



CONFIGURED FOR GROWTH

BAJAJ HEALTHCARE LIMITED
27TH ANNUAL REPORT 2019-20

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

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

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

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

The result is evident in the numbers:

FY20 proved to be an extremely challenging year.

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

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

THE BIG PICTURE

Largest

World's largest
manufacturer of
Chlorhexidine base

Largest

India's largest
manufacturer of
Ascorbic Acids

51⁺

Countries
of presence

50⁺

Clients
portfolio

6

Manufacturing
facilities

80⁺

Products
manufactured in
API, Intermediates &
Formulations

7,776^{TPA}

BHL's API &
Intermediates
manufacturing
capacity

38%

PAT growth
in FY20

1,104

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

200⁺

Finished dosage
formulations
manufacturing
approval

5

New molecules
launched in FY20

₹ 3,755.45

million
Market capitalisation
as on June 30, 2020



Bajaj Healthcare Limited.

Manufacturer of APIs,
Intermediates and Finished
Formulations.

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

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

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



WHAT YOU NEED TO KNOW ABOUT BAJAJ HEALTHCARE LIMITED

Values navigating our existence



Our Vision

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



Our Mission

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



A respectable track record

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

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

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

Our purpose

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



Generate profitable growth in our core markets



Realise global opportunities in the emerging pharmaceuticals market



Continue to step-change of our business capabilities



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



To focus on smart acquisitions to strengthen portfolio and sustain growth

Our world-class products that have strengthened our recall

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

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

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

Finished Dosage Formulation (FDFs):

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

Our professional and knowledgeable management team

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

Our culture

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



OUR MANUFACTURING CAPACITIES

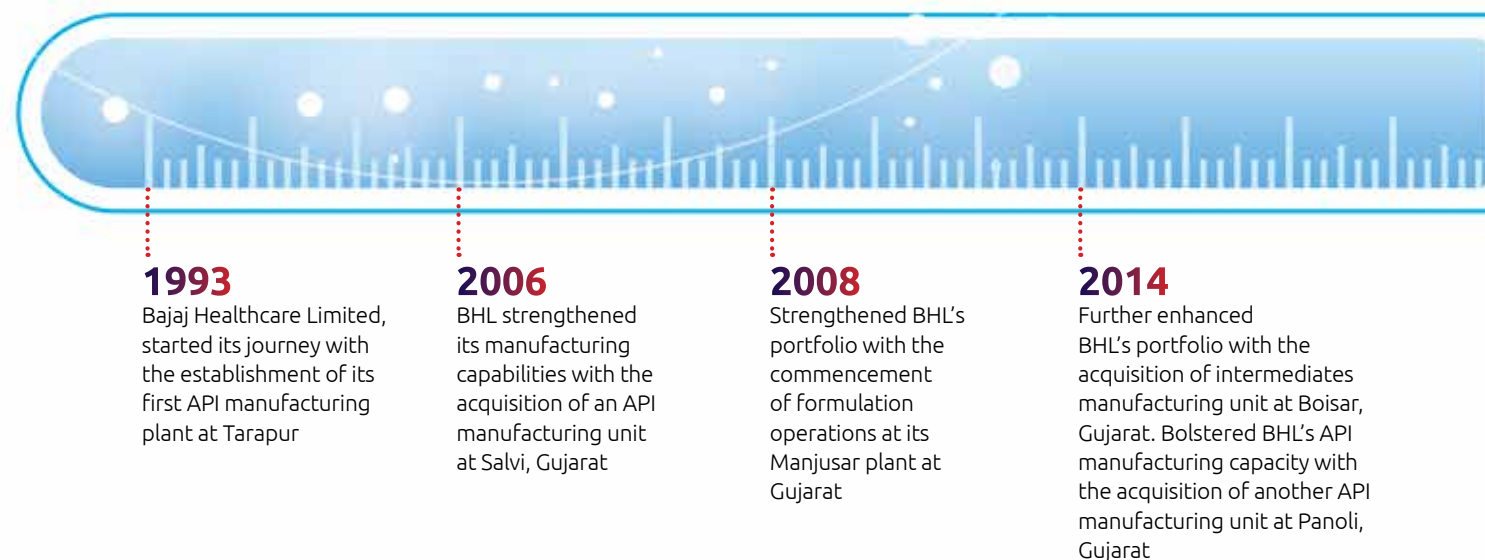
...that have enhanced our preparedness

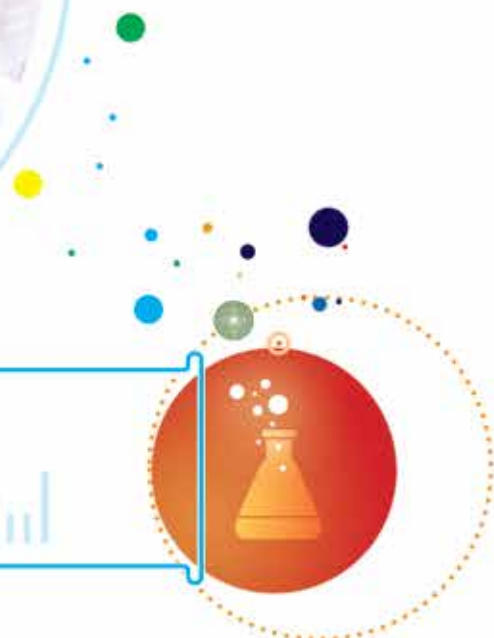
BHL has periodically enhanced its capacities to address consumer demands

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

BHL'S STORY OF EVOLUTION

Key inflection points in BHL's existence





2016

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

2019

Migrated from BSE-SME Platform to BSE main board

2020

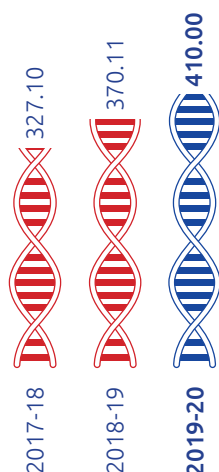
Further strengthen portfolio with the acquisition of another intermediate manufacturing unit at MIDC, Tarapur, Maharashtra. As a part of this acquisition, BHL is all set to acquire four manufacturing facilities, comprising of three API manufacturing facilities and one engineering unit

RECALIBRATED CORE DELIVERED GROWTH

Numbers behind the story.

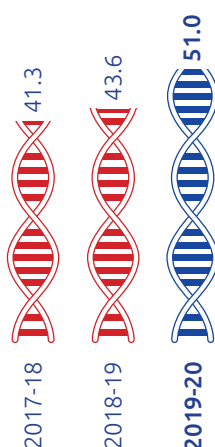
P&L Metrics

Revenue from operations (₹ in crores)



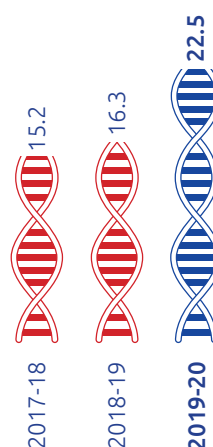
7.9%
3-year CAGR

EBIDTA (₹ in crores)



7.3%
3-year CAGR

PAT (₹ in crores)



14%
3-year CAGR

Debtors Turnover Ratio

4.67% in FY19 4.60% in FY20

Inventory Turnover Ratio

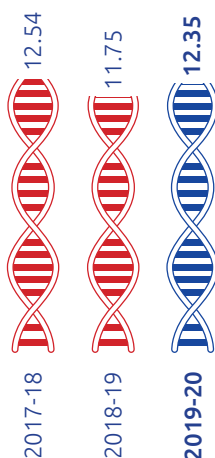
7.70% in FY19 7.74% in FY20

Interest Coverage Ratio*

4.46% in FY19 6.37% in FY20

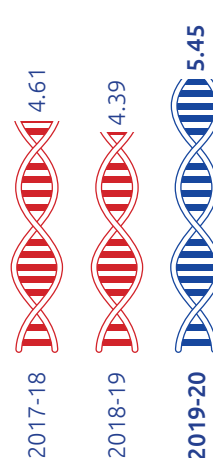
* Interest Coverage Ratio changed more than 25% during the year, owing to decrease in interest paid during the year.

EBIDTA Margin (%)



23.6%
Growth over last two years

PAT Margin (%)



48.2%
Growth over last two years