or construction (net of recoverable taxes wherever availed) less accumulated depreciation.
- Fixed Assets wherever revalued are reinstated by creating differential Revaluation Reserve which is added to the Gross Block as on the date of revaluation.
- 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.
- 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

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

F. Current Tax & Deffered 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

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- 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

- Government grants are accounted for where it is reasonably certain that the ultimate collection will be made.
- Government grants related to 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.

Notes to the Financial Statements

for the year ended 31st March, 2020

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:

- a) 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.

- b) Actuarial losses or gains are recognized in the Statement of Profit and Loss in the year in which they arise.

M. Earning Per Share

- a) 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.

Notes to the Financial Statements

for the year ended 31st March, 2020

2. Share Capital

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Authorised Share Capital :		
1,40,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each	14,00,00,000	14,00,00,000
	14,00,00,000	14,00,00,000
Issued Subscribed and Paid Up Capital :		
1,37,99,200 (PY 68,99,600) Equity Shares of ₹ 10 each fully paid up	13,79,92,000	6,89,96,000
Total	13,79,92,000	6,89,96,000

Reconciliation of number of shares outstanding is set out below:

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Equity Shares		
At the beginning of the period	68,99,600	68,99,600
Addition during the period	68,99,600	-
Outstanding at the end of the period	1,37,99,200	68,99,600

2.1 Details of shareholders holding more than 5% shares in the company:

Name of the shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	% Holding	No of Shares	% Holding	No of Shares
a. Equity Shares:				
Mrs. Babita Bajaj	5.45	7,52,000	5.45	3,76,000
Mr. Sajankumar R. Bajaj	34.89	48,14,000	34.89	24,07,000
S K R Bajaj HUF	7.83	10,80,000	7.83	5,40,000
Ms. Namrata Bajaj	5.86	8,08,000	5.86	4,04,000
Ms. Nihita S. Bajaj	5.86	8,08,000	5.86	4,04,000
Mr. Anil C. Jain	5.20	7,18,000	5.20	3,59,000
M/s. Maa Sharda Distributors Pvt. Ltd.	6.30	8,70,000	6.30	4,35,000
M/s. Progyan Construction and Engineers Pvt. Ltd.	7.67	10,57,800	7.67	5,28,900

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.

The Equity Shares issued and paid up includes 68,99,600 shares issued as bonus Shares for consideration other than cash issued on 11th April 2019

Notes to the Financial Statements

for the year ended 31st March, 2020

3. Reserves & Surplus

(Amount in ₹)

	As at 31 st March, 2020		As at 31 st March, 2019	
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	40,22,43,679		40,84,42,782	
Less: Changes during the Year (Refer Note No. 3.1)	(63,93,043)	39,58,50,635	(61,99,103)	40,22,43,679
Shares Premium				
As per Last Balance Sheet	6,64,36,000		6,64,36,000	
Less: Changes during the Year	(6,64,36,000)	-	-	6,64,36,000
Profit & Loss Account				
As per last Balance Sheet	75,28,28,021		59,16,93,677	
Depreciation on Revalued Figure	63,93,043		61,99,103	
Adjustment for Provision of Gratuity as per AS 15 (Net)	-		1,50,000	
Less: Provision for Dividend Declared for FY 2017-18	-		(68,99,600)	
Less: Tax on Distribution of Dividend	-		(14,18,233)	
Less: Utilisation of Bonus Share	(19,99,377)		-	
Add: Transferred from Profit and Loss Account	22,49,97,780		16,31,03,073	
		98,22,19,467		75,28,28,021
Total	1,37,80,70,102		1,22,20,68,322	

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

4. Long Term Borrowings

(Amount in ₹)

	As at 31 st March, 2020		As at 31 st March, 2019	
Secured				
Term Loan from Bank	19,48,83,859		12,43,61,126	
Term Loan from NBFC	3,48,54,719	22,97,38,578	3,75,63,787	16,19,24,913
Unsecured Loans				
Inter Corporate Loans (For Related Party Transaction Refer Note no. 32)		60,42,996		1,20,02,044
Total	23,57,81,574		17,39,26,957	

4.1 Repayment Schedule for Secured Term Loans

Year	FY 2021-22	FY 2022-23	FY 2023-24	2024-25 onwards
Amount (₹)	5,79,40,113	3,85,09,258	2,46,34,374	10,86,54,834

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

Notes to the Financial Statements

for the year ended 31st March, 2020

5. Long Term Provisions

(Amount in ₹)				
	As at 31 st March, 2020		As at 31 st March, 2019	
Provision for Employee benefits				
Present Value of Obligation as per AS 15	2,53,30,983		1,84,75,807	
Fair Value of Plan Asset as at the End	(1,33,81,773)	1,19,49,210	(1,01,78,905)	82,96,902
Provision for Leave Encashment		89,41,719		59,45,534
Total		2,08,90,929		1,42,42,436,

6. Trade Payables

(Amount in ₹)				
	As at 31 st March, 2020		As at 31 st March, 2019	
Micro Small & Medium Enterprises	-		-	
Others (Net)	47,70,73,321	47,70,73,321	29,98,48,884	29,98,48,884
Total	47.70.73.321		29.98.48.884	

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

	(Amount in ₹)			
	As at 31 st March, 2020		As at 31 st March, 2019	
Secured				
Working Capital Loan From Banks				
Cash Credit	4,05,72,484		-	
Pre shipment / Post shipment / Buyers Credit	53,97,66,541	58,03,39,024	52,68,92,426	52,68,92,426
Unsecured				
From Director	-		1,06,03,489	
Inter Corporate Deposits (For Related Party Transaction Refer Note no. 32)	39,86,405	39,86,405	1,13,68,432	2,19,71,922
Total	58,43,25,430		54,88,64,347	

7.1 The details of Security for Working Capital Loans from banks are provided in note no. 26

Notes to the Financial Statements

for the year ended 31st March, 2020

8. Other Current Liabilities

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Current Maturity of Long Term Borrowings Banks (Secured)	8,57,04,844	8,12,80,586
Current Maturity of Long Term Borrowings from NBFC (Secured)	34,46,533	31,89,747
Sundry Creditors For Expenses	9,77,72,133	9,29,09,986
Sundry Creditors for Capital Goods	5,14,53,410	97,79,708
Advances Received from Customers	65,16,394	67,98,105
Statutory Dues Payable	36,79,841	29,12,996
Deposits From Selling Agents	14,51,601	14,51,601
Other Payables	5,95,41,067	5,78,67,843
Total	30,95,65,823	25,61,90,572

9. Short Term Provisions

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Present Value of Obligation as per AS 15	18,33,171	24,46,366
Less: Fair Value of Plan Asset as at the End	(18,33,171)	-
Provision for Leave Encashment	6,92,624	9,47,225
Provision for Income Tax	9,10,00,000	6,75,00,000
Total	9,16,92,624	6,84,47,225

Notes to the Financial Statements

for the year ended 31st March, 2020

10. Depreciation as Per Companies Act 1st April, 2019 to 31st March, 2020

Fixed Assets	Gross Block 1 st April, 2019	Addition during year	Deduction during year	Gross Block 31 st March, 2020	Dep. up tp 1 st April, 2019	Dep. for the year	Deduction during year	Total Dep 31 st March, 2020	Net Block 31 st March, 2020	Net Block 31 st March, 2019
Air Condition	71,95,439	1,07,804	-	73,03,243	59,78,900	5,88,920	-	65,67,820	7,35,422	12,16,538
Computer	2,23,51,869	27,96,804	-	2,51,48,673	1,87,03,900	29,65,720	-	2,16,69,620	34,79,053	36,47,969
Electrical Equipment	5,71,23,489	78,37,287	-	6,49,60,777	3,97,95,191	48,17,333	-	4,46,12,524	2,03,48,253	1,73,28,298
Factory & Office Equipment	92,98,797	1,73,765	-	94,72,563	82,87,968	4,10,880	-	86,98,848	7,73,715	10,10,829
Factory Building	54,20,34,935	1,31,42,977	-	55,51,77,912	25,69,58,661	2,77,02,346	-	28,46,61,006	27,05,16,905	28,50,76,274
Fire Fighting Equipment	7,09,411	-	-	7,09,411	3,65,595	89,787	-	4,55,382	2,54,029	3,43,816
Furniture & Fixture	2,69,50,657	5,65,094	-	2,75,15,751	1,93,98,462	20,01,379	-	2,13,99,841	61,15,909	75,52,194
Guest House Staff Quarters	2,58,71,017	-	-	2,58,71,017	66,65,537	9,42,759	-	76,08,296	1,82,62,721	1,92,05,480
Lab Equipment	6,05,57,383	89,98,890	-	6,95,56,273	3,26,27,467	82,74,834	-	4,09,02,301	2,86,53,972	2,79,29,916
Land (Leasehold)	4,54,74,421	-	-	4,54,74,421	-	-	-	-	4,54,74,421	4,54,74,421
Land (Freehold)	33,92,86,740	-	-	33,92,86,740	-	-	-	-	33,92,86,740	33,92,86,740
Motor Vehicle	2,84,98,589	61,18,949	34,35,827	3,11,81,711	1,81,94,006	33,39,276	27,33,110	1,88,00,172	1,23,81,538	1,03,04,582
Office Premises (Freehold)	6,65,25,065	-	-	6,65,25,065	92,46,486	27,89,467	-	1,20,35,953	5,44,89,112	5,72,78,579
Office Premises (Leasehold)	3,67,98,230	-	-	3,67,98,230	1,78,92,809	21,81,943	-	2,00,74,752	1,67,23,478	1,89,05,421
Plant & Machinery	95,36,69,093	14,44,73,285	-	1,09,81,42,378	50,32,61,213	6,51,28,758	-	56,83,89,970	52,97,52,404	45,04,07,878
Total	2,22,23,45,134	18,42,14,856	34,35,827	2,40,31,24,163	93,73,76,197	12,12,33,402	27,33,110	1,05,58,76,486	1,34,72,47,672	1,28,49,68,935
(Previous Year)	2,09,64,68,664	15,00,59,452	2,41,82,982	2,22,23,45,134	83,03,05,323	11,41,00,429	70,29,553	93,73,76,197	1,28,49,68,937	1,26,61,63,341
Capital W.i.p									5,44,59,996	1,17,81,098

10.1 In Financial Year 2014-15, the Assets of the Company comprising of Land and Buildings acquired or constructed by the Company prior to 01st April, 2014 were revalued and reinstated as on 31st March, 2015 to reflect the fair value of the assets by creating revaluation reserve account with equivalent value.

Notes to the Financial Statements

for the year ended 31st March, 2020

11. Long Term Investments

(Amount in ₹)

	As at 31 st March, 2020		As at 31 st March, 2019	
Investment in 50,00,000 Preference Share of Face Value of ₹ 10/- each of Bajaj Sindhudurg Rice Mill Ltd	5,00,00,000		-	
500 (P.Y. 500) Shares of Tima Cooperative Society limited of ₹ 10/- Each	5,000		5,000	
2,500 (P.Y. 2,500) Equity Shares of Saraswat Co-op Bank of ₹ 10/- Each	25,000		25,000	
25 (P.Y. 25) Shares of Shamrao Vithal Co-op Bank of ₹ 25/- each	625	30,625	625	30,625
Total	5,00,30,625		30,625	

12. Inventories

(Amount in ₹)

	As at 31 st March, 2020		As at 31 st March, 2019	
(As Valued and certified by Management)				
Raw Material	23,71,00,680		19,75,41,883	
Finished Goods	13,51,21,170		8,42,45,625	
Packing Material	87,54,215		63,65,788	
Stores and Spares	1,17,74,521	39,27,50,586	1,23,25,475	30,04,78,771
Total	39,27,50,586		30,04,78,771	

13. Trade Receivables

(Amount in ₹)

	As at 31 st March, 2020		As at 31 st March, 2019	
Unsecured - Considered Good				
Over 6 months	2,37,53,766		5,28,17,101	
Others	97,75,70,091	1,00,13,23,857	72,84,51,636	78,12,68,737
Total	1,00,13,23,857		78,12,68,737	

14. Cash & Cash Equivalents

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Cash Balance on Hand		
Cash in Hand	8,36,588	4,37,865
Bank Balance with Scheduled Bank		
In Current Accounts	4,07,48,310	5,06,77,527
In Deposit Accounts	-	2,75,00,000
Total	4,15,84,899	7,86,15,392

Notes to the Financial Statements

for the year ended 31st March, 2020

15. Other Current Assets

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Advances Receivable in cash or kind or Value to be received	13,48,46,477	9,85,38,435
Fixed Deposit With Banks (Under Lien for Bank Guarantee)	1,84,10,193	1,79,70,810
Deposit With Public Authorities and Others	2,65,04,181	2,34,15,135
Advance to Suppliers	10,17,96,545	42,83,589
Advance Tax & Tax Deducted at Source	8,84,98,449	6,71,23,982
Total	37,00,55,845	21,13,31,950

16. Revenue from Operations

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Local Sales		
Manufacturing Sales	2,66,59,04,448	2,48,45,29,234
Add: Duties & Taxes on Sales	48,48,83,515	3,15,07,87,963
Export Sales		
Manufacturing Export Sales	92,67,22,103	74,80,70,580
Duties and Taxes on Export Sale	-	92,67,22,103
Processing Charges	2,25,73,848	1,76,00,154
Total	4,10,00,83,914	3,70,17,37,304

17. Other Income

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Dividend Received	4,450	4,450
Interest on Fixed Deposit Received	30,88,473	24,92,111
Insurance and other Claim	1,75,40,443	43,75,518
Professional fees	70,95,930	-
Rent Income	21,93,000	15,30,000
Scrap Sale	15,96,807	12,51,931
Income of Duty Drawback	-	2,678
Profit on sale of Assets	2,71,482	60,799
Total	3,17,90,585	97,17,488

18. Cost of Material Consumed

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Opening Stock	20,39,07,671	27,32,55,953
Add: Purchases	2,24,02,69,009	1,93,23,95,747
Less: Closing Stock	24,58,54,895	2,19,83,21,785
GST/ Excise Duty & Sales Tax	48,48,83,515	45,15,58,258
Total	2,68,32,05,300	2,45,33,02,287

Notes to the Financial Statements

for the year ended 31st March, 2020

19. Other Direct Expenses

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Effluent Treatment Chgs	3,45,67,337	3,24,37,976
Fuel charges	9,63,22,616	9,16,56,714
Furnance Oil / LDO	1,05,17,622	61,54,783
Freight Forwarding & Transport	8,21,47,802	8,18,10,699
Material Testing & Inspection Charges	1,57,81,709	1,18,95,032
Processing & Labour Charges	10,13,89,245	7,56,89,520
Power Charges	12,15,05,901	10,94,48,994
Repairs & Maintenance Plant & Mach.	2,80,13,581	2,30,07,329
Stores & Spares	1,52,15,624	1,68,64,773
Water Charges	1,40,43,758	1,10,61,982
Total	51,95,05,194	46,00,27,800

20. Changes in Inventories

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Fininshed Goods		
Opening Stock	8,42,45,625	5,12,25,692
Less: Closing Stock	13,51,21,170 (5,08,75,545)	8,42,45,625 (3,30,19,933)
Total	(5,08,75,545)	(3,30,19,933)

21. Employee Benefit Expenses

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Salary	24,48,25,148	21,73,73,285
Staff Welfare	1,33,41,494	1,07,92,525
Provision for Gratuity & Leave Encashment	1,02,92,030	72,96,710
Provident Funds and Other Contributions	1,58,75,241	1,07,27,074
Total	28,43,33,913	24,61,89,594

22. Finance Costs

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Bank Charges	1,48,44,429	1,18,46,998
Processing Fees	15,16,596	2,00,700
Interest on Buyers Credit	1,03,72,434	1,58,69,805
Interest on C.C., L.C. & P.C. Facilities	1,27,19,972	1,89,10,982
Interest on Unsecured Loan	28,82,267	74,58,194
Interest on Car Loan	3,41,181	4,33,227
Interest on Term Loan	2,63,97,097	2,76,37,945
Less : Interest Capitalized	(45,81,156)	(21,79,719)
Total	6,44,92,820	8,01,78,131

Notes to the Financial Statements

for the year ended 31st March, 2020

23. Depreciation & Amortization of Expenses

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Depreciation	12,12,33,402	11,41,00,429
Total	12,12,33,402	11,41,00,429

24. Other Expenses

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Advertisement & Presentation	47,33,945	14,02,212
Brokerage & Commission	69,39,842	1,50,90,104
Courier Charges & Telephone Expenses	22,31,458	25,02,602
Discount & Rebate	-	-
Donation	1,40,57,950	1,79,04,551
Loss Due to Foreign Exchange Rate Fluctuation	2,76,38,743	2,54,55,895
Hotel / Boarding / Lodge / Guest House Expense	7,74,086	16,24,025
Insurance	1,13,72,252	83,59,057
Interest on Excise, Service Tax & TDS	18,07,400	29,74,541
Legal & Professional Expenses	2,01,95,380	2,08,05,666
Loss on GST Fire Claim	-	5,79,100
Loss on Sale of Assets	-	16,14,428
Corporate Social Responsibility Expenses	44,49,056	55,30,887
Sundry Balance W/off	3,51,71,794	2,67,488
Membership & Subscription	7,57,486	4,47,217
Miscellaneous Expenses	15,09,810	15,38,846
Motor Vehicle & Fuel Expenses	11,39,601	12,04,839
Printing & Stationery	51,84,883	45,46,627
Repairs & Maintenance Building	85,13,709	90,43,354
Repairs & Maintenance Others	1,22,83,936	1,09,14,340
Rent Rates & Taxes	1,38,14,659	48,45,820
Security & Cleaning Charges	16,71,915	15,06,771
Seminar Expenses	9,24,614	1,16,590
Travelling & Conveyance Expenses	66,89,595	79,88,439
Travelling Expenses - Foreign	21,75,624	17,15,676
Audit Fees		
Statutory Audit Fees	4,00,000	3,50,000
Tax Audit Fees	1,00,000	1,00,000
Sponsorship Expenses	9,28,751	5,49,751
Total	18,54,66,487	14,89,78,824

Notes to the Financial Statements

for the year ended 31st March, 2020

25. Earning Per Share

(Amount in ₹)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
A. Net Profit / Loss available for Equity shareholders (after tax)	22,49,97,780	16,31,03,073
B. Weighted number of equity share outstanding during the year	1,37,99,200	1,37,99,200
C. Basic earnings per share of ₹ 10/- each	16.31	11.83

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:

i. For Term Loan

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

ii. For Working Capital

First Pari Passu Charge on Current assets and 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) Office Premises at Thane is exclusively Mortgaged / Hypothecated to Aditya Birla Finance Limited
- C) Loan for Motor Vehicle are secured against respective Motor Vehicles for which Loan is obtained.
- D) Further, All borrowings are, secured by personal guarantees of the directors Mr. S. K. R. Bajaj, Mr. Anil C. Jain.

27. In opinion of the Directors, Current Assets Loans and advances have the value at which they are stated in the Balance Sheet if realized in the ordinary course of business. All the outstanding liabilities other than those stated under contingent liabilities have been provided for.

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

29. Since no specific intimation has been received from any of the suppliers regarding the status of their registration as Micro, Small, or Medium as defined under Micro, Small and Medium Enterprises Department (MSMED) Act, 2006 as at 31st March 2020, 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 2020 comprises of the following :

(Amount in ₹)

	As at 31 st March, 2020	As at 31 st March, 2019
Timing difference on account of Depreciation on fixed asset	61,70,912	38,92,493
Total	61,70,912	38,92,493

31. Contingent Liabilities:

- Letter of credits issued by Banks USD 25,46,598/- (Previous Year USD 17,95,331/-)
- Bank Guarantee issued by Bank amount of ₹ 184.10 lakhs (Previous Year ₹ 179.71 lakhs) to MGVC, MPCB, Customs etc.
- Estimated amount of Capital Commitment for purchase plant and machinery ₹ 1,650 lakhs (Previous Year : ₹ 546.76 lakhs)

Notes to the Financial Statements

for the year ended 31st March, 2020

Claim Against company not acknowledged as debts:

- High Court of Justice Business and Property Courts of England and Wales in a business dispute has passed the order against the Company to pay GBP 646883.39 to a Debtor which shall however be subject deduction of outstanding receivable from such Debtor of USD 513946.20. Further, the Court has yet to pass the order quantifying the Interest payable on differential amount. The Company has estimated the net claim which could be payable to this Debtor at ₹ 2,16,11,165. (Plus Applicable interest as quantified).The Company is exploring the remedy against the order and its enforceability.
- Central Excise, Custom Duty, Central Sales Tax & GVAT Liabilities ₹ 457.84 Lakhs Plus Applicable Interest (Previous year ₹ 709.17 Lakhs). This represents the demands made by authorities which in opinion of company are not sustainable and appeals are pending with appropriate authority. The details of claim against company not acknowledged as debts are as under:

Sr. No	Nature of Liability	Name of Statute	Amount (in ₹)	Period which the amount relates	Forum where the dispute pending
A. Appeal filed by Company					
1	Excise Duty	Central Excise Act, 1944	1,89,973	2007-08	CESTAT, Mumbai
2	Excise Duty	Central Excise Act, 1944	67,61,197	2007-08	CESTAT, Mumbai
3	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
B. Appeal filed by Department					
4	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	3,65,25,427	Dec 2003 to Dec 2005	CESTAT, Mumbai
Total			4,57,83,922		

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 S. Hatle - Director Ms. Namrata Bajaj - Director Mr. Rupesh H. Nikam - Director & CFO
Relative of key management personnel-Category II	Ms. Babita Bajaj Ms. Padma Jain Mr. Siddhesh Hatle Ms. Gayatri Hatle Mr. Pakshal A. 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

Notes to the Financial Statements

for the year ended 31st March, 2020

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

Sr. No.	Particulars	Category I	Category II	Category III	Category IV
1	Remuneration	1,33,88,975/- (1,21,37,660/-)	Nil (475,00)	Nil (Nil)	Nil (Nil)
2	Rent Paid	Nil (Nil)	Nil (Nil)	Nil (12,000/-)	Nil (Nil)
3	Interest Paid (net of interest recd)	5,46,146/- (7,43,709)	Nil (Nil)	23,36,121/- (67,14,485/-)	Nil (Nil)
4	Sponsorship For Education	Nil (Nil)	8,98,805/- (4,19,751/-)	Nil (Nil)	Nil (Nil)
5	Balance outstanding as on 31 st March, 2020 of Long Term Unsecured loan taken	Nil (Nil)	Nil (Nil)	60,42,996/- (1,20,02,044/-)	Nil (Nil)
6	Balance outstanding as on 31 st March, 2020 of Short Term Unsecured loan taken	Nil (1,06,03,489/-)	Nil (Nil)	39,86,405/- (1,13,68,432/-)	Nil (Nil)
7	Advance For Purchase	Nil (Nil)	Nil (Nil)	2,62,00,000/- (Nil)	Nil (Nil)
8	Purchase of Assets	Nil (Nil)	Nil (Nil)	6,82,335/- (Nil)	Nil (Nil)
9	Investment in Preference Shares	Nil (Nil)	Nil (Nil)	5,00,00,000/- (Nil)	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	1,20,02,044/-	60,42,996/-
		P Y	(1,67,88,844/-)	(1,20,02,044/-)

Short Term Borrowings Include:

Sr. No.	Name of the Party	Year	Opening	Closing
1	Bajaj Health & Nutrition Pvt Ltd	C Y	1,02,60,745/-	22,63,735/-
		P Y	(2,97,37,857/-)	(1,02,60,745/-)
2	Bansal Pharma Limited	C Y	11,07,687/-	17,22,670/-
		P Y	(38,07,543/-)	(11,07,687/-)
3	Mr. S. K. R. Bajaj	C Y	98,71,558/-	Nil
		P Y	(Nil)	(98,71,558/-)
4	Mr. Anil C. Jain	C Y	7,31,931/-	Nil
		P Y	(Nil)	(7,31,931/-)
5	Ms. Namrata Bajaj	C Y	Nil	Nil
		P Y	(47,858/-)	(Nil)

Advance to Suppliers Include:

Sr. No.	Name of the Party	Year	Opening	Closing
1	Bajaj Sindhudurg Rice Mills Limited	C Y	-	2,62,00,000/-
		P Y	-	-

Investment in 7.5% Optionally Convertible Non-cumulative Preference Shares:

Sr. No.	Name of the Party	Year	Opening	Closing
1	Bajaj Sindhudurg Rice Mills Limited	C Y	-	5,00,00,000/-
		P Y	-	-

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

Notes to the Financial Statements

for the year ended 31st March, 2020

Income and Expenditure:

- Remuneration includes payment to Mr. S. K. R. Bajaj ₹ 48,00,000/- (P.Y. ₹ 48,00,000/-), Mr. Anil C. Jain ₹ 46,00,000/- (PY ₹ 36,00,000/-), to Mr. Dhananjay S. Hatle ₹ 13,58,535/- (PY ₹ 12,40,989/-), to Ms. Namrata Bajaj ₹ 10,15,000/- (PY ₹ 10,12,917/-), to Mr. Rupesh H. Nikam ₹ 16,15,440/- (PY ₹ 14,93,076), to Ms. Babita Bajaj ₹ Nil (PY ₹ 25,000/-), and to Ms. Padma Jain ₹ Nil (PY ₹ 22,500/-).
- Rent Paid Includes paid Bansal Pharma Ltd ₹ NIL (PY ₹ 12,000/-).
- Interest payment includes payment to Bansal Pharma Ltd ₹ 2,04,950/- PY (₹ 5,23,137/-), to Bajaj Health and Nutritions Pvt Ltd ₹ 21,31,171/- (PY ₹ 61,91,348/-), to Mr. S. K. R. Bajaj: ₹ 4,69,876/- (PY ₹ 7,29,719) and to Mr. Anil C. Jain ₹ 76,270/- (PY ₹ 13,990/-).
- Sponsorship payment for education includes payment made to Ms. Gayatri Hatle ₹ 1,21,633 (PY ₹ NIL/-); to Mr. Siddhesh Hatle ₹ 1,70,446/- (PY ₹ 1,36,551/-); to Mr. Pakshal A. Jain ₹ 3,15,225/- (PY ₹ 2,83,200/-), to Ms. Khushi Jain ₹ 2,91,500/- (PY ₹ NIL).
- Purchase of assets includes purchase from Bajaj Sindhudurg Rice Mills Limited ₹ 6,82,335/- (PY ₹ NIL).

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

33. Segment Information as per Accounting Standard 17:

Information about Primary Business Segments

Sr. No.	Particulars	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
A	Segment Revenue (Excluding Intersegment Revenue)		
	Bulk Drugs	3,85,36,52,790	3,61,55,31,066
	Formulations	24,64,31,124	8,62,06,237
	Total	4,10,00,83,914	3,70,17,37,304
	Segment Revenue (Intersegment Revenue)		
	Bulk Drugs	21,08,97,570	6,76,40,512
	Formulations	86,17,620	85,10,278
	Total	21,95,15,190	7,61,50,790
	Gross Segment Revenue (Including Intersegment Revenue)		
	Bulk Drugs	4,06,45,50,360	3,68,31,71,578
	Formulations	25,50,48,744	9,47,16,515
	Total	4,31,95,99,104	3,77,78,88,093
B	II. Segment Results		
	Profit / (Loss) Before Tax & Finance Cost		
	Bulk Drugs	59,57,64,138	49,56,60,636
	Formulations	(2,12,91,903)	(2,48,06,022)
	Total	57,44,72,235	47,08,54,614
	Less : Interest	6,44,92,820	8,01,78,131
	Other Unallocable Expenditure (Net)	18,54,66,487	14,89,78,824
	Total Profit Before Tax	32,45,12,929	24,16,97,658

Notes to the Financial Statements

for the year ended 31st March, 2020

Sr. No.	Particulars	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
C	I. Segment Assets		
	Bulk Drugs	2,89,92,26,655	2,50,99,64,992
	Formulations	30,81,96,200	15,84,79,892
	Others	5,00,30,625	30,625
	Total (I)	3,25,74,53,480	2,66,84,75,509
	II. Segment Liabilities		
	Bulk Drugs	1,54,89,68,432	1,24,66,13,596
	Formulations	5,84,70,336	3,31,64,389
	Others	13,39,52,606	9,76,33,201
	Total (II)	1,74,13,91,374	1,37,74,11,187
	III. Total Capital Employed (I –II)	1,51,60,62,106	1,29,10,64,323
	Total (II+III)	3,25,74,53,480	2,66,84,75,509

Information about Secondary Segments: Geographical

Particulars	India		Outside India		Total	
	2020	2019	2020	2019	2020	2019
Gross Sales *	31,733.62	29,536.67	9,267.22	7,480.71	41,000.84	37,017.38
Less: Taxes	4,848.84	4,515.37	-	-	4,848.84	4,515.37
Net Sales	26,884.78	25,021.30	9,267.22	7,480.71	36,152.00	32,502.01

* Gross Sales Includes Taxes on Intersegment Transfers.

- 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	2019-20	2018-19
Employer's Contribution to Provident and Pension Fund	1,28,55,442	99,26,630

Notes to the Financial Statements

for the year ended 31st March, 2020

Defined Benefit Plan

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

Particulars	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	2,09,22,173	1,73,38,298
Interest Cost	16,14,439	13,34,100
Past Service Cost	-	-
Current Service Cost	32,36,934	26,54,803
Actuarial (Gain) / Loss	23,63,621	2,99,993
Benefits Paid	(9,73,013)	(7,05,021)
Defined Benefit Obligation at year end	2,71,64,154	2,09,22,173

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

Particulars	2019-20	2018-19
Fair value of Plan Assets at beginning of year	1,26,25,271	96,19,706
Fair value of Plan Assets at year end	1,52,14,944	1,26,25,271

iii. Reconciliation of fair value of Assets and Obligations:

Particulars	2019-20	2018-19
Fair value of Plan Assets	1,52,14,944	1,26,25,271
Present value of Obligation	2,71,64,154	2,09,22,173
Net Liability recognised in Balance Sheet	1,19,49,210	82,96,902

iv. Expenses recognized during the year:

Particulars	2019-20	2018-19
Current Service Cost	32,36,934	26,54,803
Interest Cost	16,14,439	13,34,100
Expected Return on Plan Assets	9,74,217	(7,40,191)
Actuarial (Gain) / Loss	25,50,627	3,62,453
Net Cost	64,27,783	36,11,165

v. Actuarial Assumptions:

Particulars	2019-20	2018-19
Discount Rate (%)	6.75	7.7 0
Expected Return on plan assets (%)	6.75	7.70
Rate of escalation in Salary (per annum) (%)	5.00	5.00

35. Expenditure in Foreign Currency:

Particulars	2019-20	2018-19
CIF Value of Import in	1,20,02,63,861	1,32,78,71,169
Other Expenses in	1,09,66,667	1,48,69,512

Notes to the Financial Statements

for the year ended 31st March, 2020

36. Income in Foreign Currency:

Particulars	2019-20	2018-19
FOB Value of exports in	94,65,58,475	78,88,33,740

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 renewed approval for In-house R&D Facility from the Department of Scientific and Industrial Research (DSIR) vide letter No. TU/IV-RD/4031/2019 dated 01st May 2019 for the purpose of section 35(2AB) of the Income Tax Act, 1961 valid till 31st March 2022 subject to the condition underlined 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.

Particulars	2019-20	2018-19
Revenue Expenditure:		
Salary Expenses of R&D Personnel	68.00	102.03
R&D Chemical Purchase	117.06	45.42
Stores & Spares & Consumables in R&D	6.01	-
Travelling & Other Exp.	1.04	0.18
Common Utilities Expenses	30.85	23.21
Capital Expenditure:		
Laboratory Equipment	18.03	61.55
Total	241.00	232.39

38. Figures are rounded off to nearest value of Rupees.

39. On 11th March, 2020, the World Health Organization (WHO) officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. It continued to progress and evolve from the year end till the date of signing of the results of the Company. Due to its nature, it is challenging at this juncture, to predict the full extent and duration of its impact on financial performance and business. However, management is closely monitoring the evolution of this pandemic and has evaluated and re-assessed its impact on all major class of assets, liabilities, income and expenditures which are likely to have significant impact on the operations, profitability and continuity of the business.

Based on above, Management is of the view that till date there is no significant impact of COVID-19 which requires adjustment to the carrying value of its assets and liabilities and provide for losses. Management currently has an appropriate response plan in place. Management will continue to monitor and assess the ongoing development and respond accordingly.

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

Notes

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Content, Concept, and Design





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