



Date: 01<sup>st</sup> October, 2016.

To,  
Bombay Stock Exchange Limited (BSE),  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

Dear Sir,


Ref : Script Id "BAJAJHCARE", Script Code "539872".  
Sub : Submission of 23<sup>rd</sup> Annual report for the Financial Year 2015-16.

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby submit 23<sup>rd</sup> Annual report for the Financial Year 2015-16, as approved and adopted by the members at the Annual General Meeting held on 30<sup>th</sup> September, 2016.

Kindly take the above on your record

Thanking you,

Yours truly,  
FOR Bajaj Healthcare Limited

  
Vipul Dubey  
Compliance Officer

Encl: a/a

# 23<sup>rd</sup> Annual Report

BAJAJ  
HEALTHCARE  
LIMITED

2015-2016



**BAJAJ**

## Board of Directors:

Mr. Sajankumar R. Bajaj	- (Chairman & Managing Director)
Mr. Anil C. Jain	- (Managing Director)
Ms. Namrata S. Bajaj	- (Whole Time Director)
Mr. Dhananjay S. Hatle	- (Whole Time Director)
Mr. Rupesh H. Nikam	- (Whole Time Director & Chief Financial Officer)
Mr. Vidyut J. Shah	- (Independent Director)
Mr. Hemant R. Karnik	- (Independent Director)
Mr. Ram B. Banarse	- (Independent Director)

## Company Secretary

Mr. Vipul P. Dubey

## Statutory Auditors

### **M/s. Paresh Rakesh & Associates**

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

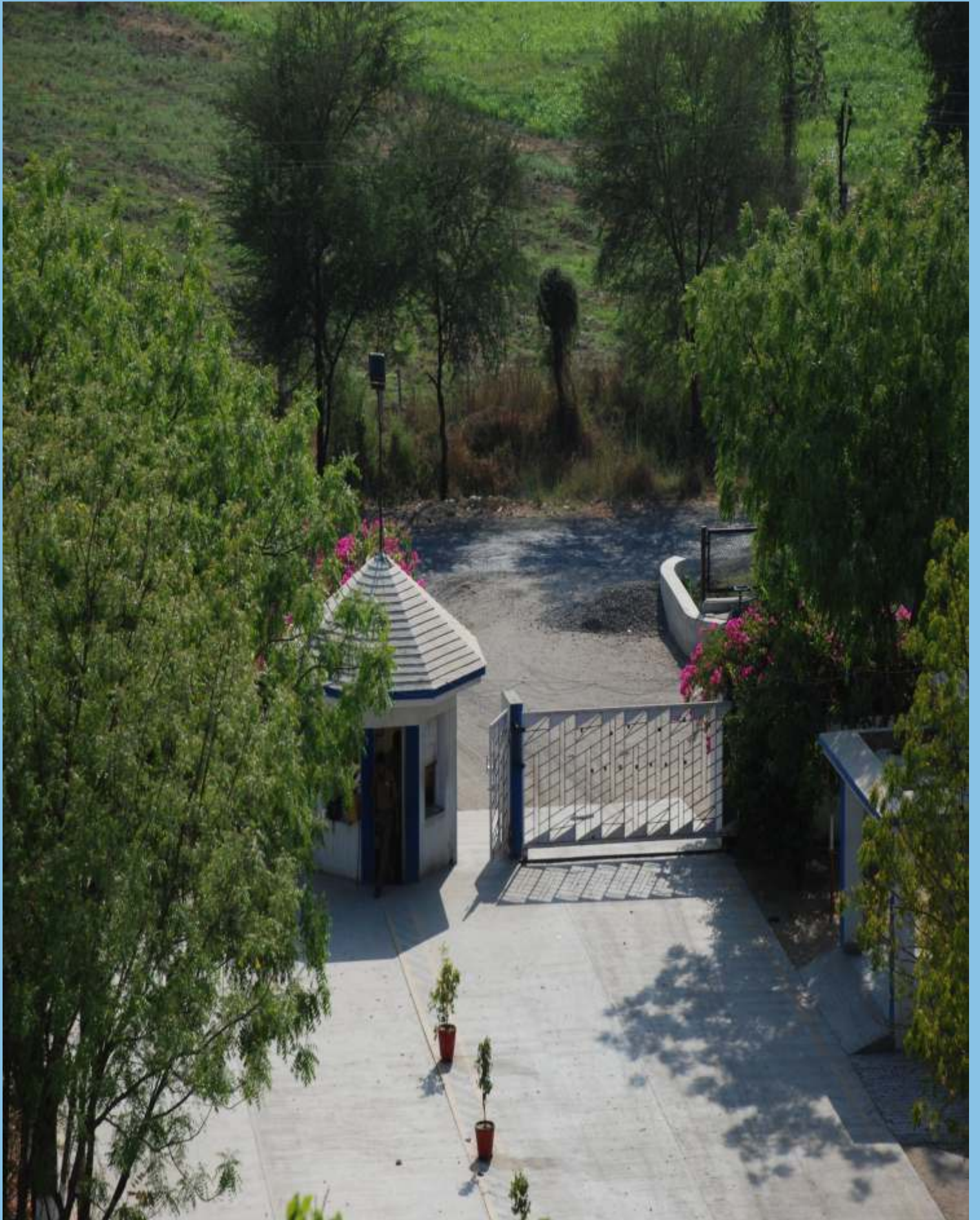
## Chief Financial Officer

Mr. Rupesh H. Nikam

<u>Registered Office:</u> 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 U99999MH1993PLC072892 E-mailId:investors@bajajhealth.com Website: www.bajajhealth.com	<u>Registrar &amp; Transfer Agent:</u> Sharex Dynamic (India) Private Limited Unit No.1, Luthra Industrial Estate, Safed Pool, Andheri Kurla Road, Andheri East, Mumbai- 400 072. E-mail Id: sharexindia@vsnl.com
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## Chairman's Message

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

Dear Shareholder's,

I am delighted to welcome you all for Twenty Third Annual General Meeting. This is the first AGM after the Initial Public Offer (IPO) and listing of Shares on SME Platform of BSE Ltd. We must record our sincere thanks and appreciation to all those who applied in our IPO and have stood by us with their investments. Your continued trust, encouragement, support and fair criticism based on data and facts are what give us energy, enthusiasm, confidence and motivation to strive for betterment!

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

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

Your Company has State – of – the – Art manufacturing and R&D facilities which will help us to make further inroads in highly regulated and challenging markets. Bajaj Healthcare has always been on the right side of the stringent regulatory audits and has followed processes recommended by various regulators thereby constantly upgrading by implementing and adopting cGMP.

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

could concentrate on manufacture of APIs. Accordingly, in November 2014 we acquired and set-up an Intermediate Unit in Tarapur MIDC, near Mumbai.

Your Company's Sales/Income from operation (Gross) stood at Rs. 22,321.81 Lakhs as compared to Rs. 21,837.63 lakhs in the Previous Year. Net Profit After Tax for the Current year is Rs. 820.03 Lakhs as compared to previous year's Rs. 751.21 Lakhs.

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

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

Your Sincerely,

sd/-

Sajankumar Bajaj  
Chairman & Managing Director



## Growth of Our Company:



Unit-I  
Tarapur,  
Maharashtra

Unit-III  
Formulation Division  
Vadodara, Gujarat

Unit-V  
Tarapur,  
Maharashtra

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

Unit-II  
Vadodara,  
Gujrat

Unit-IV  
Ankleshwar,  
Gujrat





Unit-I



Unit-II



Unit-III



Unit-IV



Unit-V

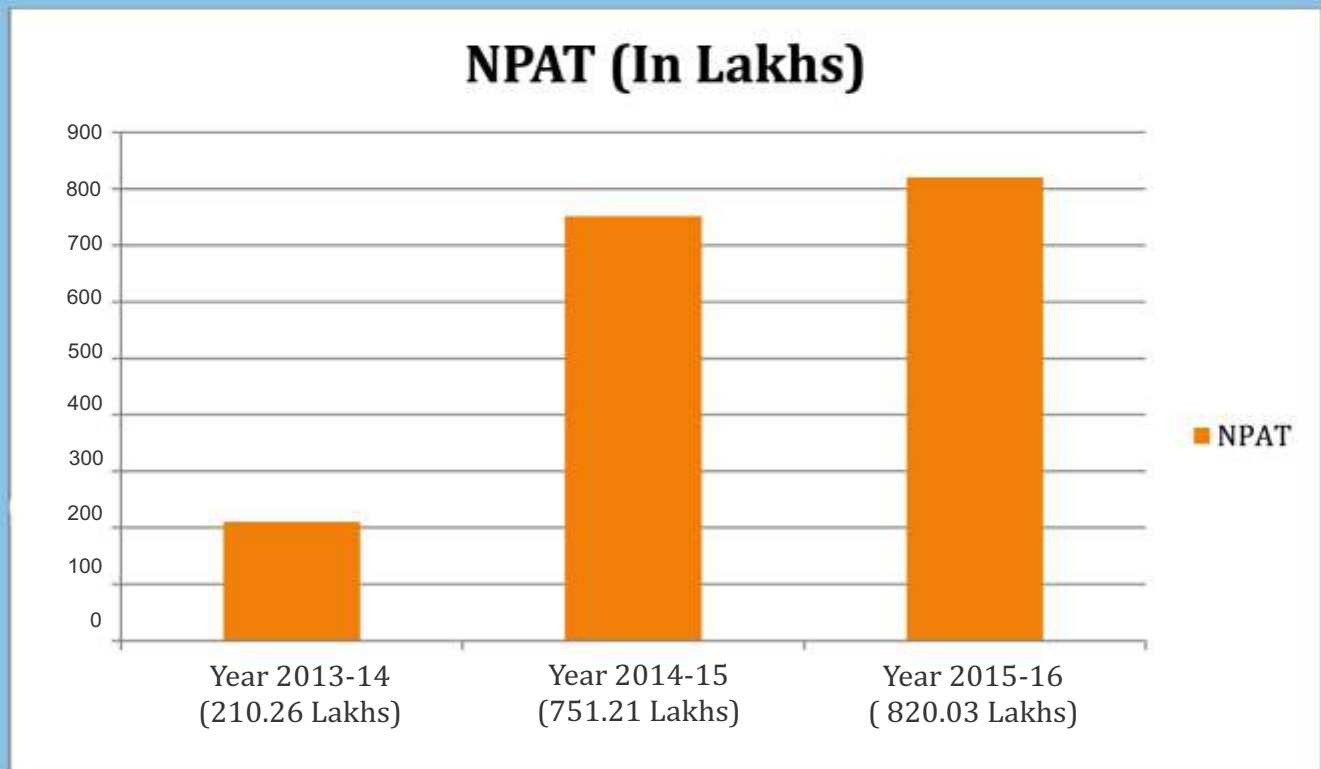
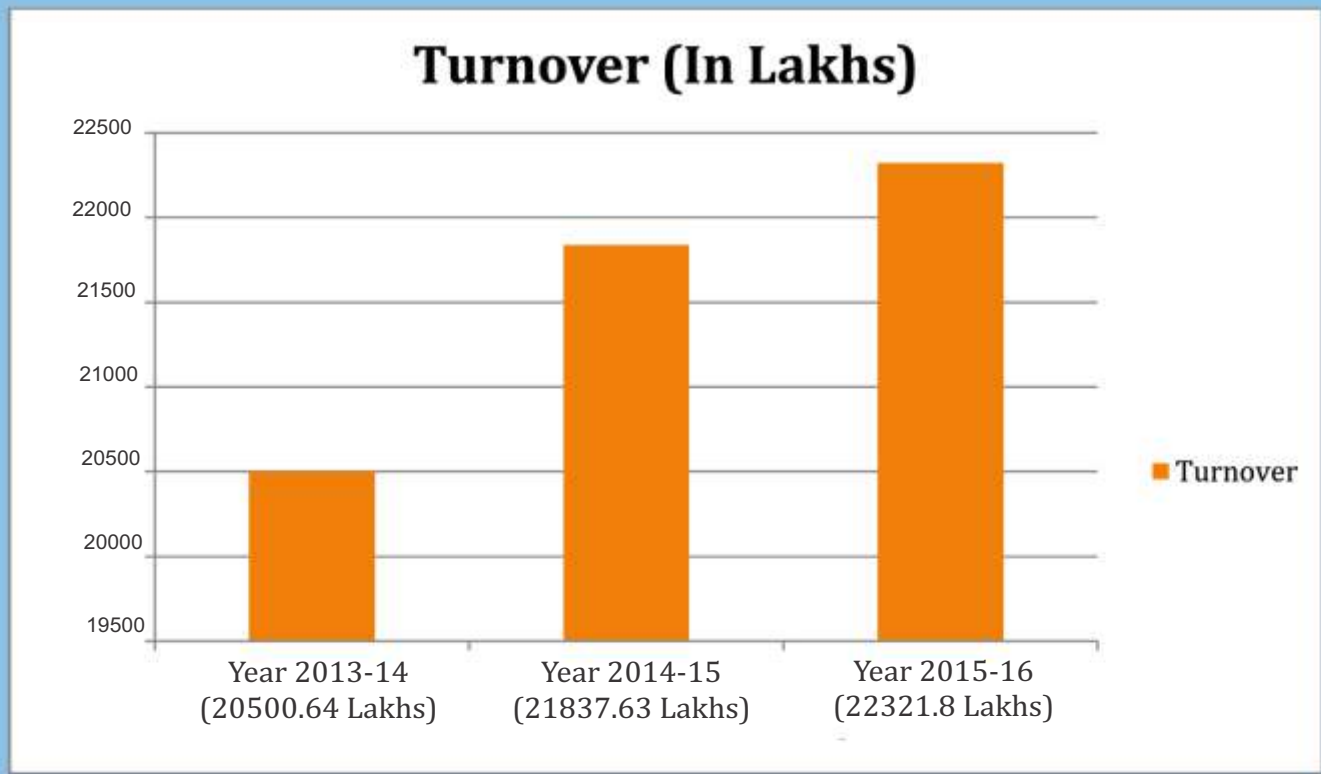
Manufacturing units:







# Performance of Company:





## Corporate Social Responsibility:

At Bajaj Healthcare Limited, we believe that contributing back to the society is not only a RESPONSIBILITY but a COMMITMENT of our Company. Our little value addition to the betterment of society is a part of our mission, in line with our commitment to human health.



Social Commitment is anchored in our business philosophy. By embedding sustainability consideration within our strategies, we seek to enhance health, safety and environment standards, reduce inequality amongst socially backward groups by extending necessary help and assistance, ensure accountability, increase the positive impact of our operations and reduce potential material risk.

## Key activities undertaken:

We have made a donation to Shree Sadgurudev Swami Akhandanand Memorial Charitable Trust to build Hostels for 400 adavasi women. The objective of the trust is to develop education institutional in remote villages with special emphasis on women skill development, development of various backward class of the society and various other social activities.





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## DIRECTORS' REPORT

To,  
The Share holders  
Bajaj Healthcare Limited

Your Directors have pleasure in presenting the 23rd Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2016.

### FINANCIAL HIGHLIGHTS OF THE COMPANY

(Amt. in lakhs)

Particulars	2015-16	2014-15
Gross Income	22,321.81	21,837.63
Profit Before Interest and Depreciation	3,030.56	2,876.69
Finance Charges	751.71	788.95
Provision for Depreciation	928.97	886.07
Net Profit Before Tax	1349.89	1,201.68
Provision for Tax	529.86	450.46
Net Profit After Tax	820.03	751.21
Surplus carried to Balance Sheet	820.03	751.21
Earnings Per Share	12.15	11.13

### STATE OF COMPANY'S AFFAIRS

The Company's turnover for the year increased Rs. 22,283.96 Lakhs as compared to last year Rs. 21,830.17 Lakhs, which includes the Domestic turnover of Rs.15862.80, Lakhs as compared to last year Domestic turnover was Rs. 15,232.89 Lakhs and the Export turnover of Rs. 6,421.16 Lakhs as compared to last year's export turnover of Rs. 6,597.28 Lakhs.

The Earnings before Depreciation & Tax (EBDT) in Financial Year 2015-2016 was Rs. 3030.56 Lakhs .The Profit After Tax (PAT) for the financial Year 2015-2016 is Rs. 820.03 Lakhs increase over last year of Rs. 751.21 Lakhs.

### CHANGE IN NATURE OF BUSINESS, IF ANY

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

### DIVIDEND

To conserve the resources, Your Directors have not recommended any dividend on Equity Shares for the year ended 31st March 2016.

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

For the financial year ended 31st March, 2016, the Company has proposed not to carry any amount to the General Reserve Account.

### INFORMATION ABOUT SUBSIDIARY/JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### FIXED DEPOSITS

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

### EXTRACT OF ANNUAL RETURN

As per provision of Section 134 of the Companies Act, 2013, the details forming part of the extract of the Annual Return is attached to this Report as "Annexure-I" in Form MGT-9 is annexed herewith for your kind perusal and information..



## MATERIAL CHANGES AND COMMITMENTS

The following are material changes and commitments affecting the financial position of the Company & “Events After the Balance sheet Date” of this report.

### a) Initial Public Offer:

The Company has made initial Public Offer (IPO) for 18,17,600 Equity Shares for cash at a price of Rs 170/- per share including a premium of Rs 160/- per share aggregating to Rs.3089.92 lakhs, consisting of Fresh Issue of Rs.1,49,600 equity shares aggregating to Rs.254.32 lakhs and an offer for sales of 16,68,000 by the selling shareholders aggregating to Rs.2835.60 lakhs .

### b) Listing of Shares on SME Exchange of BSE Limited

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

## SHARE CAPITAL

### a) Redemption of Preference Share Capital:

Pursuant to the terms of the Issue of 7.5% Redeemable Preference shares, issued by the company on 15th July, 2006, redeemable at par at the end of ten years on or about 14th July, 2016 or earlier at the option of the Company, the Board of Directors at their meeting held on 01st December, 2015 had exercised the option to redeem the said Preference shares earlier on or about 14th December 2015 and redeemed 15,00,000 7.5% Redeemable Preference Shares during the year .

### b) Re-classification and Increase in Authorized Share Capital :

During the year, the Company has reclassified its existing unissued 20,00,000 Preference Shares of Rs. 10/- each to 20,00,000 Equity shares of Rs. 10/- (Rupees Ten) each and also increased its Authorized Share Capital from Rs. 5,00,00,000/- (Five Crores Only) divided into 50,00,000 (Fifty Lakhs) Equity shares of Rs.10/- each to Rs. 10,00,00,000 (Ten Crores) divided into 1,00,00,000 Equity shares of Rs.10/- each at the Extraordinary General Meeting held on 08th January, 2016.

### c) Bonus Shares

The Company made a bonus allotment of 45, 00,000 equity shares in ratio of 2:1 (i.e. two equity shares for every one equity share already held) to the Members at the Extra-ordinary General Meeting held on 08th January, 2016.

### d) Buy Back of Securities/ Sweat Equity/ Employees Stock Option Plan

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

### a) Composition and size of the Board

The Board has an optimum combination of Executive and Non-Executive Independent Directors. The total strength of the Board is of 8 Directors in the financial year 2015-16 comprising of five Executive Directors out of which one is woman director. Further, the Board also comprises of three Non-Executive Independent Directors pursuant to the Section 149 (4) of the Companies Act, 2013 (hereinafter referred as “Act”) and rules made thereunder.

### b) Director retires by rotation

Ms .Namrata Bajaj, Director retires by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company and offers herself for re-appointment. The Board recommends his re-appointment.

As stipulated under the Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, brief resume of the director proposed to be re-appointed is given in the Notice convening the Annual General Meeting.

### c) Change in Composition of Board

During the year under review, the Company had noted the resignation of Mr. Sandeep Shah and Mr. Deepak Tipnis from the office of Director w.e.f. 31st July, 2015. The Board hereby express their sincere appreciation for their services rendered to the company as a Director of the Company.

Further, the Company had also re-appointed Mr. Sajankumar Bajaj as a Managing Director of the company, to hold the office for the period of (5) Five consecutive years w.e.f. 1st April, 2015 as well as re-appointed Ms. Namrata Bajaj, Mr. Anil Jain and Mr. Dhananjay Hatle as Whole Time Directors to hold the office for the period of (5) Five years w.e.f. 1st April, 2015 in the Extra Ordinary General Meeting held on 28th May, 2015.

In the Annual General Meeting held on 30th September, 2015, the designation of Mr. Anil Jain was changed from “Whole Time Director” to “Managing Director” w.e.f. 30th May, 2015, without affecting the terms and conditions of appointment including remuneration.

d) Independent Directors

Pursuant to the provision of Section 149 of the Act, Mr. Vidyut Shah and Mr. Hemant Karnik were appointed as Independent Directors at the Extraordinary General Meeting of the Company held on 08th January, 2016, to hold the office for a term of (5) Five years commencing from 08th January, 2016.

Further, Mr. Ram Banarase was appointed as Independent Director at the Extraordinary General Meeting of the Company held on 18th January, 2016 to hold the office for a term of (5) Five years commencing from 18th January, 2016.

The appointment of all the Independent Directors during the year under review is appropriate and is in the best interest of the Company.

The above named Directors have furnished their respective declarations in Form DIR-8 pursuant to the provisions of Section 164(2) of the Companies Act 2013 read with Rule 14 (1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

e) Declaration by Independent Director(s)

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

f) Key Managerial Personnel

Pursuant to Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Vipul Dubey as Company Secretary cum Compliance Officer w.e.f. 10th December, 2015.

Further, Mr. Rupesh Nikam, Director was appointed as a Whole-time Director of the Company designated as “Director-Finance and Chief Financial Officer” at the Extra Ordinary General Meeting held as on 18th January, 2016 to hold the office for a term of (5) Five years w. e. f. 18th January, 2016.

g) Number of Meetings of the Board

During the year, 17 (Seventeen) Board Meetings and one meeting of Independent Directors were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

Dates of Board Meeting held during the year 2015-16:

21/04/2015	28/04/2015	29/04/2015	30/05/2015	06/07/2015	11/07/2015
31/07/2015	05/09/2015	01/12/2015	06/01/2016	14/01/2016	18/01/2016
19/01/2016	20/01/2016	04/02/2016	08/03/2016	21/03/2016	

**Details of Board meetings attended by Board of Directors:**

Sr.No.	Name of Directors	No. of Meetings attended
1	Mr. Sajankumar Bajaj	17/17
2	Mr. Anil Jain	17/17
3	Mr. Dhananjay Halte	17/17
4	Mr. Namrata Bajaj	17/17
5	Mr. Rupesh Nikam	17/17
6	Mr. Sandeep Shah*	02/07
7	Mr. Dipak Tipnis*	02/07
8	Mr. Vidyut Shah#	01/07
9	Mr. Hemant Karnik*	01/07
10	Mr. Ram Banarase^	02/06

- \* Mr. Sandeep Shah & Mr Dipak Tipnis resigned on 31st July 2015.  
 # Mr. Hemant Karnik & Mr. Vidyut Shah were appointed on 08th January, 2016  
 ^ Mr. Ram Banarase was appointed on 14th January, 2016.

### **Committees of the Board**

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

#### **1) Audit Committee**

The Committee was constituted on 19th January, 2016 and it comprises of three non-executive Independent Directors as its members .The Chairman of the Committee is an Independent Director.

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

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

Composition of Audit Committee and Number of Meetings during the year

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

First Meeting of the Audit Committee was held on 30th May, 2016.

#### **Terms of Reference**

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

- (A) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (B) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (C) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - (a) Any changes in accounting policies and practices.
  - (b) Major accounting entries based on exercise of judgment by management.
  - (c) Qualifications in draft audit report, if any.
  - (d) The going concern assumption.
  - (e) Compliance with accounting standards.
  - (f) Compliance with Stock Exchange and legal requirements concerning financial statements.
  - (g) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
  - (h) Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
  - (i) The Company has in place its own in house internal audit department to review the adequacy of internal audit function, including the structure of internal audit department, staff and seniority of official's heading the department, reporting structure, coverage and frequency of internal audit.
  - (j) Reviewing the findings of any internal investigations in the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
  - (k) Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - (l) Reviewing the Company's financial and risk management policies.
  - (m) To look into the reasons for substantial defaults in the payment to the depositors , debentures holders, shareholders (in case of no nonpayment of declared dividends) and creditors.

## 2) Nomination and Remuneration Committee:

The Committee was constituted on 14th January, 2016 as required under Section 178 of the Act and it comprises of three non-executive Independent Directors as its members. The Chairman of the Committee is an Independent Director.

### Terms of Reference

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

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

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

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

Meeting of Nomination and Remuneration Committee was held on 29th April, 2015 with members Mr. Sandeep R Shah and Mr. Dipak Tipnis. Mr. Sandeep R. Shah and Mr. Deepak Tipnis resigned from the membership of the committee w. e. f. 31st July, 2015, whereas Mr. Ram Banarase (Chairman), Mr. Hemant Karnik and Mr. Vidyut Shah were appointed as members of the Committee w.e.f. 14th January, 2016.

The meeting of the Nomination and Remuneration Committee was held twice during the year on 29th April, 2015 and 14th January, 2016.

### Familiarization Program

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

## 3) Stakeholders' Relationship Committee:

The Board has formed Stakeholders' Relationship Committee pursuant to provisions of Section 178 of the Act w.e.f. 19th January, 2016.

### Terms of Reference:

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

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



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

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

No meetings of the Committee were held during the year.

**Details in respect of Compliance Officer:**

Sr. No.	Name of Compliance officer	Designation of Compliance officer
1	Mr. Vipul Dubey	Company Secretary

**4) Corporate Social Responsibility Committee:**

Pursuant to Section 135 of Act and the rules made thereunder, the Board has constituted the Corporate Social Responsibility (CSR) Committee w.e.f. 19th January, with three members, out of which two are executive and one is non-executive.

**Terms of Reference:**

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

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

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

One Meeting of the CSR Committee was held on 20th January, 2016.

**Risk management**

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

Risk management system followed by the Company is elaborately detailed in the MDA.

**Internal Control System and their Adequacy**

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

**Performance Evaluation of the Board**

The formal annual evaluation has been done by the board of its own performance and that of its committee and individual directors on the basis of evaluation criteria specified in the Nomination and Remuneration policy of the Company.

The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting held as on 30th June, 2016 inter alia to:

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

The suggestions made at the meeting of the Independent Directors were communicated to the Non-executive Chairman and the Executive Director for taking appropriate steps. All Independent Directors were present at the meeting except Mr. Hemant Karnik. The Directors expressed their satisfaction with the evaluation process.

## **AUDITORS**

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

M/s. Paresh Rakesh & Associates, Chartered Accountants,, who were appointed as the Statutory Auditors of the Company at the 22th AGM held on 30th September, 2015 to hold office until the conclusion of the 27th AGM, are recommended for ratification of appointment for the Financial Year 2016-2017. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Paresh Rakesh & Associates, Chartered Accountants that their appointment, if made, would be in conformity with the limits specified in the said Section.

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

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

Pursuant to Section 148 of the Companies Act, 2013 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.

Your Directors had, on the recommendation of the Audit Committee, appointed M/s. N. Ritesh and Associates, Cost Accountants as the Cost Auditors to audit the cost records of the Company for the FY 2016-2017.

As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting in Item No. 4.

The Cost Audit Report for FY 2015-16 was placed before Board Meeting and it does not contain any reservation, qualification or adverse remark.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 and other applicable provisions of Companies Act, 2013 and Rules made there under, the Company had appointed M/s. H P Sanghvi & Co, Practicing Company Secretary, Mumbai, to undertake the Secretarial Audit of the Company for the FY 2016-2017.

## **REGISTRAR AND TRANSFER AGENT:**

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

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

## **GENERAL DISCLOSURES**

### **a) Related Party Transactions**

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in

conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

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

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

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

**c) Cash Flow Analysis:**

In conformity with the Regulation 53 (b) of SEBI (LODR) Regulation, 2015, the cash flow statement for the year ended 31st March, 2016 is annexed with the financial statements.

**d) 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.

**e) Particulars of Employees:**

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended 31st March, 2016 and is attached to this Report and marked as "Annexure II".

**f) Disclosure under Sexual Harassment of Women at Workplace :**

The Company believes in safety of women at the workplace and hence, has formulated Sexual Harassment Policy which is available on Company's intranet portal. During the year under review, there were no complaints from any of the employee.

The Company believes in safety of women at the workplace and hence, has constituted an Internal Compliant Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has also formulated Sexual Harassment Policy which is available on Company's intranet portal. During the year under review, there were no complaints filed before the said committee.

**g) Significant and Material Orders passed by the Regulators or Courts**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**STATUTORY COMPLIANCES**

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director at each Board Meeting. The Company ensures compliance of the ROC, SEBI Regulations and various statutory authorities.

**CORPORATE GOVERNANCE**

Since the Company has listed its securities on SME platform during the year under review, the provisions of Corporate Governance as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulation, 2015 are not applicable to the Company for the financial year ending 31st March 2016.

**VIGIL MECHANISM / WHISTLEBLOWER POLICY:**

In conformity with the provisions of the Companies Act, 2013 policy has been laid down to provide a mechanism for any concerned person of the company to approach Chairman of the Audit Committee for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organization.

### **INSIDER TRADING CODE**

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

The Company has adopted an ‘Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders’ (“the Code”) in accordance with the requirements of the PIT Regulations. This Code is displayed on the Company’s website [www.bajajhealth.com](http://www.bajajhealth.com).

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

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

The company has adopted adequate policies and procedures for ensuring the orderly and efficient conduct of its business, including policies for Safeguarding of Assets, Prevention & Detection of Errors & Frauds, for accurate and complete presentation of accounting records and the timely preparation of reliable financial information

### **DIRECTORS’ RESPONSIBILITY STATEMENT:**

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2016 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;
- 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.
- 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

### **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, promoting health care and education.

These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company’s CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure – III which forms an integral part of this Report.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

### I. Conservation Of Energy

Many steps towards energy conservation has taken & implemented successfully

- a. Power factor improved up to 99 %
- b. LED lights are installed in production block
- c. New OLTC (On Load Tap Changer) transformer of 2500 KVA capacity is installed in place of Manual transformer
- d. In production area Pusher type centrifuges are installed instead of conventional centrifuges
- e. Steam condensate recovery is increased to 50 % from 30 % level by installation of steam pressure power pumps
- f. For Chilling plant, VAM (Vapour Absorption Machine) is replaced by 500 TR Screw chiller to reduce steam consumption & to increase efficiency.
- g. MEE (Multiple Effect Evaporator) is installed to distil out waste water & distilled water is recycled in plant to conserve water usage.

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

- a. Technology of product isolation by Peeler centrifuges is incorporated to isolate product effectively from reaction mass.
- b. For distillation column, tray type packing replaced with structured packing to improve quality of distilled solvents & to improve distillation efficiency.
- c. Auto sealing with Nitrogen purging system adopted for packing of finished products to avoid contamination of product with external atmosphere

### III. Resarch and Development

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

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

### IV. Foreign Exchange Earning and Outgo:

Earnings:

Foreign Exchange Gain: Rs. 70,93,95,369/-

Outgo:

Foreign Exchange outgo: Rs. 73,95,93,017/-

### ACKNOWLEDGEMENTS:

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

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

The Directors express their special thanks to Mr.Sajankumar Bajaj, Chairman & Managing Director for his untiring efforts for the progress of the Company.

**For and on behalf of the Board of Directors**  
**Sd/-**  
**Sajankumar Bajaj**  
**Chairman and Managing Director**  
**DIN:00225950**

**Dated: 20/07/2016,**  
**Place: Thane**



**ANNEXURE -I  
FORM NO. MGT-9**

**Extract of the Annual Return as on the financial year ended March 31st, 2016**  
(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: U99999MH1993PLC072892

ii. Registration Date: 15th July, 1993.

iii. Name of the Company: BAJAJ HEALTCARE 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:

N-216, M.I.D.C., Tarapur Bhoisar, Dist.-Palghar, Thane - 401 506  
E-mail Id : investors@bajajhealth.com  
Tel: (91) 22 66177400.  
Website: www.bajajhealth.com

vi. Whether Listed Company: Yes, Listed - BSE Limited on SME Platform.

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

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

**II. PRINCIPAL BUSINESS ACTIVITIES**

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

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1.	Manufacturing of Bulk Drugs & Pharmaceutical Products	9961	100

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

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-		75000	75000	1.11	01.11
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Directors	-	1415000	1415000	62.89	-	4476000	4476000	66.31	03.42
Directors Relatives	-	585000	585000	26.00	-	1764000	1764000	26.13	0.13
Person Acting in Concern	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	-	2000000	2000000	88.89	-	6315000	6315000	93.55	04.66
									-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	2000000	2000000	2000000	88.89	-	6315000	6315000	93.55	04.66
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	250000	250000	11.11	-	435000	435000	6.45	6.45
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Trusts	-	-	-	-	-	-	-	-	-
Clearing member	-	-	-	-	-	-	-	-	-
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	-	-	-	-	-	-	-	-	-
Non Resident Indians (Non-Repat)									
Foreign Companies	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Independent Directors	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	250000	250000	11.11	-	435000	182020	6.45	6.45
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	-	2250000	2250000	100	-	6750000	6750000	100	100



(ii) Shareholding of Promoters

Shareholders Name	No. of shares held at the beginning of the year (As on 01.04.2015)			No. of shares held at the end of the year (As on 31.03.2016)			% Change in share holding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
Sajankumar Bajaj	1062000	47.20	N.A	3387000	50.18	N.A	2.98
Babita Bajaj	180000	8.00	N.A	540000	8.00	N.A	-
Namrata Bajaj	189000	8.40	N.A	576000	8.53	N.A	0.13
Nihita Bajaj	189000	8.40	N.A	576000	8.53	N.A	0.13
Anil C jain	164000	7.29	N.A	507000	7.51	N.A	0.22
Padma A. jain	36000	1.60	N.A	108000	1.60	N.A	-
S K R Bajaj HUF	180000	8.00	N.A	540000	8.00	N.A	-
Bajaj Health & Nutrition Private Limited	-	-	N.A	60000	0.89	N.A	0.89
Bansal Pharma Limited	-	-	N.A	15000	0.23	N.A	0.23
	2000000	88.89	N.A	6309000	93.47	N.A	-

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

	No. of shares held at the beginning of the year (As on 01.04.2015)		Cumulative at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Sajankumar R. Bajaj</b>				
At the beginning of the year	1062000	47.20	1062000	47.20
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	10000	0.15	1072000	15.88
Add: Through transfer of share (12/01/2016)	57000	0.84	1129000	16.76
Add: Bonus Issue (18/01/2016)	2258000	33.45	3387000	50.18
At the End of the year	3387000	50.18	3387000	50.18
<b>Babita S. Bajaj</b>				
At the beginning of the year	180000	2.67	180000	2.67
<b>Changes during the year:</b>				
Add: Bonus Issue	360000	5.33	540000	5.33
At the End of the year	540000	8.00	540000	8.00
<b>Namrata S. Bajaj</b>				
At the beginning of the year	189000	2.80	189000	2.80
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	3000	0.04	192000	2.84
Add: Bonus Issue (18/01/2016)	384000	5.69	576000	8.53
At the End of the year	576000	8.53	576000	8.53

<b>Nihita S. Bajaj</b>				
At the beginning of the year	189000	2.80	189000	2.80
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	3000	0.04	192000	2.84
Add: Bonus Issue (18/01/2016)	384000	5.69	576000	8.53
At the End of the year	576000	8.53	576000	8.53
<b>Anil C jain</b>				
At the beginning of the year	164000	2.43	164000	0.48
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	5000	0.07	169000	2.50
Add: Bonus Issue (18/01/2016)	338000	5.00	507000	7.51
At the End of the year	507000	7.51	507000	7.51
<b>Padma A. Jain</b>				
At the beginning of the year	36000	0.53	36000	0.53
<b>Changes during the year:</b>				
Add: Bonus Issue (18/01/2016)	72000	1.07	108000	1.07
At the End of the year	108000	1.60	108000	1.60
<b>S K R Bajaj HUF</b>				
At the beginning of the year	180000	2.67	50100	2.67
<b>Changes during the year:</b>				
Add: Bonus Issue (18/01/2016)	360000	5.33	540000	5.33
At the End of the year	540000	8.00	540000	8.00
<b>Bajaj Health &amp; Nutrition Private Limited</b>				
At the beginning of the year	NIL		NIL	
<b>Changes during the year:</b>				
Add: Through transfer of share (12/01/2016)	20000	0.30	20000	0.30
Add: Bonus Issue (18/01/2016)	40000	0.59	60000	0.89
At the End of the year	60000	0.89	60000	0.89
<b>Bansal Pharma Limited</b>				
At the beginning of the year	NIL		NIL	
<b>Changes during the year:</b>				
Add: Through transfer of share (14/01/2016)	5000	0.07	5000	0.07
Add: Bonus Issue (18/01/2016)	10000	0.15	15000	0.22
At the End of the year	15000	0.22	15000	0.22

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

	No. of shares held at the beginning of the year (As on 01.04.2014)		Cumulative at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. Maa Sharada Distributors private Limited</b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>				
Add: Transfer (12/01/2016)	145000	2.15	145000	2.15
Add: Bonus Shares (18/01/2016)	290000	4.30	435000	6.45
At the End of the year	435000	6.45	435000	6.45

(v) Shareholding of Directors and Key Managerial Personnel:

	No. of shares held at the beginning of the year (As on 01.04.2015)		Cumulative at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Sajankumar Bajaj</b>				
At the beginning of the year	1062000	47.20	1062000	47.20
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	10000	0.15	1072000	15.88
Add: Through transfer of share (12/01/2016)	57000	0.84	1129000	16.76
Add: Bonus Issue (18/01/2016)	2258000	33.45	3387000	50.18
At the End of the year	3387000	50.18	3387000	50.18
<b>Ms. Namrata Bajaj</b>				
At the beginning of the year	189000	2.80	189000	2.80
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	3000	0.04	192000	2.84
Add: Bonus Issue (18/01/2016)	384000	5.69	576000	8.53
At the End of the year	576000	8.53	576000	8.53
<b>Mr Anil Jain</b>				
At the beginning of the year	164000	2.43	164000	2.43
<b>Changes during the year:</b>				
Add: Through transfer of share (08/01/2016)	5000	0.08	169000	2.51
Add: Bonus Issue (18/01/2016)	338000	5.00	507000	7.51
At the End of the year	507000	7.51	507000	7.51
<b>Mr. Dhananjay Hatle</b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>				
Add: Transfer	2000	0.03	2000	0.03
Add: Bonus	4000	0.06	6000	0.09
At the End of the year	6000	0.09	6000	0.09



<b>Mr. Rupesh Nikam, Director &amp; CFO<sup>^</sup></b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>	No Change During the year			
At the End of the year	NIL	NIL	NIL	NIL
<b>Mr.Vidyut Shah (Independent Director) #</b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>	No Change During the year			
At the End of the year	NIL	NIL	NIL	NIL
<b>Mr. Hemant Karnic (Independent Director) #</b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>	No Change During the year			
At the End of the year	NIL	NIL	NIL	NIL
<b>Mr. Ram Banarase (Independent Director) #</b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>	No Change During the year			
At the End of the year	NIL	NIL	NIL	NIL
<b>Mr. Vipul Dubey (Company Secretary)*</b>				
At the beginning of the year	NIL	NIL	NIL	NIL
<b>Changes during the year:</b>	No Change During the year			
At the End of the year	NIL	NIL	NIL	NIL

# Mr.Vidyut Shah & Mr. Hemant Karnic were appointed as Independent Director on 08th January, 2016,

#Mr. hemant Karnic was appointed as Independent Director on 14/01/2016

\*Mr. Vipul Dubey was appointed as (Company Secretary with effect from 10th December, 2015

<sup>^</sup> Mr. Rupesh Nikam Finance Director of the Company was appointed as Chief Financial Officer w.e.f. 18/01/2016

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(In Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	56,26,25,274	12,27,10,854	NIL	68,53,36,128
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>56,26,25,274</b>	<b>12,27,10,854</b>	<b>NIL</b>	<b>68,53,36,128</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	12,47,54,880	21,65,374	NIL	12,69,20,254
• Reduction	-	-		
<b>Net Change</b>	<b>12,47,54,880</b>	<b>21,65,374</b>	<b>NIL</b>	<b>12,69,20,254</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	68,73,80,154	12,48,76,228	NIL	81,22,56,382
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>68,73,80,154</b>	<b>12,48,76,228</b>	<b>NIL</b>	<b>81,22,56,382</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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	18,00,000	10,91,000	9,00,000	12,81,152	98,71,600
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
Stock Option	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission - as % of profit - others	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (A)	48,00,000	18,00,000	10,91,000	9,00,000	12,81,152	98,72,152
Ceiling as per the Act	As approved by the Shareholders, within the limit					

### B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Total Amount			
	Mr. Vidyut J. Shah*	Mr. Hemant Karnik*	Mr. Ram B. Banarse*	Total Amount
Independent Directors				
• Fee for attending board / committee meetings	5000	5000	8000	18000
• Commission	-	-	-	-
• Others	-	-	-	-
Total (1)	5000	5000	8000	18000
Other Non-Executive Directors				
• Fee for attending board / committee meetings	-	-	-	-
• Commission	-	-	-	-
• Others	-	-	-	-
Total (2)	-	-	-	-
Total (B)=(1+2)	18000	-	-	18000
Total Managerial Remuneration	98,90,152	-	-	98,90,152
Overall Ceiling as per the Act	NA	-	-	NA

\* Mr. Vidyut Shah & Mr. Hemant Karnik were appointed on 08th January, 2016.

\* Mr. Ram Banarse was appointed on 14th January, 2016.

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

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	Mr. Vipul Dubey (Company Secretary)*	Mr. Rupesh Nikam (CFO)*	
Gross salary	74000	12,81,152	13,55,152
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others	-	-	-
Others	-	-	-
<b>Total</b>	<b>74000</b>	<b>12,81,152</b>	<b>13,55,152</b>

\* Mr. Vipul Dubey was appointed as Company Secretary w.e.f. 10th December, 2015.

\* Mr. Rupesh Nikam was appointed as CFO w.e.f. 18th January, 2016.

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

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



**ANNEXURE-II**

**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 2015-16, 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	Remuneration of Executive Director/ KMP for the financial year 2015-16	% increase in Remuneration in the financial year 2015-16	Ratio of the remuneration of each director to the median remuneration of the employees
1	Mr. Sajankumar R. Bajaj (Chairman & Managing Director)	48.00 Lakhs	100 %	26.16
2	Mr. Anil C Jain (Managing Director)#	18.00 Lakhs	50.00%	9.81
3	Mr. Dhananjay S. Hatle Whole Time Director (WTD)	10.80 Lakhs	29.34%	5.88
4	Mr. Namrata S Bajaj Whole Time Director (WTD)	9.00 Lakhs	50.00%	4.90
5	Mr. Rupesh H Nikam Whole Time Director (WTD) & Chief Financial Officer (CFO)+	12.81 Lakhs	11.26%	6.98
6	Mr. Vipul Dubey (Company Secretary) *	00.74 Lakhs	-	0.40

\* Mr. Vipul Dubey (Company Secretary) was appointed on 10th December, 2016 and Mr. Rupesh Nikam (WTD) was appointed as Chief Financial Officer as on 16th October, 2016

+Mr. Rupesh Nikam was appointed as director w.e.f. 01/11/2014

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

The % increase in median remuneration of employee is 3.79 %.

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

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

Particulars	Office / Admin Staff	Workers	Total
Corporate Office, Mumbai	61	0	61
Tarapur Unit	74	48 <sup>(1)</sup>	122
Savli Unit	154	411 <sup>(2)</sup>	565
Manjusar Unit	98	78 <sup>(3)</sup>	176
Panoli Unit	38	14 <sup>(4)</sup>	52
Intermediate Unit	26	11 <sup>(5)</sup>	37

<sup>(1)</sup> includes 4 trainees, 9 Permanent workers, 27 casual labour and 8 security personnel.

<sup>(2)</sup> includes 51 trainees, 120 Permanent worker, 225 contract labour and 15 security personnel.

<sup>(3)</sup> includes 13 trainees, 60 contract labour and 5 security personnel.

<sup>(4)</sup> includes 8 trainees and 6 security personnel.

<sup>(5)</sup> includes 8 contract labour and 3 security personnel.

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

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

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

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

There was change in remuneration of the all Key Managerial Personnel as compared to previous year – details as given in point No. (i) table. Whereas the profit after tax for the Current year is Rs. 820.03 Lakhs as compared to previous year's Rs. 751.21 Lakhs which reflect increase of 9.16 % profit as compare to previous year.

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

Particulars	FY 2015-2016	FY 2014-2015
No. of Equity shares Outstanding (Actual)	67,50,000	22,50,000
Weighted Average No. of Equity Shares	67,50,000	67,50,000
Shares Price (Diluted)	12.15	11.13
Price Earnings Ratio	12.15	11.13
Market capitalization	820.02 Lakhs	751.21 Lakhs

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

Average percentile increase in the salaries of employees other than the managerial personnel is 17.55 % whereas the remuneration of the Key Managerial Personnel (Mr. Sajankumar Bajaj) was increased by 100% during the year under review.

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

Name of the Key Managerial Personnel	% of revenue (15-16)	% of PAT (15-16)
Mr. Sajankumar Bajaj (Chairman & Managing Director)	0.22	5.85
Mr. Rupesh Nikam (Whole Time Director & CFO) #	0.06	1.51
Mr. Vipul Dubey (Company Secretary) *	0.003	0.09

#Mr. Rupesh Nikam (WTD) was appointed as Chief Financial Officer as on 16th October, 2016

\*Mr. Vipul Dubey (Company Secretary) was appointed on 10th December, 2015.

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

There are no variable components of remuneration.

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

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

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

Remuneration paid during the year ended March 31, 2016 is as per Remuneration policy of the Company.

**ANNEXURE-III**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmers':**

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013.

CSR Policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environment sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the marginalized cross section of the society by providing opportunity to improve their quality of life.

The projects undertaken will be within the broad framework of schedule VII of the Companies Act, 2013. In India, the CSR activity carried out by us are such as opening a hostel for adavasi women in state of Gujarat as Krishna Didi Kanya Chatrayalay.

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

Mr. Sajankumar R Bajaj - Chairman  
Mr. Ram Banarse - Member  
Mr. Rupesh Nikam - Member

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

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

**3. Average net Profits for last three years: 459.14 lakhs**

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : 09.18 lakhs**

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

- a) Total amount spent for the financial year : 175 Lakhs
- b) Amount unspent, if any : NIL
- c) Manner in which the amount spent during the year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local area (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs. Sub-heads (1) Direct expenditure (2) Overheads	Cumulative expenditure upto the date of reporting	Amount spent direct or through agency
1.	Donation to Shree Sadguru Swani Akhandand Trust -Opening a hostel for adavasi women	Promoting education, including special education And environment	Sad Guru Dham, Tyiyodas Jyotiling Tirth, Taluka-Dharampur, Valsad (Gujrat)	175 lakhs	175 lakhs	175 lakhs	Directly

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

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

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

## MANAGEMENT DISCUSSION ANALYSIS

### PHARMACEUTICAL SECTOR:

The Indian pharmaceutical industry rank 14th in the world by value of pharmaceutical products.

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

The percentage contribution of the generic pharmaceutical market to the world is expected to increase from 28.5% in FY 2013 to 36% in FY 2017. India currently ranks fourth in the world among the highest generic pharmaceuticals producers and contributes 20% of global generic drug exports. Lifestyle segments such as cardiovascular, diabetes, CNS, oncology will continue to be fast growing owing to increased urbanization and change in life style.

### Outlook

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

Bulk drug exports are likely to grow at a CAGR of 12-14 % over 2013-14 to 2018-19, driven largely by exports to regulated markets as well as continued growth in the semi-regulated markets. Exports to the regulated markets would be driven primarily by three factors: a large value of drugs going off-patent in the next 5 years, the expected rise in penetration of Indian bulk drug players in regulated markets and the need of global pharmaceutical players to outsource API manufacturing to cut costs. We expect that major global innovators will not only extend existing deals with Indian players but will also look to increase sourcing of bulk drugs from Indian companies. Indian bulk drug exports have shifted in favour of regulated markets. This is evident from the increase in the share of these markets to about 49% in 2013-14 from about 43% in 2008-09. We expect the share of regulated markets in Indian bulk drug exports to rise to about 51% by 2018-19, driven by Indian manufacturers' better process chemistry skills, low manufacturing costs, a higher number of drug master filings (DMFs), the expected expansion of key generic markets and cost reduction initiatives by large global companies.

### Overview

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

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

Our Company's present product portfolio consists of various APIs in the therapeutic categories of Neutraceutical (Amino Acids), Vitamins, Anti-Convulsants, Bactericidal & Bacteriostatic, Diuretic & Vasodilator, Mineral & Nutritional supplements, Bronchodilator / Anti-asthmatic and Nootropics. Our Formulations unit manufactures

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

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

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

In the past three (3) years our revenues have increased from Rs. 17,090.25 lakhs in F. Y. 2012-2013 to Rs. 20,500.64 lakhs in F. Y. 2013-14 and further to 21,837.63 lakhs in F. Y. 2014-15, showing an increase of 19.95% and 6.52%. Our Net Profit after tax for the above mentioned periods are Rs. (105.58) lakhs, Rs. 210.26 lakhs and Rs. 751.48 lakhs. Our revenue and net profit after tax for the period ended 31st March, 2016 were Rs. 22321.81.46 lakhs and Rs.820.03 lakhs respectively.

## **OUR STRENGTHS**

### **Experienced Promoter:**

Our Promoter is engaged in the pharmaceutical business for the last 22 years and has a proven background and rich experience in the pharmaceutical industry. Our Promoter, Mr. Sajankumar R. Bajaj started his career in pharmaceutical industry in the year 1985. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the pharmaceutical manufacturing business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent agents, and fluctuations in chemical prices.

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

With our expanding business scope, we have, over these years established strong customer base and an unyielding marketing setup. Further, each of our manufacturing unit functions as an independent marketing division garnering clients for its products and building strong relations with them. This is controlled and supervised by our Marketing Head and our Directors.

We have a dedicated marketing division which oversees the marketing of different types of APIs and Formulations for various geographical locations. Our marketing team also works to maintaining the existing clients and acquiring new clients for our manufactured APIs and FDFs.

### **Wide Range of Products**

We manufacture various types of APIs, which are used for varied purposes and types of formulations including Anti-Convulsant drugs, Psychoactive Drugs, Anti - Asthmatic / Broncodilator drugs, Neutraceutical (Amino Acids), Antacids, Venotropic Agent, Minerals and Nutritional supplements, Bactericidal / Bacteriostatic, etc. The FDFs manufactured by us include various therapeutic segments like Antibiotics, Anti-Arrhythmia, Anti-Convulsants, Anti-Diabetes, Anti-Platelets, NSAIDs, Vitamins & its Derivatives, Anti-Hypertensive, Anti-Bacterial, Anti-Malarial, Cholinesterase Inhibitors, etc. We are a multi product API &FDF manufacturing company with a diverse product range including Carbamazepine, OxcarbazepineL-Lysine Mono Hydrochloride, Calcium Citrate Malate, Acepifylline, Theophylline Sodium Glycinate, Calcium Dobesilate Monohydrate, Magnesium Citrate, Choline Bitartrate, Choline Dihydrogen Citrate, Ascorbic AcidChlorohexidine Base, Citicoline Sodium.



### Facility designed to serve multiple products range:

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

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

### Strategic Location of Manufacturing Units

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

All our Units are strategically located with the following benefits:

- The Maharashtra Units are located in proximity to the city of Mumbai and are approximately 100 km from Mumbai International Airport. Also, they are about 20 km from the main National Highway No. 8 connecting Northern & Western India. The Gujarat units are approximately 120 km from Ahmedabad International Airport and about 34 km from the main National Highway No. 8.
- The manufacturing units situated in MIDC / GIDC primarily offer us the advantage of one window licence for our manufacturing facilities, including water, pollution and effluent treatment approvals.
- Raw materials sourced domestically are easily available from the manufacturers located in Maharashtra and Gujarat and import of raw materials is easy due to close proximity to various ports in Gujarat & Maharashtra. Thus, procurement of raw materials is less time consuming and comparatively cheaper due to savings on time and freight.
- Skilled and semi skilled workers are easily available in Tarapur, Maharashtra and in Vadodara, Gujarat in view of the large number of pharmaceutical & chemical industries located in these areas.
- Government has created various infrastructural facilities conducive for growth of pharmaceutical companies

### Compliance with Quality Standards to serve international markets

#### Tarapur Unit:

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

#### Savli Unit:

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

Savli Unit also holds HACCP certification since 2012 which is issued by TUV NORD CERT GmbH, Germany, for manufacturing of various food products,

Savli Unit also holds the Star-Kosher certification for exporting almost 34 products. It holds GMP certification issued by the state FDA for the manufacture of Bulk Drugs / API.

#### Formulation Unit:

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

Panoli Unit:

Besides, the above listed Certifications our Company also holds a WHO – GMP Certificate issued by the Food & Drugs Control Administration, Gujarat for the manufacturing facility situated at Panoli and is also ISO 9001:2015 certified.

We believe that such certifications and accreditations would allow us to market our products in regulated and semi – regulated markets.

Consistency in Quality and Service Standards

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

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

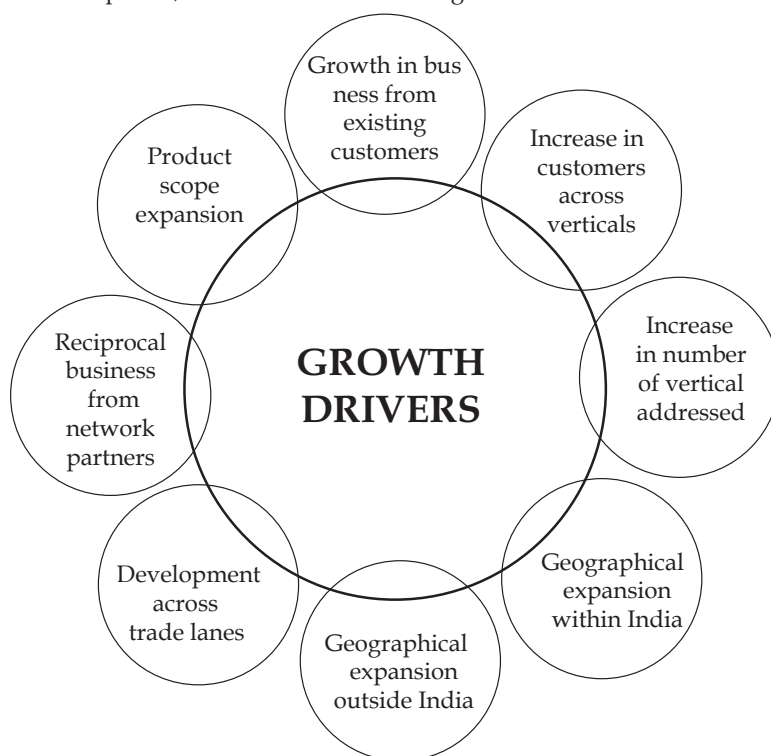
In-house QA / QC and R&D for quality control

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

**OUR STRATEGIES**

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

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



### Increasing Operational efficiency

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

### Increase our penetration into international markets including regulated markets

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

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

### Expand our manufacturing scope by adding more products

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

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

### Expansion of Formulations manufacturing activity

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

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

### Focusing on R&D capabilities

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

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

#### **HUMAN RESOURCES:**

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in Maharashtra and Gujarat. As on March 31, 2016, our Company had 1,013 employees.

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

Particulars	Office / Admin Staff	Workers	Total
Corporate Office, Mumbai	61	0	61
Tarapur Unit	74	48 <sup>(1)</sup>	122
Savli Unit	154	411 <sup>(2)</sup>	565
Manjusar Unit	98	78 <sup>(3)</sup>	176
Panoli Unit	38	14 <sup>(4)</sup>	52
Intermediate Unit	26	11 <sup>(5)</sup>	37

<sup>(1)</sup>includes 4 trainees, 9 Permanent workers, 27 casual labour and 8 security personnel.

<sup>(2)</sup>includes 51 trainees, 120 Permanent worker, 225 contract labour and 15 security personnel.

<sup>(3)</sup>includes 13 trainees, 60 contract labour and 5 security personnel.

<sup>(4)</sup>includes 8 trainees and 6 security personnel

<sup>(5)</sup>includes 8 contract labour and 3 security personnel

#### **COMPETITION**

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

#### **FACTORS AFFECTING OUR RESULT OF OPERATION:**

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

##### Revenue Generation:

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

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

#### Direct Expenses:

Raw Material costs are the largest component of our cost structure. Our Company manufactures various APIs and Formulations and require a variety of inputs for the manufacturing process. Our total raw material purchases in the last three years constitute approx. 80.29%, 81.14% and 76.12% of our turnover.

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

#### Our Financial Expenses:

We have term loan and working capital facilities from our bankers and also certain unsecured borrowings from our Directors and other associate concerns (ICDs). Our profitability is significantly impacted by our financial costs. For the fiscal 2015, 2014 and 2013, our financial expenses were Rs. 788.95 lakhs, Rs. 719.77 lakhs, and Rs. 632.652 lakhs. Our financial growth depends on how well we manage and service our debts.

Our ability to successfully implement its strategy and its growth and expansion plans.

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

#### Increasing competition in the industry:

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

#### General economic and business conditions

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

### **GROWTH DRIVERS**

#### Rising life expectancy

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

#### Ageing population

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

#### Rising income of households

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

#### Improved healthcare access reforms

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



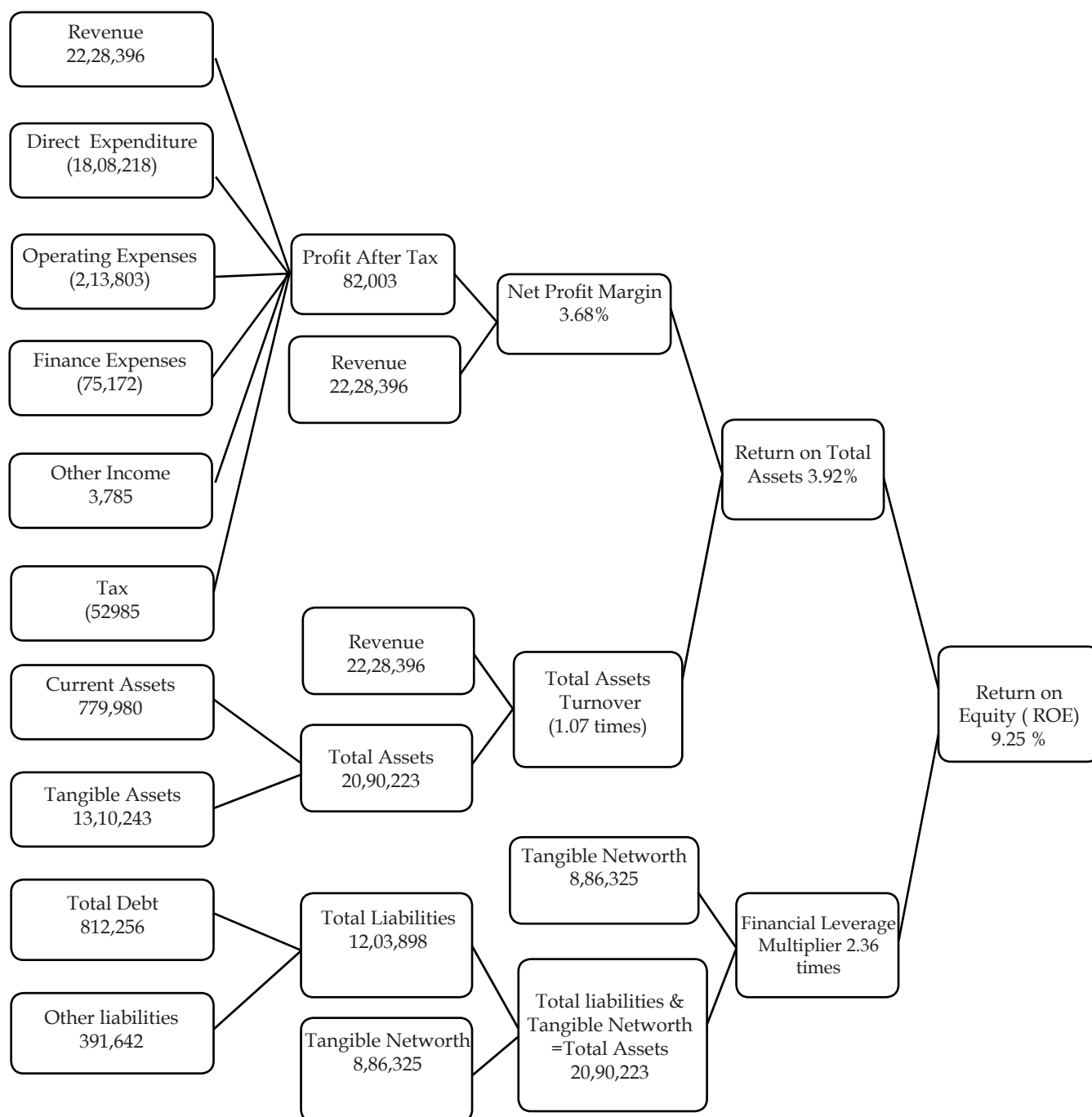
Regulatory and technological advancements

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

Growing incidence of chronic diseases

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

FINANCIAL ANALYSIS: ( Amt. in Thousand)



**RESULTS OF OUR OPERATIONS**

(Rs. in lakhs)

Particulars	March 31, 2016	% of Total Income	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income	2012	% of Total Income
<b>REVENUE:</b>										
Revenue from Operations	22,283.97	99.83%	21,830.17	99.97%	20,490.67	99.95%	17,077.86	99.93%	14,150.05	99.92%
Other Income	37.84	0.17%	7.47	0.03%	9.96	0.05%	12.39	0.07%	10.73	0.08%
<b>Total revenue</b>	<b>22,321.81</b>	<b>100.00 %</b>	<b>21,837.63</b>	<b>100.00 %</b>	<b>20,500.64</b>	<b>100.00%</b>	<b>17,090.25</b>	<b>100.00%</b>	<b>14,160.78</b>	<b>100.00%</b>
<b>EXPENSES:</b>										
Cost of materials consumed	12889.99	57.75%	16,622.33	76.16%	16,634.01	81.14%	13,722.43	80.29%	11,011.19	77.76%
Changes in inventories of finished goods , WIP and stock - in trade	(50.75)	-0.23%	134.84	0.62%	(171.89)	-0.84%	213.58	1.25%	256.60	1.81%
Employee benefits expense	1692.50	7.58%	1,445.35	6.62%	1,257.51	6.13%	1,091.00	6.38%	1,000.09	7.06%
Finance cost	751.71	3.38%	788.95	3.61%	719.77	3.51%	632.65	3.70%	468.51	3.31%
Depreciation and amortization expense	928.97	4.16%	886.07	4.06%	894.70	4.36%	810.71	4.74%	560.81	3.96%
Other expenses	1129.26	5.06%	758.42	3.47%	837.61	4.09%	773.08	4.52%	758.45	5.36%
Total expenses	20971.92	93.95%	20,635.95	94.50%	20,171.70	98.40%	17,243.45	100.90%	14,055.65	99.26%
<b>Total expenses</b>	<b>20971.92</b>	<b>93.95%</b>	<b>20,635.95</b>	<b>94.50%</b>	<b>20,171.70</b>	<b>98.40%</b>	<b>17,243.45</b>	<b>100.90%</b>	<b>14,055.65</b>	<b>99.26%</b>
<b>Net Profit / (Loss) before</b>	<b>1349.89</b>	<b>6.05%</b>	<b>1,201.68</b>	<b>5.50%</b>	<b>328.94</b>	<b>1.60%</b>	<b>(153.19)</b>	<b>-0.90%</b>	<b>105.13</b>	<b>0.74%</b>
<b>Less: Provision for tax</b>										
a) Current tax	450.00	2.02%	420.00	1.92%	90.00	0.44%	-		35.00	0.25%
b) Deferred tax	79.45	0.35%	30.19	0.14%	41.79	0.20%	(47.61)	-0.28%	5.11	0.04%
<b>Total</b>	<b>529.45</b>	<b>2.37%</b>	<b>450.19</b>	<b>2.06%</b>	<b>131.80</b>	<b>0.64%</b>	<b>(47.61)</b>	<b>-0.28%</b>	<b>40.11</b>	<b>0.28%</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>820.03</b>	<b>3.68%</b>	<b>751.48</b>	<b>3.44%</b>	<b>197.14</b>	<b>0.96%</b>	<b>(105.58)</b>	<b>-0.62%</b>	<b>65.02</b>	<b>0.46%</b>
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items</b>	<b>820.03</b>	<b>3.68%</b>	<b>751.48</b>	<b>3.44%</b>	<b>197.14</b>	<b>0.96%</b>	<b>(105.58)</b>	<b>-0.62%</b>	<b>65.02</b>	<b>0.46%</b>

## MAIN COMPONENTS OF OUR PROFIT AND LOSS ACCOUNT

### Income

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

### Revenue from Operations

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

### Other Income

Our other income includes mainly interest on bank deposits, scrap sale, excise duty reversal and sundry balances written back. Other income, as a percentage of total income was 0.17%, 0.03%, 0.05%, 0.07%, 0.08% and 0.12% for year ending March 31, 2016 and fiscals 2015, 2014, 2013, 2012 and 2011 respectively.

### Expenditure

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

### Purchases & Direct Expenses

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

### Employee Benefit Expenses

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

### Financial Cost

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

### Depreciation and Amortization Expenses

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

### Other Expenses

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

### Provision for Tax

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

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

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

## **RISKS AND CONCERNS**

The road ahead is challenging for the global and Indian pharmaceutical sector. The competition is expected to be more aggressive leading to price pressures. Uncertainty in global economic growth coupled with inflationary pressures is expected to impact the growth rate in India and consequently the Company's operations. Pharmaceuticals markets both domestic and international are more prone to regulatory risks apart from the regular business risks. Risk management is integral part of the company's plans, business strategies, monitoring systems and results. It takes in all organizational processes geared to early risk detection, identification and timely implementation of appropriate counter-measures. Your company constantly reviews its policies and procedures to adhere to ensure conformity to the various regulatory approvals for its manufacturing facilities.

## **RISK MANAGEMENT**

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

out in place response mechanism that mitigates environmental, operational and business risk and minimize impact on business.

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

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

### **Competition Risk**

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

### **Foreign Exchange Risk**

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

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

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

## **CAUTIONARY STATEMENT**

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **Bajaj Healthcare Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

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



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements.
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Mumbai  
Date: 30/05/2016

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

- 1) In respect of its fixed assets :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us, prima - facie no material discrepancies were noticed on such physical verification.
  - c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.
- 2) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. As informed to us, no material discrepancies by management were noticed on such physical verification.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- 4) In respect of loans, investments, guarantees and security given by the Company:
  - a) Company has not directly or indirectly advanced loan to the persons or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act.
  - b) Company has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under subsection (1) of Section 148 of the Act [ applicable in respect of certain activities undertaken by the company] and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, and according to the books and records as produced and examined by us following disputed amount of tax demanded have not been deposited with concern authorities as on 31st March,2016.

Sr. No	Nature of Liability	Name of Statute	Amt (in Rs)	Period which the amount relates	Forum where the dispute pending
1	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	19,56,242/-	2008-09	Deputy Commissioner of Commercial Tax (Appeals), Baroda
2	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	40,97,927/-	2010-11	Deputy Commissioner of Commercial Tax (Appeals), Baroda
3	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	34,65,158/-	2011-12	Deputy Commissioner of Commercial Tax (Appeals), Baroda
4	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	4,15,25,427/-	Dec 2003 to Dec 2005	CESTAT, Mumbai
5	Excise Duty	Central Excise Act, 1944	1,89,973/-	2007-08	CESTAT, Mumbai
6	Excise Duty	Central Excise Act, 1944	67,61,197/-	2007-08	CESTAT, Mumbai
	<b>Total</b>		<b>6,12,91,963/-</b>		

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- 9) The company has not raised money by way of initial public offer or further public offer (including debt instruments), however the proceeds raised by Term Loan were applied for the purpose for which it was raised.
- 10) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
- 12) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- 13) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- 16) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Mumbai  
Date: 30/05/2016

**“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, 2016 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, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

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

Mumbai  
Date: 30/05/2016



**Balance Sheet as at 31st March , 2016**

Particulars	Note No	As on 31/03/2016		As on 31/03/2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	6 75 00 000		3 75 00 000	
(b) Reserves and Surplus	3	81 88 24 811	88 63 24 808	78 18 21 912	81 93 21 912
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	4		31 44 75 995		22 21 79 261
<b>(3) Current Liabilities</b>					
(a) Trade payables	5	16 17 25 522		22 75 28 882	
(b) Short Term Borrowings	6	42 29 32 314		37 42 32 000	
(c) Other current liabilities	7	20 06 13 288		18 91 29 597	
(d) Short Term Provisions	8	9 60 00 000	88 12 71 124	5 45 00 000	84 53 90 479
<b>(4)Deffered Tax Liability</b>					
			81 50 713		2 05 410
<b>Total</b>			<b>2 09 02 22 640</b>		<b>1 88 70 97 062</b>
<b>II.Assets</b>					
<b>(1) Non-current assets</b>					
(a) Tangible Fixed Assets	9		1 29 56 24 322		<b>1 08 49 98 039</b>
(b) Capital work-in-progress	9		1 45 88 169		1 17 34 980
(2) Long Term Investments	10		30 625		30 625
<b>(3) Current assets</b>					
(a) Inventories	11	19 63 94 408		18 08 11 497	
(b) Trade receivables	12	42 95 15 248		51 52 16 182	
(c) Cash and cash equivalents	13	42 44 749		86 94 407	
(d) Other current assets	14	14 98 25 120	77 99 79 524	8 56 11 333	79 03 33 418
<b>Total</b>			<b>2 09 02 22 640</b>		<b>1 88 70 97 062</b>
<b>Accounting Policies</b>	1				
<b>Notes to Financial Statements</b>	2 to 37				

As per our report of even date attached

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W

Sd/-

Rakesh Chaturvedi

Partner

M. No.: 102075

Place: Mumbai

Date: 30/05/2016

For and on behalf of the Board

For BAJAJ HEALTHCARE LIMITED

Sd/-

Rupesh Nikam

CFO

Sd/-

S K R Bajaj

“Chairman and  
Managing  
Director”

DIN.: 00225950

Sd/-

Anil Jain

Managing  
Director”

DIN.: 00226137

Profit and Loss statement for Year ended 31st March, 2016

Particulars	Note No	For the Period ending on 31/03/2016	For the Year ending on 31/03/2015
<b>Revenue from operations</b>	15	2 22 83 96 394	2 18 30 16 507
<b>Other Income</b>	16	37 84 287	7 46 592
<b>Total Revenue</b>		<b>2 23 21 80 682</b>	<b>2 18 37 63 100</b>
<b>Expenditure</b>			
Cost of materials consumed	17	1 28 77 27 559	1 30 65 49 171
Other Direct Expenses	18	36 42 96 025	35 56 83 843
Changes in inventories	19	(50 75 424)	1 34 83 801
Employee Benefit Expenses	20	16 92 50 345	14 45 34 939
Financial costs	21	7 51 70 891	7 88 94 681
Depreciation and amortization expense	22	9 28 96 831	8 86 06 554
Other expenses	23	11 29 25 682	7 58 42 442
<b>Total Expenses</b>		<b>2 09 71 91 911</b>	<b>2 06 35 95 432</b>
<b>Profit before Tax</b>		<b>13 49 88 771</b>	<b>12 01 67 668</b>
<b>Tax expense:</b>			
(1) Current tax		4 50 00 000	4 20 00 000
(2) Deffered Tax		79 45 303	30 19 205
(3) Earlier Years		40 569	27 240
<b>Profit/(Loss) for the period</b>		<b>8 20 02 899</b>	<b>7 51 21 223</b>
<b>Earning per equity share:</b>	<b>24</b>		
(1) Basic		12.15	11.13
(2) Diluted		12.15	11.13

As per our report of even date attached

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W

sd/-

Rakesh Chaturvedi

Partner

M. No.: 102075

Place: Mumbai

Date: 30/05/2016

For and on behalf of the Board

For BAJAJ HEALTHCARE LIMITED

sd/-

S K R Bajaj

“Chairman and Managing  
Director”

DIN.: 00225950

sd/-

Rupesh Nikam

CFO& Director

sd/-

Anil Jain

Managing  
Director”

DIN: 00226137

sd/-

Vipul Dubey

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR 2015-2016.**

Sr No	Particulars	2015-2016		2014-2015	
		Amt in Rs.	Amt in Rs.	Amt in Rs.	Amt in Rs.
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	<b>Net Profit Before Tax</b>		<b>134,988,771</b>		<b>120,167,668</b>
	Adjustments for:				
	Depreciation	92,896,831		88,606,554	
	(Profit)/loss on sale of Assets	788,519		54,236	
	Interest & Finance Charges	75,170,891		78,894,681	
	Interest on FD	(509,811)		(600,350)	
	Dividend Income	(3,750)	168,342,680	(2,575)	166,952,547
	<b>Operating Profit before Working Capital Changes</b>		<b>303,331,450</b>		<b>287,120,214</b>
	Adjustments for:				
	Increase in Other current assets	(18,862,121)		(6,160,524)	
	Decrease In Sundry Debtors	85,700,934		32,420,486	
	Decrease In Inventories	(15,582,911)		51,222,886	
Decrease in current liabilities	(54,319,669)		(78,305,252)		
		<b>(3,063,767)</b>		<b>(822,405)</b>	
<b>Cash generated from operations</b>		<b>300,267,683</b>		<b>286,297,810</b>	
Income Tax Paid		(48,892,238)		(7,384,673)	
<b>Net Cash flow from Operating activities</b>		<b>251,375,445</b>		<b>278,913,137</b>	
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets	(306,749,354)		(184,438,625)	
	Increase in Capital Wip	(2,853,189)		15,945,941	
	Sale Of Fixed Assets	2,437,720		758,222	
	Purchase of Investments	0		0	
	Interest on FD	509,811		600,350	
	Dividend Income	3,750		2,575	
<b>Net Cash used in Investing activities</b>		<b>(306,651,261)</b>		<b>(167,131,537)</b>	
C	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Redemption of Preference Share Capital	(15,000,000)		-	
	Proceeds From Long Term Borrowing	98,981,135		158,691,796	
	Repayment Of Unsecured Long Term Borrowing	(6,684,401)		(8,989,663)	
	Decrease Of Short Term Borrowing From Bank	39,850,540		(119,016,594)	
	Increase Of Borrowing From Director & Inter corporates	8,849,775		7,566,386	
	Repayment of Long Term Borrowing From Bank			(72,969,344)	
	Interest paid	(75,170,891)		(78,894,681)	
	<b>Net Cash used in financing activities</b>		<b>50,826,158</b>		<b>(113,612,100)</b>
	<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(4,449,658)</b>		<b>(1,830,500)</b>
Cash and Cash equivalents as at 01.04.2014		8,694,407		9,929,221	
Cash and Cash equivalents as at 31.03.2015		4,244,749		8,098,721	

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

sd/-  
Anil Jain  
Managing  
Director"  
DIN: 00226137

Place: Mumbai  
Date: 30/05/2016

sd/-  
Rupesh Nikam  
CFO & Director

sd/-  
Vipul Dubey  
Company Secretary

Notes Forming part of Financial Statements

## **1] SIGNIFICANT ACCOUNTING POLICIES.**

### **A. BASIS OF ACCOUNTING.**

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

### **B. REVENUE RECOGNITION & SALES**

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

### **C. FIXED ASSETS**

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

### **D. DEPRECIATION**

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

### **E. STOCK IN TRADE / PURCHASE.**

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

### **F. CURRENT TAX & DEFERRED TAX**

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

### **G. FOREIGN CURRENCY TRANSACTIONS**

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

#### H. INCOME TAX

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

#### I. GOVERNMENT GRANTS

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

#### J. BORROWING COSTS

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

#### K. INVESTMENTS

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

#### L. PROVISIONS & CONTINGENT LIABILITIES

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

## 2 SHARE CAPITAL

	As at 31st March,2016		As at 31st March,2015	
	(Amount in Rs.)		(Amount in Rs.)	
<b>Authorised Share Capital :</b>				
100 00 000 ( P.Y. 30 00 000) Equity Shares of Rs.10 each		10 00 00 000		3 00 00 000
Nil ( P.Y. 20,00,000 ) Preference Shares of Rs. 10/- each.		-		2 00 00 000
		10 00 00 000		5 00 00 000
<b>Issued Subscribed and Paid Up Capital :</b>				
67 50 000 (P.Y 22 50 000 ) Equity Shares of Rs.10 each fully paid up ( Refer Note No. 2.3)		6 75 00 000		2 25 00 000
Nil (P.Y 15 00 000 ) 7.5% Non cumulative redeemable preference shares of Rs. 10/- each fully paid		-		1 50 00 000
<b>Total</b>		<b>6 75 00 000</b>		<b>3 75 00 000</b>



2.1 Reconciliation of number of shares outstanding is set out below:	As at 31st March,2016		As at 31st March,2015	
	(Amount in Rs.)		(Amount in Rs.)	
<b>Equity Shares</b>				
At the beginning of the period		22 50 000		22 50 000
Addition during the period		45 00 000		-
Outstanding at the end of the period		67 50 000		22 50 000
<b>Preference Shares</b>				
At the beginning of the period		15 00 000		15 00 000
Redemption during the period		- 15 00 000		-
Outstanding at the end of the period		-		15 00 000

2.2 Details of shareholders holding more than 5% shares in the company:	As at 31st March,2016		As at 31st March,2015	
	% Holding	No of Shares	% Holding	No of Shares
<b>Name of the shareholder</b>				
<b>a. Equity Shares:</b>				
Mrs. Babita Bajaj	8.00	5 40 000	8.00	1 80 000
Mr. Sajankumar Bajaj	50.18	33 87 000	47.20	10 62 000
S K R Bajaj HUF	8.00	5 40 000	8.00	1 80 000
Ms. Namrata Bajaj	8.53	5 76 000	8.40	1 89 000
Ms. Nihita S Bajaj	8.53	5 76 000	8.40	1 89 000
Mr. Anil C Jain	7.51	5 07 000	7.29	1 64 000
M/s. Maa Sharda Distributors Pvt Ltd	6.44	4 35 000	-	-
<b>b.Preference Shares:</b>				
Bansal Pharma Limited		-	13.33	2 00 000
Bajaj Health & Nutrion Pvt Ltd		-	53.33	8 00 000
Mr. Sajankumar Bajaj		-	33.33	5 00 000

2.3 The Equity Shares issued and paid up includes 45,00,000 bonus Shares other than cash issued on 18 th January 2016 in Last Five Years.

2.4 During the Year, the Company has reclassified unissued 20,00,000 Preference Shares of Rs. 10/- each into 20,00,000 Equity Shares of Rs. 10/- each.

3 RESERVES & SURPLUS	As at 31st March,2016		As at 31st March,2015	
	(Amount in Rs.)		(Amount in Rs.)	
<b>Capital Reserve</b>				
As per Last Balance Sheet	5 60 623		5 60 623	
Add/(Less): Changes during the Year	-	5 60 623	-	5 60 623
<b>Capital Redemption Reserve</b>				
As per Last Balance Sheet	50 00 000		50 00 000	
Add : During the Year	1 50 00 000			
(Less):Utilised For Issue of Bonus Shares (Refer Note No. 3.3 )	- 2 00 00 000		-	50 00 000
<b>Revaluation Reserve</b>				
As per Last Balance Sheet	43 11 69 728		-	
Add/(Less): Changes during the Year ( Refer Note No. 3.1)	- 83 36 413	42 28 33 315	43 11 69 728	43 11 69 728
<b>Shares Premium</b>				
As per Last Balance Sheet	6 75 00 000		6 75 00 000	
Less: Utilised For Issue of Bonus Shares ( Refer Note No. 3.3 )	- 2 50 00 000			
Add/(Less): Changes during the Year	-	4 25 00 000	-	6 75 00 000
<b>Profit &amp; Loss Account</b>				
As per last Balance Sheet	27 75 91 561		20 24 70 338	
Less: Transfer to Capital Redemption Reserve ( Refer Note No. 3.2)	- 1 50 00 000		-	
Add: Depreciation on Revalued Figure	83 36 413			
Add: Transferred from Profit and Loss Account	8 20 02 899		7 51 21 223	
		35 29 30 873		27 75 91 561
<b>Total</b>		<b>81 88 24 811</b>		<b>78 18 21 912</b>

3.1 Changes in Revaluation Reserve during the Year is on account of Additional Depreciation on Revalued Assets pursuant to Revaluation. For previous year Refer Note No. 9.1

3.2 Redemption of Preference Shares are made during the Period out of accumulated distributable Profits and hence equivalent amount is transferred to Capital Redemption Reserve.

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

4	LONG TERM BORROWINGS	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Secured</b>				
	Term Loan from Bank ( Refer Note 4.2)	24 00 18 333		17 55 08 451	
	Term Loan from NBFC ( Refer Note no. 25)	3 44 71 253	27 44 89 586	-	17 55 08 451
	<b>Unsecured Loans</b>				
	Deferred Sales Tax Loan	3 60 559		6 43 463	
	Inter Corporate Deposits (For Related Party Transaction Refer Note no. 31)	3 62 02 748		4 18 71 661	
	Deposits From Selling Agents	34 23 102	3 99 86 409	41 55 686	4 66 70 810
	<b>Total</b>		31 44 75 995		22 21 79 261

#### 4.1 \* Repayment Schedule

Year	FY 2017-18	FY 2018-19	FY 2019-20	2020 and later
Amount (Rs.)	8 79 11 882	7 91 21 020	6 29 11 243	4 16 79 074

4.2 Term Loan from Banks secured by creation of security trust, personal guarantee and Assets of the Company as detailed in note no. 24.

5	TRADE PAYABLES	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Micro Small & Medium Enterprises	-		-	
	Others ( Net)	16 17 25 522	16 17 25 522	22 75 28 882	22 75 28 882
	<b>Total</b>		16 17 25 522		22 75 28 882

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

6	SHORT TERM BORROWINGS	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	<b>Secured</b>				
	<b>From Banks</b>				
	<b>Working Capital Loan</b>				
	Cash Credit / Bank Overdraft (Refer Note 6.1)	2 44 94 116		6 20 96 227	
	Others ( Refer Note : 6.2 )	31 35 48 379	33 80 42 495	23 60 95 729	29 81 91 956
	<b>Unsecured</b>				
	From Director	85 18 604		1 82 72 917	
	Inter Corporate Deposits (For Related Party Transaction Refer Note no. 31)	7 63 71 215	8 48 89 819	5 77 67 127	7 60 40 044
	<b>Total</b>		42 29 32 314		37 42 32 000

6.1 Borrowings from banks are secured by creation of Security trustee and personal guarantee of Directors as detailed in note no. 24.

6.2 Others Includes Preshipment Credit , Post Shipment Credit and Buyers Credit

7	OTHER CURRENT LIABILITIES	As at 31st March, 2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Current Maturity of Long Term Borrowings (Secured)		7 48 48 073		8 89 24 867
	Sundry Creditors For Expenses		7 79 64 238		6 14 41 895
	Sundry Creditors for Capital Goods		1 80 89 973		79 07 350
	Advances Received from Customers		40 73 906		44 55 319
	Statutory Dues Payable		34 81 753		31 40 248
	Other Payables		2 21 55 345		2 32 59 918
	Total		20 06 13 288		18 91 29 597

8	SHORT TERM PROVSIONS	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Provision for Income Tax		9 60 00 000		5 45 00 000
	Total		9 60 00 000		5 45 00 000

10	LONG TERM INVESTMENTS	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	In Equity Shares at Cost				
	500 Shares of Tima Cooperative Society limited of Rs. 10/- Each (P. Y 500)	5 000		5 000	
	2500 Equity Shares of Saraswat Co-op Bank of Rs. 10/- each (P. Y 2500)	25 000		25 000	
	25 Shares of Shamrao Vithal Co-op Bank of Rs.25/- each	625	30 625	625	30 625
	Total		30 625		30 625

11	INVENTORIES (As Valued and certified by Management)	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Raw Material	11 10 45 296		9 87 27 138	
	Finished Goods	8 11 86 531		7 61 11 107	
	Packing Material	25 23 580		32 50 750	
	Stores and Spares	16 39 000	19 63 94 408	27 22 500	18 08 11 497
	Total		19 63 94 408		18 08 11 497

12	TRADE RECEIVABLES	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Unsecured - Considered Good				
	Over 6 months	6 45 03 848		5 36 61 347	
	Others	36 50 11 400	42 95 15 248	46 15 54 835	51 52 16 182
	<b>Total</b>		<b>42 95 15 248</b>		<b>51 52 16 182</b>

13	CASH & CASH EQUIVALENTS	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Cash Balance on Hand				
	Cash in Hand		4 34 189		3 99 682
	Bank Balance with Scheduled Bank				
	In Current Accounts		32 14 873		76 99 039
	Fixed Deposit with Bank for B.G. Margin		5 95 686		5 95 686
	<b>Total</b>		<b>42 44 749</b>		<b>86 94 407</b>

14	OTHER CURRENT ASSETS	As at 31st March,2016		As at 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Advances Receivable in cash or kind or Value to be received		5 80 17 894		3 76 42 039
	Fixed Deposit With Banks (Under Lien For Public Authorities )		38 55 770		22 34 746
	Deposit With Public Authorities and Others		2 20 16 337		1 83 44 972
	Advance to Suppliers		64 85 010		1 32 91 133
	Advance Tax / Tax Deducted at Source		5 94 50 109		1 40 98 443
	<b>Total</b>		<b>14 98 25 120</b>		<b>8 56 11 332</b>

15	REVENUE FROM OPERATIONS	For the year ended on 31st March,2016		For the Year Ended on 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Local Sales				
	Manufacturing Sales	1 33 39 05 069		1 29 76 83 087	
	Add: Duties & Taxes on Sales	22 37 85 649	1 55 76 90 717	20 93 16 182	1 50 69 99 269
	Export Sales				
	Manufacturing Export Sales	63 60 42 382		65 46 46 249	
	High Seas Sale	49 14 855		42 99 700	
	Duties and Taxes on Export Sale	11 59 076	64 21 16 313	7 81 758	65 97 27 707
	Processing Charges		2 85 89 364		1 62 89 531
	<b>Total</b>		<b>2 22 83 96 394</b>		<b>2 18 30 16 507</b>

16	OTHER INCOME	For the year ended on 31st March,2016		For the Year Ended on 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Dividend Received		3 750		2 575
	Interest on Fixed Deposit Received		5 09 811		6 00 350
	Other Income		34 769		89 909
	Scrap sale		76 532		30 068
	Sundry Balances Written back		225		23 690
	Excise Duty Reversal / Refund For Prior Period		31 59 200		-
	<b>Total</b>		<b>37 84 287</b>		<b>7 46 592</b>

17	COST OF MATERIAL CONSUMED	For the year ended on 31st March,2016		For the Year Ended on 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Opening Stock	10 19 77 888		13 47 21 971	
	Add: Purchases	1 07 32 24 255		1 06 33 28 596	
	Less: Closing Stock	11 35 68 876	1 06 16 33 267	10 19 77 888	1 09 60 72 679
	Excise Duty & Sales Tax		22 60 94 292		21 04 76 492
	<b>Total</b>		<b>1 28 77 27 559</b>		<b>1 30 65 49 171</b>

18	OTHER DIRECT EXPENSES	For the year ended on 31st March,2016		For the Year Ended on 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Effluent Treatment Chgs		2 49 03 610		2 31 99 734
	Fuel charges		5 05 49 022		5 59 96 149
	Furnance Oil / LDO		30 80 394		56 16 715
	Freight Forwarding & Transport		5 87 54 381		6 44 01 032
	Material Testing & Inspection Charges		1 18 17 325		1 27 40 824
	Processing & Labour Charges		9 62 71 106		8 99 94 688
	Power Charges		7 93 51 816		6 51 23 307
	Repairs & Maintenance Plant & Mach.		1 86 64 703		1 39 68 028
	Stores & Spares		1 27 07 112		1 72 23 576
	Water Charges		81 96 557		74 19 790
	<b>Total</b>		<b>36 42 96 025</b>		<b>35 56 83 843</b>



19 CHANGES IN INVENTORIES	For the year ended on 31st March,2016		For the year ending on 31st March,2015	
	(Amount in Rs.)		(Amount in Rs.)	
	Fininshed Goods			
Opening Stock	7 61 11 107		8 95 94 908	
Less: Closing Stock	8 11 86 531	- 50 75 424	7 61 11 107	1 34 83 801
<b>Total</b>		<b>- 50 75 424</b>		<b>1 34 83 801</b>

20 EMPLOYEE BENEFIT EXPENSES	For the year ended on 31st March,2016		For the year ending on 31st March,2015	
	(Amount in Rs.)		(Amount in Rs.)	
	Salary		15 35 69 480	
Staff Welfare		79 78 166		73 38 314
Provident Funds and Other Contributions		77 02 699		68 54 989
<b>Total</b>		<b>16 92 50 345</b>		<b>14 45 34 939</b>

21 FINANCE COSTS	For the year ended on 31st March,2016		For the year ending on 31st March,2015	
	(Amount in Rs.)		(Amount in Rs.)	
	Bank Charges		60 77 372	
Processing Fees		2 26 580		13 23 561
Interest On Buyers Credit		16 42 500		5 89 038
Interest On CC, LC, WCDL & PC facilities		1 46 83 897		2 61 19 792
Interest On Post Shipment & Bill Disc Facility		29 72 688		19 46 484
Interest on Unsecured Loan		1 71 01 909		1 85 70 643
Interest On Car Loan		9 14 325		5 41 130
Interest on Term Loan	3 77 90 354		2 44 41 202	
Less : Capitalised Interest cost	- 62 38 734	3 15 51 620	- 19 04 047	2 25 37 155
<b>Total</b>		<b>7 51 70 891</b>		<b>7 88 94 681</b>

22	Depreciation & Amortization of Expenses	For the year ended on 31st March,2016		For the year ending on 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Depereciation		9 28 96 831		8 86 06 554
	Total		<b>9 28 96 831</b>		<b>8 86 06 554</b>

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

23	OTHER EXPENSES	For the year ended on 31st March,2016		For the year ending on 31st March,2015	
		(Amount in Rs.)		(Amount in Rs.)	
	Advertisement & Presentation		16 32 366		13 15 873
	Brokerage & Commission		90 06 955		64 21 635
	Courier Charges & Telephone Expenses		25 97 015		28 98 162
	Discount & Rebate		-		219
	Donation		2 08 00 000		14 79 000
	Hotel/Boarding/Lodge/ Guest House Exp.		6 36 517		6 37 808
	Insuarance		79 06 900		73 02 599
	Interest On Excise, Service Tax & TDS		12 14 759		12 74 325
	Legal & Professional Expenses		1 59 85 453		95 46 717
	Loss on sale of Asset		7 88 519		54 236
	Loss on Insurance Claim		49 427		-
	Membership & Subscription		5 64 592		10 26 772
	Miscellaneous Expenses		23 46 969		25 31 046
	Motor Vehicle & Fuel Expenses		10 48 772		46 98 413
	Printing & Stationery		31 86 258		27 10 316
	Repairs & Maintenance Building		84 85 124		56 11 468
	Repairs & Maintenance Others		1 03 33 537		72 10 542
	Rent Rates & Taxes		71 53 731		80 02 069
	Security & Cleaning Charges		9 05 884		7 77 856
	Seminar Expenses		18 000		-
	Travelling & Conveyence Expenses		81 69 990		81 51 308
	Travelling Expenses - Foreign		9 68 221		18 48 566
	Audit Fees				
	Statutory Audit Fees	2 01 500		1 59 600	
	Tax Audit Fees	1 00 000	3 01 500	68 400	2 28 000
	Foreign Exchange Fluctuation Loss		88 25 194		21 15 513
	<b>Total</b>		<b>11 29 25 682</b>		<b>7 58 42 442</b>

#### 24 Earning Per Share

	2015-16	2014-15
A. Net Profit/ Loss available for Equity shareholders (after tax)	8 20 02 899	7 51 21 223
B. Weighted number of equity share outstanding during the year #	67 50 000	67 50 000
C. Basic earnings per share of Rs. 10/- each	12.15	11.13

# The number of Equity Shares adjusted for the previous reporting period for Bonus shares Issued during the Reporting Period

Schedule - 9.- Depreciation as Per Companies Act  
01/04/2015 TO 31/03/2016

FIXED ASSETS	Gross Block '01/04/2015	Addition Dur.Yr.	Revaluation #	Deduction Dur.Yr.	Gross Block '31/03/2016	Dep.Up To '01/04/2015	Dep.For The Year	Deduction Dur.Yr.	Total Dep '31/03/2016	Net Block '31/03/2016	Net Block '31/03/2015
AIR CONDITION											
COMPUTER	13,959,964	1,404,246	-	-	15,364,210	11,970,687	1,582,841	-	13,553,528	1,810,682	1,989,277
ELECTRICAL EQUIPMENT	32,741,510	13,799,396	-	-	46,540,906	20,791,011	3,920,545	-	24,711,557	21,829,349	11,950,499
FACTORY & OFFICE EQUIPMENT	6,626,609	1,102,358	-	-	7,728,967	4,947,431	932,567	-	5,879,997	1,848,970	1,679,179
FACTORY BUILDING	450,695,914	43,685,755	-	-	494,381,669	135,354,164	30,821,528	-	166,175,691	328,205,978	315,341,750
FIRE FIGHTING EQUIPMENT	311,261	-	-	-	311,261	244,554	24,178	-	268,732	42,529	66,707
FURNITURE & FIXTURE	13,430,242	1,667,680	-	-	15,097,922	10,812,115	1,059,533	-	11,871,648	3,226,273	2,618,126
GUEST HOUSE STAFF QUARTERS	22,312,161	-	-	-	22,312,161	2,363,786	1,171,266	-	3,535,052	18,777,109	19,948,375
LAB EQUIPMENT	22,655,217	6,815,526	-	-	29,470,743	14,590,877	3,179,457	-	17,770,334	11,700,409	8,064,340
LAND (LEASEHOLD)	49,033,277	-	-	-	49,033,277	-	-	-	-	49,033,277	49,033,277
LAND (FREEHOLD)	337,622,800	1,663,940	-	-	339,286,740	-	-	-	-	339,286,740	337,622,800
MOTOR VEHICLE	17,136,038	5,145,422	-	2,156,710	20,124,750	9,153,487	3,243,422	1,935,467	10,461,442	9,663,309	7,982,552
OFFICE PREMISES ( FREEHOLD)	-	65,375,065	-	-	65,375,065	-	59,351	-	59,351	65,315,714	-
OFFICE PREMISES (LEASEHOLD)	36,798,230	-	-	-	36,798,230	5,921,925	3,563,546	-	9,485,471	27,312,759	30,876,305
PLANT & MACHINERY	611,389,593	164,142,732	-	8,787,818	766,744,503	314,072,399	42,790,722	5,782,822	351,080,299	415,664,204	297,317,194
<b>TOTAL</b>	<b>1,618,098,233</b>	<b>306,749,358</b>	<b>0</b>	<b>10,944,528</b>	<b>1,913,903,058</b>	<b>533,100,194</b>	<b>92,896,831</b>	<b>7,718,289</b>	<b>618,278,737</b>	<b>1,295,624,322</b>	<b>1,084,998,038</b>
<b>(Previous Year)</b>	<b>1,004,817,980</b>	<b>184,438,625</b>	<b>431,169,728</b>	<b>2,328,100</b>	<b>1,618,098,232</b>	<b>446,009,280</b>	<b>88,606,554</b>	<b>1,515,641</b>	<b>533,100,194</b>	<b>1,084,998,039</b>	<b>558,808,700</b>
CAPITAL W.I.P										14,588,169	11,734,980

Notes No. 9.1 In the Pervious Financial Year 2014-2015, the Assets of the Company comprising of Land and Buildings acquired or constructed by the Company prior to 01/04/2014 were revalued and reinstated as on 31/03/2015 in accordance with the valuation report obtained from M/s Sigma Engineers and Valuers, Government approved Valuers dated 24th May, 2014 which was duly approved by the Board of Directors in their meeting held on 30th March, 2015 to reflect the fair value of the assets. The difference in the net book value as on 31/03/2015 and the distress market value are added to the Gross Block value of the assets by creating revaluation reserve account with equivalent value.

**BAJAJ HEALTH CARE LIMITED**  
**Notes Forming part of Financial Statements**

25) A) The Security except as detailed in Clause B 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, interest with:

- i. First Charge on Movable Fixed Assets and immovable properties and second charge on current assets for term loan Facilities.
- ii. First Charge on Current assets and Second Charge on movable fixed Assets and immovable properties for working capital facilities.

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

B) The Land & Building and Plant & Machinery of manufacturing facilities situated at Panoli, Ankaleshwar and Intermediate unit at Tarapur are exclusively mortgaged / hypothecated with The SaraswatCo.Op. Bank Ltd.

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

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

28) Since no specific intimation has been received from any of the suppliers regarding the status of their registration as Micro, Small, or Medium as defined under Micro, Small and Medium Enterprises Department( MSMED) Act, 2006 as at 31st March 2016, disclosure relating to amounts unpaid as at the year end, if any, have not been furnished. However, the Company has been regular in paying to the Vendors as per agreed terms and conditions and hence the management feels there are no requirements for any provision towards interest.

29) Deferred Tax Assets:

Deferred Tax Assets as on 31st March 2016 comprises of the following :( Amt. in Rs.)

Particulars	As at 31.3.2016	As at 31.3.2015
Timing Difference on account of		
1) depreciation on fixed asset	79,45,303/-	22,326/-
2) Adjustment of Modvat as per Section 145 A of IT Act	-	(2,227,736/-)
Total ( 1+ 2)	79,45,303/-	(2,05,410/-)

**30) CONTINGENT LIABILITIES:**

- Letter of credits issued by Banks US \$ 9,23,250/-(Previous year US \$8,18,625/-)
- Bank Guarantee issued by Bank amount of Rs.1,00,00,000/- (Previous Year Rs. 1,00,00,000/-) to MGVCL, MPCB, Customs etc.
- Estimated amount of Capital Commitment towards expansion of Manufacturing Unit at Baroda (Gujarat) Rs.0.34 Crores ( P Y :Rs.0.88 Crores)
- Claim Against company not acknowledged as debts:  
 Central Excise, Custom Duty, Central Sales Tax & GVAT Liabilities Rs. 6,12,91,963/-(Previous yearRs.5,58,77,530/-). This represents the demands made by authorities which in opinion of company are not sustainable and hence are appealed against with appropriate authority. The details of claim against company not acknowledged as debts are as under:

Sr. No	Nature of Liability	Name of Statute	Amt (in Rs)	Period which the amount relates	Forum where the dispute pending
1	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	19,56,242/-	2008-09	Deputy Commissioner of Commercial Tax (Appeals), Baroda
2	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	40,97,927/-	2010-11	Deputy Commissioner of Commercial Tax (Appeals), Baroda
3	Central Sales Tax	Central Sales Tax (Gujarat) Rules, 1970 and Central Sales Tax Act, 1956	34,65,158/-	2011-12	Deputy Commissioner of Commercial Tax (Appeals), Baroda
4	Custom Duty	Central Excise Act, 1944 and Customs Act, 1962	4,15,25,427/-	Dec 2003 to Dec 2005	CESTAT, Mumbai
5	Excise Duty	Central Excise Act, 1944	1,89,973/-	2007-08	CESTAT, Mumbai
6	Excise Duty	Central Excise Act, 1944	67,61,197/-	2007-08	CESTAT, Mumbai
	<b>Total</b>		<b>6,12,91,963/-</b>		

### 31) RELATED PARTY DISCLOSURES:

The following transactions have been done with the related parties as defined under the AS 18 issued by the ICAI.

Names of related parties with whom transactions have taken place during the year:

Key Management Personnel-Category I	Mr. S.K.R.Bajaj-CMD Mr. Anil C.Jain-VCMD Mr. Dhananjay Hatle-Director Miss.Namrata Bajaj- Director Mr. Rupesh Nikam- Director Mr. Gopal V Mehta
Relative of key management personnel-Category II	Babita Bajaj S.K.R.Bajaj HUF Padma Jain
Enterprises owned or significantly influenced by key management personnel or their relatives-Category III	Bajaj Health &NutritionsPvt Ltd Bansal Pharma Ltd
Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Firm-Category IV	Nil

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

SR NO.	PARTICULARS	CATEGORY I	CATEGORY II	CATEGORY III	CATEGORY IV
1.	Remuneration	98,72,152/- (55,83,406/-)	5,70,000/- (4,23,000/-)	Nil (Nil)	Nil Nil
2.	Rent Paid	63,000/- (63,000/-)	4,23,000/- (4,23,000/-)	8,04,000/- (8,40,000/-)	Nil Nil
3.	Interest Paid (net of interest recd)	25,57,195/- (12,25,904/-)	Nil Nil	1,11,71,181/- (94,02,573/-)	Nil Nil
4.	Balance outstanding as on 31.3.2016 of Unsecured loan taken	(85,18,604/-) (1,82,72,917/-)	Nil Nil	(7,67,43,750/-) (7,26,38,789/-)	Nil Nil
5.	Purchase	Nil Nil	Nil Nil	(59,47,668/-) (85,13,600/-)	Nil Nil

**Long Term Borrowings Include:**

Sr.no.	Name of the Party		Opening	Taken during the Year	Repaid during the Year	Closing
1	Bajaj Health & Nutrition Pvt Ltd*	CY	6,95,67,003/-	3,17,05,667/-	2,76,68,512/-	7,36,04,158/-
		PY	(7,50,70,804/-)	(2,72,68,310/-)	(3,27,72,111/-)	(6,95,67,003/-)
2	BansalPharma Limited	CY	30,71,786/-	10,06,646/-	7,76,422/-	33,02,010/-
3	S K R Bajaj	CY	1,62,96,103/-	3,88,64,245/-	3,43,10,924/-	2,08,49,424/-
		PY	(88,91,974/-)	(1,82,32,637/-)	(1,08,28,508/-)	(1,62,96,103/-)
4	Anil Jain	CY	19,76,814/-	11,60,461/-	27,77,275/-	3,60,000/-
		PY	(23,12,909/-)	(2,34,398/-)	(5,70,493/-)	(19,76,814/-)

\*The said Loan includes amount of Rs. 4.19 Crores where the Company stands as a Co- Borrower with the Said Company.

**Income and Expenditure:**

- Purchase include purchase from Bajaj Health & Nutrition Pvt Ltd Rs. 59,47,668/- (Rs.39,27,200/)&BansalPharma Ltd Rs. Nil /- (Rs. 45,86,400) .
- Rent Paid Includes Rs. 8, 04,000/- ( Rs. 8,04,000/-) paid to Bajaj Health and Nutrition Limited, to BansalPharma Ltd Rs.Nil/- ( Rs. 36,000/-), to S K R Bajaj HUF Rs. 360,000/- (Rs.3,60,000/-), to SKR Bajaj Rs. 63,000/- (Rs. 63,000/-) and to Babita Bajaj Rs. 63,000/- (Rs. 63,000/-)
- 
- Remuneration includes payment to S K R Bajaj Rs. 48, 00,000/- ( Rs. 24,00,000/-), Anil Jain Rs. 18,00,000/- (Rs.12,00,000/-), Gopal Mehta Rs. Nil /- (Rs. 84,192/-), to Dhananjay S HatleRs. 10,91,000/- (Rs.8,34,996/-), to Namrata Bajaj Rs. 9,00,000/- (Rs. 6,00,000/-), to Rupesh H Nikam Rs.12,81,152/- (Rs. 4,64,218), to Babita Bajaj Rs. 3,00,000/- (Rs. 3,00,000/-), and to Padma Jain Rs. 2,57,750/- (Rs.1,23,000/-).
- Interest payment include payment to BansalPharmaLtdRs.4,24,515/- (Rs. 3,40,731/-) , to Bajaj Health and Nutrition Pvt Ltd Rs.1,07,46,666/- (Rs.90, 61,842/-) , to SKR Bajaj: Rs.19,29,256/- (Rs. 9,91,506/-) and to Anil Jain Rs.6,27,939/- (Rs. 2,34,398/-).

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



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

Information about Primary Business Segments

(Rupees in lacs)

Particulars	Mfg of Bulk Drugs	Formulation & sales of Medicines	Total
Revenue :			
Total External Sales	21,272.37	1,011.59	22,283.96
Net External Sales ( Excluding excise & Sales tax )	19,113.43	909.59	20,023.02
Inter Segment Sales	119.64	(119.64)	-
Total Gross Revenue	21,392.01	891.95	22,283.96
Total Net Revenue	19,233.07	789.95	20,023.02
Segment Results Before Interest , Exception Items of Tax	-	-	2,101.60
Less : Finance Charges			(751.71)
Profit Before Tax			1,349.89

Information about Secondary Segments: Geographical

(Rupees in lacs)

Particulars	India		Outside India		Total	
	2016	2015	2016	2015	2016	2015
Gross Sales	15,862.80	15,232.89	6,421.16	6,597.28	22,283.96	21,830.17
Less: Taxes	2,237.86	2,093.16	11.59	7.82	2,249.45	2100.98
Net Sales	13,624.94	13,139.73	6,409.57	6,589.46	20,034.54	19,729.19

- 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.

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

1	No of Employees covered	574
2	Retirement Age	60 Yrs
3	Benefits	As per Gratuity Act
4	Present Value of Past Service Gratuity Liability	Rs. 53,66,784/-
5	Annual Contribution	Rs. 12,78,333/-
6	Mortality Rate	As per 1994-96 LIC Mortality Tables (Ultimate)
7	Salary Escalation	4% for each year
8	Discounting rate	8% p.a

**34) EXPENDITURE IN FOREIGN CURRENCY:**

	31/03/2016	31/03/2015
CIF Value of Import in	Rs.70,93,95,369/-	Rs.62,90,17,256/-
Other Expenses in	Rs.35,07,056/-	Rs. 1,02,78,066/-

**35) INCOME IN FOREIGN CURRENCY:**

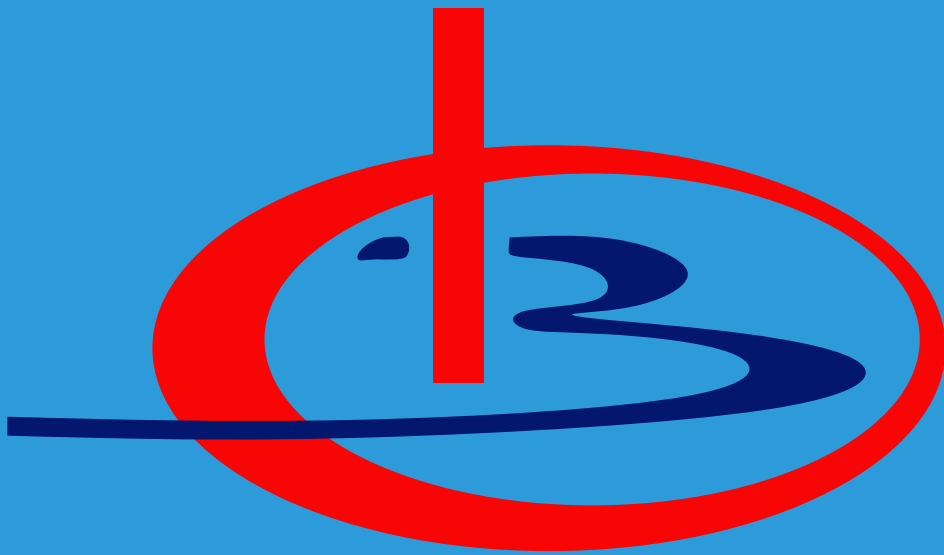
	31/03/2016	31/03/2015
FOB Value of exports in	Rs. 73,95,93,017/-	Rs. 64,04,98,864/-

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

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



# BAJAJ HEALTHCARE LIMITED



# BAJAJ