



BDH
Industries Ltd.

Twenty Third Annual Report 2012-2013

Reputation

Quality

Care

Health Care World wide...



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2008

Pharmaceutical Company engaged in Health Care World wide

BDH : Quality Policy

Our Vision is
to care for Health and Quality of Life
for Mankind-Globally.

We are committed to
provide safe, effective and Quality Medicines
at economical price and also to
percolate value added services to
the patients through our network worldwide.

We shall strive this
by enhancing quality and efficacy of medicines
through continued improvement in our
design, manufacturing and processes.

Care



Quality

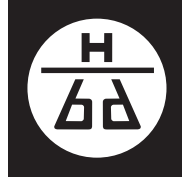


Reputation

BDH : Commitment

*Health Care * Mankind * Worldwide*

- Wide Range of Products in several Therapeutical Applications
- Products at Economical Rates with value Added Services
- Assist ROW - MOH / DHS at Affordable Rates
- Strengthen International NGOs at Reasonable Rates
- Global Reach - Exporting to more than 30 countries



BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Mrs. Jayashree Nair <i>Chairperson & Managing Director</i> Mr. S. C. Kachhara <i>Executive Director</i> Mrs. Karthika Nair Mr. A. V. Menon Dr. Dinesh Variar Mr. Bhagirath Singh Sihag
COMPANY SECRETARY	:	Ms. Nikita Phatak
AUDITOR	:	M/s. L. J. Kothari & Co. Chartered Accountants Mumbai.
BANKER	:	Central Bank of India
REGISTERED OFFICE	:	Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101
REGISTRARS & TRANSFER AGENT	:	TSR DARASHAW PRIVATE LIMITED 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011

**TWENTY THIRD ANNUAL GENERAL MEETING at Swagath Bageecha,
Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095 on Friday,
30th August, 2013 at 3.00 p.m.**

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Friday, 30th August, 2013 at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095 at 3.00 p.m., to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Dr. Dinesh Variar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bhagirath Singh Sihag, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT Mrs. Jayashree Nair, whose terms of office as Managing Director expires on 31st March 2014, be re-appointed as a Managing Director of the Company with effect from 1st April, 2014.

RESOLVED THAT pursuant to Sections 198, 269, 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mrs. Jayashree Nair be and is hereby appointed as the Managing Director of the Company for a period of three years from 1st April, 2014 to 31st March 2017 upon the terms and conditions as set out herein below :

Basic Salary ₹ 3 lakhs per month (with annual increment of ₹ 35000/- in April of each year)

RESOLVED FURTHER THAT in addition to above remuneration, Mrs. Jayashree Nair shall be entitled to :-

- a) Perquisites like accommodation / house rent allowance, house maintenance allowance, medical insurance and re-imbursement and leave travel allowance for self and family, personal accident insurance, car, telephone etc. Such perquisites being restricted to ₹ 7.50 lakhs per annum.
- b) Company's contribution to Provident Fund and Superannuation Fund, applicable as per rules / norms, or payments made in lieu of such contributions; Gratuity payment at the end of tenure and encashment of leave as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites as aforesaid and Mrs. Jayashree Nair shall be entitled to the same.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company do pay remuneration and perquisites as specified above to Mrs. Jayashree Nair subject to the applicable provisions of Schedule XIII to the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT Mrs. Jayashree Nair shall not retire by rotation while continuing as Managing Director and shall in terms of article 174 of the Articles of Association of the Company be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT Mr. S. C. Kachhara, whose terms of office as Executive Director expires on 31st March 2014, be re-appointed as a Executive Director of the Company with effect from 1st April, 2014.

RESOLVED THAT pursuant to Sections 198, 269, 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. S. C. Kachhara be and is hereby appointed as the Executive Director of the Company for a period of three years from 1st April, 2014 to 31st March 2017 upon the terms and conditions as set out herein below:

Basic Salary ₹ 3 lakhs per month (with annual increment of ₹ 35000/- in April of each year)

RESOLVED FURTHER THAT in addition to above remuneration, Mr. S. C. Kachhara shall be entitled to:-

- a) Perquisites like accommodation / house rent allowance, house maintenance allowance, medical insurance and re-imbursement and leave travel allowance for self and family, personal accident insurance, car, telephone etc. Such perquisites being restricted to ₹ 7.50 lakhs per annum.
- b) Company's contribution to Provident Fund and Superannuation Fund, applicable as per rules / norms, or payments made in lieu of such contributions; Gratuity payment at the end of tenure and encashment of leave as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites as aforesaid and Mr. S. C. Kachhara shall be entitled to the same.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company do pay remuneration and perquisites as specified above to Mr. S. C. Kachhara subject to the applicable provisions of Schedule XIII to the Companies Act, 1956 or any amendments thereto.



RESOLVED FURTHER THAT Mr. S. C. Kachhara shall not retire by rotation while continuing as Executive Director and shall in terms of article 174 of the Articles of Association of the Company be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.

Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,

Kandivli (E), Mumbai - 400 101

NOTES:

1. Re-appointment of retiring Directors - Dr. Dinesh Variar, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His qualifications include M.B.B.S. (Bom.). He is connected with medical profession for 34 years. He is not a Director of any other Company.
2. Re-appointment of retiring Directors - Mr. Bhagirath Singh Sihag, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Bhagirath Singh Sihag has 32 years of experience in the areas of Finance and Taxation. His qualifications include B.Com and F.C.A. He is also a Director in Remi Securities Limited, Remi Cool Fans Limited and Shrinkala Securities Limited.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
4. The proxy form duly completed, stamped and signed should be deposited at the registered office of the Company at least forty-eight hours before the commencement of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 23rd August, 2013 to Friday 30th August, 2013 (both days inclusive).
6. Shareholders are requested to intimate the Company the change, if any, in their registered address.
7. The Company has designated the email id viz., investor.bdh@mtnl.net.in for investor servicing.
8. Members / Proxies are requested to bring duly filled Attendance Slip along with their copy of the Annual Report to the Annual General Meeting.
9. Corporate members are requested to send a duly certified copy of the board of directors' resolution / power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
10. Members are requested to trade in the Equity Shares in the dematerialized form only. The ISIN No. allotted for the Company's shares is INE278D01018.
11. Members having any questions on accounts are requested to write their queries at least ten days prior to the Annual General Meeting to the Company at its registered office address so as to enable the Management to keep the information ready at the meeting.
12. Your Company is concerned about the environment. Towards this end, the Company supports the 'Green Initiative' of Ministry of Corporate Affairs under which service of Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of Government, members who would like to receive Annual Report in electronic mode are requested to do so by sending a request to Company's Registrar and Share Transfer Agent, mentioning therein their folio number and email address to which Annual Report can be sent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 6 :

Mrs. Jayashree Nair is the Managing Director of the Company and her term of office as Managing Director expires on 31st March, 2014. Mrs. Jayashree Nair, 70 years, B.Sc. (Hons) has 49 years of experience in the pharmaceutical industry. She has been the Managing Director of the Company since inception. Under her leadership, the Company has been able to grow the business, overcome lean phases and emerge stronger.

Mrs. Jayashree Nair was appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2009 as per the terms and conditions approved by shareholders at the 18th Annual General Meeting held on 26th September 2008.

Mrs. Jayashree Nair has in depth expertise in manufacturing activity and general management of business of the Company. She is an acknowledged expert in the various pharmaceutical products that your Company is engaged in. The Company has made significant progress under the Managing Directorship of Mrs. Jayashree Nair. She holds 1265240 shares of the Company.

The Audit and Remuneration Committee of the Board of Directors further recommend the appointment and remuneration of Mrs. Jayashree Nair as Managing Director of the Company for a period of three years from 1st April 2014 to 31st March 2017 and pay her the remuneration as proposed in the resolution.

The Board of Directors is of the opinion that the appointment of Mrs. Jayashree Nair as Managing Director would be in the interest of the Company.

The scope and quantum of remuneration and perquisites specified hereinabove may be enhanced, enlarged, widened, altered or varied by the Remuneration Committee of the Board of Directors in the light and conformity with any amendments to the relevant provisions of the Companies Act 1956 and/ or re-enactment thereto or thereof the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.

The Managing Director shall report to the Board of Directors. She shall perform such functions as may from time to time be entrusted to her by the Board. All her acts shall be subject to supervision of the Board of Directors. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The draft agreement to be entered into between the Company and Mrs. Jayashree Nair is available for inspection by members of the Company at its registered office between 11.00 am to 1.00 pm at any working day of the Company.

Mrs. Jayashree Nair, Managing Director and Mrs. Karthika Nair, Director being relative as defined in Table 1A of Section 6 of Companies Act, 1956 are interested in the resolution.

This explanatory statement together with the accompanying notice may be treated as an abstract under Section 302 of the Companies Act 1956.

In compliance with the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act 1956, the terms of remuneration specified above are now being placed before the Members in the ensuing Annual General Meeting for their approval. The Board recommends the Special Resolution at item no. 6 of the Notice for your approval.

As per Schedule XIII of the Companies Act, 1956, statement containing details to the shareholders along with the Notice of the Annual General Meeting is given below and forms part of the Explanatory Statement.

ITEM NO. 7 :

Mr. S. C. Kachhara is the Executive Director of the Company and his term of office as Executive Director expires on 31st March, 2014. Mr. S. C. Kachhara, 58 years, is B. Com., L.L.B. (Gen.), FCA, MIIA (U.S.A) and has 34 years of experience in the pharmaceutical industry. Under his guidance, the Company's operations have expanded horizontally over the globe and he has contributed significantly towards the growth of the Company to the present level.

Mr. S. C. Kachhara was appointed as Executive Director of the Company for a period of five years with effect from 1st April, 2009 as per the terms and conditions approved by shareholders at the 18th Annual General Meeting held on 26th September 2008.

Mr. S. C. Kachhara has been the Director of the Company since 1990. His experience comprises in the areas of finance, taxation and international business and overall business activities. He has contributed significantly towards the growth of the Company to the present level. He holds 108200 shares of the Company.

The Audit and Remuneration Committee of the Board of Directors further recommends the appointment and remuneration of Mr. S. C. Kachhara as Executive Director of the Company for a period of three years from 1st April 2014 to 31st March 2017 and pay him the remuneration as proposed in the resolution.

The Board of Directors is of the opinion that the appointment of Mr. S. C. Kachhara as Executive Director would be in the interest of the Company.

The scope and quantum of remuneration and perquisites specified hereinabove may be enhanced, enlarged, widened, altered or varied by the Remuneration Committee of the Board of Directors in the light and conformity with any amendments to the relevant provisions of the Companies Act 1956 and/ or re-enactment thereto or thereof the rules and regulations made thereunder and/ or such guidelines as may be announced by the Central Government from time to time.

The Executive Director shall report to the Board of Directors. He shall perform such functions as may from time to time be entrusted to him by the Board. All his acts shall be subject to supervision of the Board of Directors. The Executive Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The draft agreement to be entered into between the Company and Mr. S. C. Kachhara is available for inspection by members of the Company at its registered office between 11.00 am to 1.00 pm at any working day of the Company.

Mr. S. C. Kachhara being Executive Director of the Company is interested in the resolution.

This explanatory statement together with the accompanying notice may be treated as an abstract under Section 302 of the Companies Act 1956.

In compliance with the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act 1956, the terms of remuneration specified above are now being placed before the Members in the ensuing Annual General Meeting for their approval. The Board recommends the Special Resolution at item no. 7 of the Notice for your approval.

As per Schedule XIII of the Companies Act, 1956, statement containing details to the shareholders along with the Notice of the Annual General Meeting is given below and forms part of the Explanatory Statement.

**Statement required to be given under part II, Section II(B)(IV) of the Schedule XIII of the Companies Act, 1956****I. General Information**

- (1) Nature of Industry : The Company is into manufacturing of various dosage of pharmaceutical formulations.
- (2) Date or expected date of commencement of commercial production : The Company is already in operation.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Directors' Report.
- (5) Export Performance and net foreign exchange collaborations : The FOB value of exports during the year is ₹ 2158.07 lakhs and the Company does not have any foreign collaboration.
- (6) Foreign investments or collaborations, if any : Not Applicable

II. Information about the appointee(s)

- (1) Background details : The background details are mentioned in the Explanatory Statement at item no. 6 and item no. 7.
- (2) Past Remuneration : The details of remuneration are mentioned in the Corporate Governance Report.
- (3) Recognition or awards : Nil
- (4) Job Profile and suitability : The job profile and suitability of the appointees are as mentioned in the Explanatory Statement at item no. 6 and item no. 7.
- (5) Remuneration proposed : The proposed remuneration of the appointees are mentioned in the special resolution in the notice.
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person : The proposed remuneration of the Managing Director and Executive Director is commensurate with the position they occupy, size of your Company and as per the industry standards.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Mrs. Jayashree Nair is a relative of Mrs. Karthika Nair, Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Mrs. Jayashree Nair as Managing Director.

III. Other information

- (1) Reasons for loss or inadequate profit : The operations have to be enhanced and expanded to have adequate profit.
- (2) Steps taken or proposed to be taken for improvement : Increased sales turnover, cost control and reduction to increase profit.
- (3) Expected increase in productivity and profits in measurable terms : Productivity and profits are expected to increase.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair*Chairperson & Managing Director*

Place : Mumbai.

Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,
Kandivli (E), Mumbai - 400 101

DIRECTORS' REPORT

To,

THE MEMBERS,

BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Twenty Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS :

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
Sales (Gross)	4172.59	4165.64
Sales (Net)	4053.33	4015.04
Other Income	76.48	13.92
Total Income	4129.81	4028.96
Profit before Interest and Depreciation	403.69	349.95
Less : Interest	82.88	93.02
Depreciation	72.46	96.17
Profit before tax	248.35	160.76
Less : Provision for Taxation	80.66	60.47
Deferred Taxation	0.43	(8.31)
Net Profit After Tax	167.26	108.60
Add : Surplus Brought Forward from the previous year	779.63	716.49
Balance available for Appropriation	946.89	825.09
Less : Transfer to General Reserve	8.36	5.43
Less : Provision for Dividend	57.57	34.54
Less : Tax on Dividend	9.34	5.60
Less : Provision no longer required	—	(0.11)
Balance carried forward to Balance Sheet	871.62	779.63

REVIEW OF OPERATIONS :

During the year 2012-13 Company achieved Sales (Net) of ₹ 4053.33 Lakhs as compared to ₹ 4015.04 Lakhs in the previous year.

The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 349.95 lakhs in previous year to ₹ 403.69 lakhs in 2012-13. The Company earned Net Profit of ₹ 167.26 lakhs during the year as against ₹ 108.60 lakhs as in previous year thereby showing growth of 54% in Net Profit after Tax.

After adding the surplus brought forward from previous year of ₹ 779.63 lakhs, ₹ 871.62 lakhs is carried to the Balance Sheet as surplus in Statement of Profit & Loss.

DIVIDEND :

Your Directors are pleased to recommend a dividend of ₹ 1.00 (Rupee one only) per equity share of ₹ 10/- each for the financial year ended 31st March, 2013. The dividend, if approved by the shareholders, will entail a payout of ₹ 66.91 lakhs including dividend distribution tax of ₹ 9.34 lakhs. The dividend is tax free in the hands of shareholders.

SHARE LISTING :

The equity shares of the Company are listed on Bombay Stock Exchange. The listing fee for year 2013-14 has been paid by the Company.

FUTURE PROSPECTS :

Your Company is accredited with WHO GMP Certificate and the same is under renewal. The Company is also accredited with ISO 9001-2008 Certificate from SGS United Kingdom Limited.

The implementation of modern technology in the production processes shall yield better results. Consistent efforts are made to introduce technology upgradation and comply with guidelines relating to Good Manufacturing Practices.

We have been registering products with various countries. Also there are visits by various MOH (Ministry of Health) of various Governments as well as customers. Our manufacturing facilities are monitored and approved by regulatory authorities.

Pharma business has detailed procedure for registration and it takes nearly 6 months to 24 months for completing the registration and beginning of business. The gestation period is high due to various and multiple stages of operation by every country in their own way.

The medicines are marketed at the lowest prices in the world at the same time high standard is maintained. Being in pharma sector, inspite of limitations the future growth in business is expected in Export markets.

**FIXED DEPOSIT :**

The Company has not invited / accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:

The particulars required to be included in terms of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure.

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATION :

The Company has maintained cordial and harmonious relations with all its employees.

PERSONNEL :

None of the Directors /Executives /Employees are drawing remuneration / salaries in excess of ₹ 60,00,000/- p.a. or ₹ 5,00,000/- per month if employed for the part of the year and thus no separate disclosure is required to be made under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

COST AUDIT

Pursuant to section 233B of Companies Act, 1956 and with prior approval of Central Government, Krishna S & Associates, Cost Accountants, were appointed as Cost Auditors to conduct audit of cost records of the Company for the financial year 2012-13.

The Cost Audit Report for financial year 2011-12 which was due to be filed with Ministry of Corporate Affairs on or before 28th February, 2013 was filed on 24th January, 2013.

ENVIRONMENT, HEALTH & SAFETY :

Our manufacturing facility remains compliant with applicable environmental regulations. Our facility has achieved certification such as ISO 9001:2008. The Company organizes various health related medical check-up programs for employees. The Company has taken initiatives to enhance safety standards at its manufacturing facility and office premises. We will strive to further improve ourselves to create safer working conditions for our workers.

RESEARCH AND DEVELOPMENT :

The Company has always considered Research and Development (R&D) as crucial for the sustained growth of the Company. The global challenges for the Indian pharma industry at large have increased several folds in the face of the transition from process to product patent regime in India from 2005.

Apart from development of new dosage forms and drug delivery systems, improvement in processes and yields as well as cost reduction are also focus areas.

BOARD OF DIRECTORS :

Dr. Dinesh Variar, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, being eligible and offers himself for re-appointment. His qualifications include M.B.B.S. (Bom.). He is connected with medical profession for 34 years. He is not a Director of any other Company. Accordingly, the Board recommends his re-appointment.

Mr. Bhagirath Singh Sihag, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, being eligible and offers himself for re-appointment. Mr. Bhagirath Singh Sihag has 32 years of experience in the areas of Finance and Taxation and his qualifications include B.Com and F.C.A. He is also a Director in Remi Securities Limited, Remi Cool Fans Limited and Shrinkala Securities Limited. Accordingly, the Board recommends his re-appointment.

Brief resume of the Directors being reappointed is provided in the notice convening the Annual General Meeting of the Company as required by Clause 49 of the Listing Agreement.

DIRECTOR'S RESPONSIBILITY STATEMENT :

As stipulated in Section 217 (2AA) of Companies Act, 1956, the Directors confirm that :-

- 1) In the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures .
- 2) The Directors have 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 or loss of the company for the year under review.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

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CORPORATE GOVERNANCE :

As per the listing agreement with the stock exchange, the Company has complied with the requirements of Corporate Governance. A report on Corporate Governance together with a certificate from Statutory Auditor forms part of this report.

AUDITORS AND AUDITORS' REPORT :

M/s. L. J. Kothari & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment. The Auditors Report read with the notes to financial statements are self-explanatory.

APPRECIATION :

Your Directors thank Central Bank of India, Food & Drugs Control Administration, Director General of Foreign Trade and other Government authorities for their continued support to the Company.

Your Directors place on record their sincere appreciation for the dedicated service rendered by the employees of the Company at all levels and above all acknowledge with gratitude the co-operation of the shareholders.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.

Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,

Kandivli (E), Mumbai - 400 101

CEO / CFO Certification

We hereby certify that :

- (a) The financial statements and the cash flow statement for the year ended 31st March, 2013 have been reviewed and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. There are no deficiencies in the design or operation of internal control.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For BDH Industries Limited,

Jayashree Nair

Chairperson & Managing Director

S. C. Kachhara

Executive Director

Place : Mumbai.

Date : 30th May, 2013



ANNEXURE TO THE DIRECTORS' REPORT

Information as per section 217(1)(E) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

I. CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION :

Particulars	2012-13	2011-12
1. Electricity		
a. Purchased		
Units (in kwh)	1434085	1318578
Total Amount (in ₹)	11079059	9166632
Average Rate/Unit (₹)	7.73	6.95
b. Own Generation		
Through Diesel Generators	—	—
Through Steam Turbine/Generators	—	—
2. Coal (specify quality and where used)	—	—
3. Furnace Oil	—	—
4. Others		
a. L.D. Oil		
Quantity (Litres)	67750	74500
Total Cost (₹)	4015687	4006802
Average Rate/Unit (₹ per litre)	59.27	53.78

B. CONSUMPTION PER K.G. OF PRODUCTION:

Since the company is manufacturing several varieties of formulations in different batches and pack size, it is not practical to apportion the electricity consumption and cost thereof to each unit of production.

II. TECHNOLOGY ABSORPTION

A. Research & Development:

- Specific areas in which R & D carried out by the Company:
Development of Products and Processes in the areas of Dermatology, Trichology and Rheumatoid Arthritis formulations.
- Benefits derived as a result of the above R & D:
New products are in process of development and shall be added to strengthen the existing range.

iii) Future Plan of Action:

To work on additional products in NSAID products. Also modify/ design new products and improve drug delivery system on various products.

iv) Expenditure on R & D:

(₹ in lakhs)

	2012-2013	2011-2012
a. Capital	3.11	5.52
b. Recurring	15.20	16.26
TOTAL	18.31	21.78
Total R & D Expenditure as a percentage of total revenue.	0.44%	0.52%

B. Technology Absorption, Adaptation and Innovation :

- Efforts in brief made towards Technology Absorption, Adaptation and Innovations:
The technologies required for better products applications and better quality have been adapted and are being developed/improved indigenously.
- Benefits derived as a result of the above efforts:
R&D efforts have helped bring out an improvement in processes, product design and operating efficiencies.
- Technology imported during the last 5 years:
No technology has been imported.
- Future Plan of Action:
To work on additional products in NSAID range. Also modify/ design new products and improve drug delivery system on various products.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 2158.07 lakhs as against outgo of ₹ 401.02 lakhs.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.
Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,
Kandivli (E), Mumbai - 400 101

CORPORATE GOVERNANCE REPORT

Your Company has complied, in all material respects, with the features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

CORPORATE PHILOSOPHY

Good Corporate Governance leads to long term shareholders value and enhances interest of other stakeholders. Fairness, transparency, accountability and responsibility are the essential elements of Corporate Governance to which your Company continues to remain committed to facilitate effective management and control of business. The Company emphasizes on good Corporate Governance and believes in maintaining ethical conduct in all its activities

BOARD OF DIRECTORS

a) Composition

The composition of the Board of Directors of the Company is in conformity with the Clause 49 of the Listing Agreement. The present Board of Directors of your Company comprises of a Chairperson and Managing Director; one Executive Director, one Non-Executive Director and three Independent Directors. The present composition of the Board is as follows :-

Sr. No.	Name of Directors	Designation / Category
1.	Mrs. Jayashree Nair	Chairperson & Managing Director
2.	Mr. S. C. Kachhara	Executive Director
3.	Mrs. Karthika Nair	Non-Executive Director
4.	Mr. A. V. Menon	Independent Director
5.	Dr. Dinesh Variar	Independent Director
6.	Mr. Bhagirath Singh Sihag	Independent Director

b) Board Meetings

During the financial year 2012-13, Seven Board Meetings were held on 14th May 2012, 30th July 2012, 28th September 2012, 7th November 2012, 21st January 2013, 8th February 2013 and 8th March 2013.

All operational and statutorily required information was placed before the Board. All significant events were also reported to the Board.

At Board Meeting following the Audit Committee meeting, Company Secretary makes a report confirming statutory compliances for the said quarter of Listing Agreement. Also, at such meetings Managing Director confirms to the Board of all the statutory compliances.

The Board Meetings are governed by a structured agenda. The Board Meetings are held at regular intervals at registered office of the Company. The Company Secretary in consultation with the Chairperson, drafts and finalizes the agenda of the Board Meeting. All Agenda items are backed by relevant details and comprehensive background information are circulated to all the Directors, well in advance of the date of the Board Meeting to enable the Board of Directors to take appropriate decisions. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings. The Managing Director, at the Board Meeting keeps the Board apprised of the overall performance of the Company.

Sr. No.	Name of Directors	Attendance at		No. of Directorships of other Companies (*)	No. of memberships of Board Sub-Committees
		Board Meetings	Last A.G.M.		
1.	Mrs. Jayashree Nair	7	Yes	—	2 #
2.	Mr. S. C. Kachhara	7	Yes	—	2
3.	Mrs. Karthika Nair	7	Yes	—	2 #
4.	Mr. A.V. Menon	6	Yes	—	1 #
5.	Dr. Dinesh Variar	7	Yes	—	1
6.	Mr. Bhagirath Singh Sihag	7	Yes	3	1

* Excluding Private Limited Companies, Foreign Companies and Companies constituted under Section 25 of the Companies Act, 1956.

Including Chairmanship of one Committee.

c) Remuneration of Directors

i) The remuneration paid to the Chairperson & Managing Director and Executive Director is within the ceiling as per the resolution approved by the shareholders. Details of remuneration paid to the Chairperson & Managing Director and Executive



Director for the year ended 31st March, 2013 are given below :-

Name	Position	Salary ₹	Contribution to PF & other Funds ₹	Perquisites ₹
Mrs. Jayashree Nair	Chairperson & Managing Director	1980000	341446	297000
Mr. S. C. Kachhara	Executive Director	1980000	341446	297000

ii) Payments to Non Executive Directors :

The remuneration to Non Executive Directors consists only of sitting fees for attending Board Meetings of the Company. Except sitting fees, no other payment is made to Non- Executive Directors. The details of amount paid as sitting fees to the Non-Executive Directors during the year 2012-13 are as follows :-

Sr. No.	Name of Director	Sitting Fees paid
1.	Mrs. Karthika Nair	₹ 44000/-
2.	Mr. A.V. Menon	₹ 40000/-
3.	Dr. Dinesh Variar	₹ 44000/-
4.	Mr. Bhagirath Singh Sihag	₹ 44000/-

iii) Details of shareholding of Non Executive Directors :-

Mrs. Karthika Nair, Non Executive Director of the Company holds 448980 (7.80%) equity shares of ₹ 10/- each of the Company as on 31st March, 2013. Mr. Bhagirath Singh Sihag, Non Executive Director of the Company holds 5000 (0.09%) equity shares of ₹ 10/- each of the Company as on 31st March, 2013. The other Non Executive Directors i.e. Mr. A. V. Menon and Dr. Dinesh Variar do not hold any shares in the Company.

d) Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chairperson & Managing Director of the Company is given in this Annual Report.

BOARD COMMITTEES

a) Audit Committee

- i) The Board of Directors have constituted the Audit Committee as required under Section 292A of the Companies Act, 1956 read with provisions of Clause 49 of the Listing Agreement with the Stock Exchange.

During the financial year 2012-13, six meetings of the Audit Committee were held on 14th May 2012, 30th July 2012, 28th September 2012, 7th November 2012, 21st January 2013 and 8th February 2013.

Name of the Members of Audit Committee along with their attendance in the meeting is given below :-

Sr. No.	Name of Director	Designation	No. of Committee Meetings Attended
1.	Mr. A.V. Menon	Chairman	5
2.	Dr. Dinesh Variar	Member	6
3.	Mr. Bhagirath Singh Sihag	Member	6

The Audit Committee meetings were attended by the Audit Committee members as stated above and the Statutory Auditors also attended. The Company Secretary is the Secretary to the Committee. The Audit Committee discussed the Company's accounts before it was placed before the Board of Directors and also overviewed the Company's financial reporting process. The Committee has also reviewed the Company's financial and risk management policies.

- ii) The Audit Committee members also act as the Remuneration Committee members. The Remuneration Committee has recommended the appointment of Mrs. Jayashree Nair as Managing Director and Mr. S. C. Kachhara as Executive Director of the Company for a period of three years from 1st April 2014 to 31st March 2017 at the remuneration as per the draft agreement.

b) Shareholders / Investors Grievance Committee:

The Shareholders/ Investors Grievance Committee presently comprises of Mrs. Karthika Nair, Chairperson, Mrs. Jayashree Nair, Member and Mr. S. C. Kachhara, Member.

Meetings of the Shareholders/ Investors Grievance Committee were held during the year 2012-2013 to review the complaints received from the investors/shareholders. There has been no complaint from any investor/shareholder, which has not been redressed. There are no complaints from shareholders, which were pending as on 31st March, 2013.

c) Share Transfer Committee

The Company has also constituted Share Transfer Committee. The members of the Share Transfer Committee are Mrs. Jayashree Nair - Chairperson, Mr. S. C. Kachhara - Member and Mrs. Karthika Nair - Member. The Share Transfer Committee meets frequently to consider matters relating to the transfer / transmission of shares, issue of duplicate / new share certificates, sub-division and consolidation of share certificates etc.

23rd Annual Report 2012-2013

DISCLOSURES:

a) Related Party Transactions

Transactions with related parties are disclosed in Notes to the Financial Statements. There were no material significant transactions with the directors or the management or subsidiaries or relatives that have any potential conflict with the interest of the Company.

b) Statutory Compliances, penalties, strictures

No penalties, strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

SUBSIDIARY COMPANY

The Company does not have any Subsidiary company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report is a part of the Annual Report.

DETAILS OF DIRECTORS TO BE APPOINTED/RE-APPOINTED

The details of Directors seeking Appointment / Re-appointment, to be provided pursuant to Clause 49 of the Listing Agreement are furnished alongwith the Notice of the Annual General Meeting.

CEO/CFO CERTIFICATION

The Chairperson & Managing Director and the Executive Director have certified to the Board as per the requirement of Clause 49 of the Listing Agreement.

MEANS OF COMMUNICATION:

The Company has reported all material information including unaudited quarterly results, half yearly results and audited annual results and press release to the Bombay Stock Exchange where the Company's securities are listed. The unaudited quarterly results, half yearly results and audited annual results were communicated to the shareholders by way of advertisement in a National daily and in vernacular language newspapers, namely, Free Press Journal and Navshakti. The Company has designated the email id viz., investor.bdh@mtnl.net.in for investor servicing. The website of the Company is www.bdhind.com.

GENERAL BODY MEETINGS

The Twenty Third Annual General Meeting of Company for the financial year 2012-13 shall be held on Friday, 30th August 2013 at 3.00 p.m. at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095.

The last three Annual General Meetings were held as under :-

A.G.M.	Financial Year	Date of A.G.M.	Time	Location
22nd	2011-2012	28-09-2012	3.00 p.m.	Swagath Bageecha, Bageecha Complex, Marve Road, Malad West, Mumbai – 400 095
21st	2010-2011	28-09-2011	3.00 p.m.	
20th	2009-2010	24-09-2010	3.00 p.m.	

No Extra-ordinary General Meeting was held in the last three financial years.

No Special Resolution was passed in the 20th, 21st and 22nd Annual General Meeting.

GENERAL SHAREHOLDERS INFORMATION

Day, date, time and venue of 23rd A.G.M.	Friday, 30th August 2013 at 3.00 p.m. Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095.
Date of Book Closure	From 23rd August 2013 to 30th August 2013 (both days inclusive)
Listing on Stock Exchanges	Bombay Stock Exchange (BSE)
ISIN No.	INE278D01018
BSE Stock Code	524828
Registered Office / Address for Correspondence	Nair Baug, Akurli Road, Kandivli East, Mumbai - 400 101
Registrar & Share Transfer Agent	TSR Darashaw Pvt. Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011.
Compliance Officer	Ms. Nikita Phatak Nair Baug, Akurli Road, Kandivli East, Mumbai – 400101
Share Transfer System	The Company's shares are traded in the stock exchanges compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
Dividend Payment Date	On or after 31st August, 2013
Dematerialisation of shares	As on 31-03-2013, 80.70% of the Company's shares representing 46,46,190 shares were held in dematerialised form.
Plant Location	Nair Baug, Akurli Road, Kandivli East, Mumbai – 101



* **Financial Calendar (Tentative):**

Financial Year of the Company	:01-04-2013 to 31-03-2014
Financial Reporting for:	
Quarter ending June, 2013	:On or before 14th August, 2013
Quarter ending September, 2013	:On or before 14th November, 2013
Quarter ending December, 2013	:On or before 14th February, 2014
Quarter/Year ending March, 2014	:On or before 30th May, 2014

* **Categories of Shareholders as on 31st March, 2013 :**

Category	No. of shares	% of Shareholding
Directors, Relatives & Promoters	3188677	55.38
Companies/ Bodies Corporate	267417	4.64
General Public	2271193	39.45
NRI's	30013	0.53
TOTAL	5757300	100.00

* **Distribution of shareholding as on 31st March, 2013 :**

Shareholding of nominal value (in ₹)	Shareholders		Share Amount	
	Number	% to Total	In ₹	% to Total
1	2	3	4	5
Upto 5000	3198	82.34	6841810	11.88
5001 – 10000	330	8.50	2820540	4.90
10001 – 20000	172	4.43	2669660	4.64
20001 – 30000	60	1.54	1536630	2.67
30001 – 40000	23	0.59	815150	1.41
40001 – 50000	27	0.70	1265300	2.20
50001 – 100000	32	0.82	2378180	4.13
100001 and above	42	1.08	39245730	68.17
Total	3884	100.00	57573000	100.00

* **Stock Market price data for the year 2012-2013.**

Bombay Stock Exchange (BSE)

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2012	17.70	14.80	October, 2012	17.90	15.00
May, 2012	19.40	14.85	November, 2012	19.90	15.75
June, 2012	16.65	15.05	December, 2012	18.95	16.60
July, 2012	18.80	15.75	January, 2013	21.00	17.05
August, 2012	17.30	14.75	February, 2013	18.25	15.75
September, 2012	18.75	14.75	March, 2013	17.00	14.10

Certification under Clause 49 (I)(D) of the Listing Agreement

All the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for BDH Industries Limited for the financial year ended 31st March, 2013.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Place : Mumbai.
Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,
Kandivli (E), Mumbai - 400 101

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Status

Pharmaceutical industry plays vital role in the economic development of the nation. The Indian pharmaceutical industry has shown tremendous progress over the years with high cost competitiveness backed by high quality scientific talent. It also experiences a challenging business environment due to regulatory controls on products, requirement of continuous improvement in manufacturing facilities and price control regime, the rising cost of research and high amounts of continued investments in updating facilities with ever changing high standards.

Pharmaceutical market of India is growing at a rate of 10%-14% per annum driven by improved per capita income, increased access and rising awareness of modern medicines and strengthening of healthcare infrastructure. It is one of the fastest growing pharma markets in the world. Key growth drivers are growing population, increase in drug penetration levels, aspiration to seek better healthcare as income levels increase, growing incidence of chronic ailments, availability of newer forms of treatments, rising insurance penetration and improving medical infrastructure. Increasing urbanization, lifestyle changes and work stress are responsible for the higher incidence of chronic diseases. There is gradual transition from acute diseases to lifestyle diseases and chronic therapies like Cardiology, Neuropsychiatry, Oncology and Diabetes with demand to drugs treating lifestyle related diseases in urban sector. The increased focus on reducing healthcare costs in developed markets, has also generated sales opportunities for Indian drug manufacturers with approved facilities and sound knowledge of patent and regulatory issues.

India is recognized as one of the leading global players with large number of drug master files and dossier registrations for formulations with manufacturing facilities approved by regulatory authorities of various countries. Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

Outlook on Opportunities

The business environment remains challenging due to intense competition, margin pressures and regulatory interventions. These features pose many challenges and opportunities to companies operating in this environment. Growth in emerging markets like India, China, Brazil and Russia is driven by increasing domestic consumptions on the back of high economic growth, strengthening of healthcare infrastructure and rising awareness and increased access of modern medicines. There is a gradual growth movement in emerging pharmaceutical markets where availability of healthcare is expanding with an increasing need for treatments associated with chronic diseases more typically found in developed countries. The growth in the emerging pharmaceuticals market has outpaced growth of developed markets like US, UK and Japan. The dynamic and high potential emerging pharmaceutical markets offer tremendous opportunities for drug manufacturers. The Indian pharmaceutical industry is strengthened by low cost of manufacturing and high process knowledge skills to grab larger share of global pharmaceutical market.

Our Company is registered with the Pharmaceutical Export Promotion Council (PHARMEXCIL), Govt. of India and is engaged in participation in events and conferences in India and internationally. Our Company has multi product manufacturing capabilities with an established market presence and a reasonable number of the Company's products are registered in overseas countries, enabling the Company to export the same to a wider geographical market.

Outlook on Risks, Concerns & Threats

The Indian pharmaceutical industry continues to remain under price control. Every company has to comply with a broad range of regulatory controls and compliance related issues. Currency fluctuations, delayed regulatory approvals, poor public healthcare funding and infrastructure, low per capita consumption of medicines and inflation are few causes of concern. Other key risks faced by the Company includes rising costs of raw materials, manufacturing expenses and significant changes in the economic environment.

Indian pharmaceutical prices of medicines are among lowest in the world. There are multiple producers of the same drug and intense competition ensures that the prices remain at reasonable levels. Indian companies are focusing on establishing manufacturing facilities approved by regulatory authorities, R&D activities and contract research and manufacturing alliances. The adoption of intellectual property rights has encouraged innovation. The challenges ahead for the Indian pharmaceutical industry lie in not only increasing the sales in existing areas, but the development of new products. Even though low cost manufacturing capability is strength for Indian pharmaceutical companies, it is also vital for those targeting exports to regulated markets to maintain systems and processes that ensure product quality, thus increasing the investment requirement of the company. Maintaining a profitable product pipeline, keeping in view the manufacturing complexities and competitive pressures, remains a challenge.

Our proactive approach has been instrumental in overcoming the threats in the past and allowed us to maintain consistent growth performance yet contract manufacturing has its own inherent threat.

Performance Review

During the financial year 2012-13, Export Sales increased to ₹ 2205.16 lakhs as compared to ₹ 2044.54 lakhs in the financial year 2011-12. The Company achieved Domestic Sales of ₹ 1924.77 lakhs as compared to ₹ 2070.80 lakhs in financial year 2011-12. The profit after tax in financial year 2012-13 improved to ₹ 167.26 lakhs as compared to ₹ 108.60 lakhs in financial year 2011-12.

Internal Control Systems & Adequacy

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and nature of business. The internal control systems provide for well-defined policies, guidelines, authorizations and approval procedures and ensure optimum use and protection of resources and compliance with the policies and procedures. The Company has a well defined system of management reporting and periodic review of business to ensure timely decision-making. The Company endeavors to review and update these as an ongoing practice.

Human Resources

The human resource plays an important and vital role in the growth and success of an organization. The Company recruits, develops and employs suitably qualified, capable and experienced persons, as per requirement. The Company has maintained cordial and harmonious relations with all employees. The Company has Reward and Recognition Programme.



INDEPENDENT AUDITORS' REPORT

To
The Members of
BDH INDUSTRIES LIMITED

Report on Financial Statements

We have audited the accompanying Financial Statements of BDH Industries Limited ("the Company"), which comprises of Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgment, 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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 reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Companies Act, 1956 we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representation received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2013 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **L. J. KOTHARI & CO.**
Chartered Accountants
Firm Registration No.105313W

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 30, 2013

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 OF BDH INDUSTRIES LIMITED

On the basis of such checks as were considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

I. In respect of Fixed Assets

- (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals during the year. No discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.

II. In respect of Inventories

- (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of the verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in the books of account.

III. In respect of Loans

- (a) The rate of interest and other terms and conditions of unsecured loans continued by the company from its directors are prima facie not prejudicial to the interest of the company.
- (b) The Company has neither taken nor given any loans, secured or unsecured, during the year from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) The Company is regular in repaying the principal amounts as stipulated wherever applicable.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanation given to us during the course of audit, no major weakness has been noticed in these internal control systems.

V. In respect of transaction covered under section 301 of the Companies Act, 1956:

- (a) In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transaction of sale of goods made in pursuance of Contract or arrangement entered in the Register maintained u/s 301 of the Companies Act, 1956 as exceeding the value of ₹ 5,00,000/- (Rupees Five Lacs only) or made in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.

VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

VIII. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of its products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

IX. In respect of Statutory Dues:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Cess were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable,



- (c) According to the information and explanations given to us, the dues in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Financial years to which the matter pertains	Forum where dispute is pending
Income Tax Act	Income Tax	70.18	1997-1998, 1998-1999, 1999-2000, 2001-2002, 2008-2009	Appellate Authorities at various stages

- X. The Company has no accumulated losses. The company has not incurred any cash loss during the year covered by our audit and the immediately preceding financial year.
- XI. In our opinion, the Company has not defaulted in repayment of dues to a financial institution or bank.
- XII. In our opinion, the Company has not granted any loans on the basis of security by way of pledge of shares, debentures or other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. In our opinion, the company is not dealing in or trading in shares, securities, debentures or other investments. Therefore the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XV. In our opinion, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The Company has not availed any term loan during the year.
- XVII. On the basis of overall examination of Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been utilized for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- XVIII. The Company has not made any preferential allotment of shares during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not made any public issue during the year therefore the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **L. J. KOTHARI & CO.**
Chartered Accountants
Firm Registration No.105313W

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai

Date : May 30, 2013

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

BDH INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by BDH Industries Limited for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' Grievance Committee.

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

For **L. J. KOTHARI & CO.**
Chartered Accountants
Firm Registration No.105313W

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai

Date : May 30, 2013

Balance Sheet as at 31st March, 2013

(₹ in lakhs)

Particulars	Note No.	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
I. Shareholders' funds			
(a) Share Capital	1	593.94	593.94
(b) Reserves and Surplus	2	1,591.08	1,492.12
II. Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	3	68.98	68.55
(b) Long Term Provisions	4	49.54	53.93
III. Current liabilities			
(a) Short Term Borrowings	5	776.19	604.77
(b) Trade Payables	6	930.87	504.15
(c) Other Current Liabilities	7	90.67	87.54
(d) Short Term Provisions	8	66.91	40.14
		4,168.18	3,445.14
ASSETS			
Non-current assets			
I. Fixed assets			
(a) Tangible Assets	9	1,507.29	1,528.92
II. Current assets			
(a) Inventories	10	378.69	368.88
(b) Trade Receivables	11	878.75	741.95
(c) Cash and Cash Equivalents	12	1,186.37	608.65
(d) Short Term Loans and Advances	13	217.08	196.74
		4,168.18	3,445.14
Significant Accounting Policies and Notes form part of the Financial Statements.	21		

As per our attached report of even date.

For **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
Chartered Accountants

For and on Behalf of the Board

L.J. KOTHARI
Proprietor
Membership No.030917

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

NIKITA PHATAK
Company Secretary

Mumbai, May 30th 2013



Statement of Profit and Loss for the Year Ended 31st March, 2013

(₹ in lakhs)

Particulars	Note No.	2012-2013	2011-2012
I. Revenue from operations (Gross)	14	4,172.59	4,165.64
Less : Excise Duty		119.26	150.60
Revenue from operations (Net)		4,053.33	4,015.04
II. Other income	15	76.48	13.92
III. Total Revenue (I + II)		4,129.81	4,028.96
IV. Expenses:			
Cost of materials consumed	16	2,758.02	2,656.61
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	(13.52)	120.10
Employee benefits expense	18	349.75	322.49
Finance costs	19	82.88	93.02
Depreciation and amortization expense	9	72.46	96.17
Other expenses	20	631.86	579.81
Total expenses		3,881.45	3,868.20
V. Profit before tax		248.35	160.76
VI. Tax expense:			
(1) Current tax		80.66	60.47
(2) Deferred tax		0.43	(8.31)
VII. Profit for the period (V-VI)		167.26	108.60
VIII. Earnings per equity share:			
Basic & Diluted		2.91	1.89
Significant Accounting Policies and Notes form part of the Financial Statements.	21		

As per our attached report of even date.

For **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
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For and on Behalf of the Board

L.J. KOTHARI
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Director

NIKITA PHATAK
Company Secretary

Mumbai, May 30th 2013

Cash Flow Statement for the Year Ended 31st March, 2013

(₹ in lakhs)

Particulars	For the Year 2012-13	For the Year 2011-12
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extra Ordinary Items	248.37	160.76
Add: Loss on Sale of Tangible Assets	1.57	—
Less : Profit on Sale of Tangible Assets	—	0.17
Add: Provision for Gratuity	10.67	5.30
	<u>260.61</u>	<u>165.89</u>
Adjustments		
Depreciation	72.46	96.17
Interest Paid	82.86	93.02
Misc. Expenditure Written Off	—	—
Operating Profit Before Working Capital Changes	<u>415.93</u>	<u>355.08</u>
Adjustments		
(Increase)/Decrease Trade and Other Receivables	(157.14)	235.67
(Increase)/ Decrease Inventories	(9.81)	148.19
Increase/ (Decrease) Trade Payables	414.80	264.35
Cash Generated from the Operations	<u>663.78</u>	<u>1,003.29</u>
Interest Paid	(82.86)	(93.02)
Direct Tax Paid	(80.66)	(46.00)
Cash Flow Before Extra Ordinary Items	<u>500.26</u>	<u>864.27</u>
Extra Ordinary Items	—	—
Net Cash From Operating Activities	<u>500.26</u>	<u>864.27</u>
B) Cash Flow from Investment Activities		
Purchase of Fixed Assets	(54.29)	(15.38)
Sale of Fixed Assets	0.49	0.26
Net Cash from Investment Activities	<u>(53.80)</u>	<u>(15.12)</u>
C) Cash Flow from Financing Activities		
Proceeds from Borrowings - Short Term	171.41	(158.91)
Repayment of Term Loan	—	(110.88)
Dividend Paid (Includes Dividend Distribution Tax)	(40.15)	(33.57)
	<u>131.26</u>	<u>(303.36)</u>
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)	577.72	545.79
Cash and Cash Equivalents Opening Balance	608.65	62.86
Cash and Cash Equivalents Closing Balance	<u>1,186.37</u>	<u>608.65</u>

Notes

- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- Figures in Brackets reflect cash outflows

As per our attached report of even date.

For **L. J. KOTHARI & CO.**

Firm Registration Number 105313W

Chartered Accountants

For and on Behalf of the Board

L.J. KOTHARI

Proprietor

Membership No.030917

JAYASHREE NAIR

Chairperson & Managing Director

S.C. KACHHARA

Executive Director

KARTHIKA NAIR

Director

NIKITA PHATAK

Company Secretary

Mumbai, May 30th 2013



Notes to Financial Statements for the Year Ended 31st March, 2013

Note No.1

SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised		
75,00,000 Equity Shares of ₹ 10 each	750.00	750.00
Issued		
61,21,500 Equity Shares of ₹ 10 each	593.94	593.94
(57,57,300 Equity Shares of ₹ 10 each and 3,64,200 Equity Shares of ₹ 10 each, ₹ 5 paid up)		
Subscribed and Paid Up		
57,57,300 Equity Shares of ₹ 10 each	575.73	575.73
Add : Forfeited Shares		
3,64,200 Equity Shares of ₹ 10 each, paid up to the extent of ₹ 5 each	18.21	18.21
TOTAL	593.94	593.94

a) Terms and Rights attached to Equity Shares :

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.

For the year ended 31st March, 2013 the amount of dividend recommended as distribution to equity shareholders is ₹ 1 per share (Previous year - ₹ 0.60 per share) as proposed dividend.

b) Shares in the company held by each shareholder holding more than 5% shares :

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jayashree Nair	1,265,240	21.98%	1,265,240	21.98%
Laxmi Nair	464,380	8.07%	464,380	8.07%
Karthika Nair	448,980	7.80%	448,980	7.80%
Padma Kaimal	332,120	5.77%	332,120	5.77%

Note No.2

RESERVES & SURPLUS

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Capital Reserves	121.79	121.79
Share Premium Account	409.32	409.32
Revaluation Reserve		
Opening Balance	147.38	148.77
Written Off in during the year	(1.39)	(1.39)
Closing Balance	145.99	147.38
General Reserve		
Opening Balance	34.00	28.57
Transferred during the year	8.37	5.43
Closing Balance	42.37	34.00
Surplus in Statement of Profit & Loss		
Opening Balance	779.63	716.49
Net Profit For the year	167.26	108.60
Proposed Dividend	(57.57)	(34.54)
Tax on Proposed Dividend	(9.34)	(5.60)
Transferred to General Reserves during the year	(8.36)	(5.43)
Provisions no longer required	—	0.11
Closing Balance	871.62	779.63
TOTAL	1,591.08	1,492.12

Notes to Financial Statements for the Year Ended 31st March, 2013

Note No. 3

DEFERRED TAX LIABILITY (NET)

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liability on account of		
– Depreciation	85.05	86.05
Deferred Tax Asset on account of		
– Provision for Gratuity	16.07	17.50
TOTAL	68.98	68.55

Deferred Tax Assets and Deferred Tax Liability have been offset as they relate to the same governing taxation laws.

Note No.4

LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Gratuity (Non funded)	49.54	53.93
TOTAL	49.54	53.93

Note No.5

SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Secured		
a) Loans repayable on Demand from Banks		
– FBC / EBP / EBD	379.28	336.74
– Letter of Credit	60.41	65.63
– Overdraft	(0.03)	23.16
– Packing Credit & Cash Credit	322.72	165.43
	762.38	590.96
Unsecured		
b) Loans and advances from related parties		
– Loans from Directors	13.81	13.81
TOTAL	776.19	604.77

Notes :

- FBC/EBP/EBD is secured by Export bills sent for collections / purchased and discounted.
- Letter of Credit is secured by goods purchased thereunder.
- Overdraft is secured by book debts of the company.
- Packing Credit and Cash Credit is secured by hypothecation of stock.

Note No.6

TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Trade payables	930.87	504.15
TOTAL	930.87	504.15

The company has initiated the process of collecting the information from the creditors relating to registration status of suppliers under Micro, Small and Medium Enterprises Development Act, 2006.



Notes to Financial Statements for the Year Ended 31st March, 2013

Note No.7

OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unpaid Dividend	3.62	2.47
Duties & Taxes	48.60	47.93
Advance received from customers	30.28	28.97
Deposits	8.17	8.17
TOTAL	90.67	87.54

Unpaid Dividend does not include any amount to be credited to Investor Education and Protection Fund.

Note No.8

SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Proposed Dividend	57.57	34.54
Provision for Tax on Proposed Dividend	9.34	5.60
TOTAL	66.91	40.14

Note No. 9

FIXED ASSETS

(₹ in lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 01.04.2012	Additions	Disposal	As at 31.03.2013	Upto 31.03.2012	On Opening	On Additions Balance	On Disposal	Depre- ciation For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land	601.80	—	—	601.80	—	—	—	—	—	—	601.80	601.80
Leasehold Land (Waluj)	10.65	—	—	10.65	—	—	—	—	—	—	10.65	10.65
Leasehold Land(Kudal)	2.28	—	—	2.28	—	—	—	—	—	—	2.28	2.28
Shed at Umbergaon	6.53	—	—	6.53	—	—	—	—	—	—	6.53	6.53
Building	439.82	—	—	439.82	197.99	14.69	—	—	14.69	212.68	227.14	241.83
Plant & Machinery	718.82	4.01	—	722.83	292.98	34.14	0.07	—	34.21	327.19	395.64	425.84
Laboratory Apparatus	67.55	1.11	—	68.66	30.79	3.21	0.02	—	3.23	34.02	34.64	36.76
Air Conditioners	191.31	9.08	5.93	194.46	77.10	8.81	0.31	0.24	9.36	86.46	108.00	110.34
Motor Car	21.48	34.08	—	55.56	13.26	1.26	0.10	—	1.36	14.62	40.94	8.22
Furniture & Fixtures	38.17	0.30	—	38.47	35.05	2.42	0.03	—	2.45	37.50	0.97	3.12
Electrical Installation	149.56	0.65	—	150.21	76.50	7.10	0.01	—	7.11	83.61	66.60	73.06
Office Equipments	20.26	—	—	20.26	12.83	0.96	—	—	0.96	13.79	6.47	7.43
Computer	41.76	5.06	—	46.82	40.70	0.18	0.31	—	0.49	41.19	5.63	1.06
TOTAL	2,309.99	54.29	5.93	2,358.35	777.20	72.77	0.85	0.24	73.86	851.06	1,507.29	1,528.92
Previous Year	2,295.14	15.39	0.54	2,309.99	702.76	77.93	0.35	0.02	78.30	781.07		

Leasehold land at Waluj and Kudal are under agreement with MIDC.

Note No.10

INVENTORIES

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Raw Material	189.18	178.07
Packing Material	54.36	69.17
Work In Progress	38.64	33.72
Finished Goods	96.51	87.92
TOTAL	378.69	368.88

Notes to Financial Statements for the Year Ended 31st March, 2013

Note No.11

TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Outstanding for more than Six Months		
Unsecured, Considered Good	1.30	70.42
Others		
Secured, Considered Good	172.41	254.33
Unsecured, Considered Good	705.04	417.20
TOTAL	878.75	741.95

Note No.12

CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Cash on Hand	0.05	0.08
Balances with Banks		
– In Current Accounts	23.80	28.58
– Unpaid Equity Dividend Account	3.62	2.47
Fixed Deposits with Bank		
– Upto 12 months	556.62	506.41
– More than 12 months	602.28	71.11
TOTAL	1,186.37	608.65

Fixed Deposits worth ₹ 67.70 lakhs (previous year ₹ 71.11 lakhs) are under lien with banks.

Note No.13

SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Security Deposits		
Unsecured, Considered Good	27.23	21.57
Advance given to Suppliers		
Unsecured, Considered Good	82.97	61.92
Balances with Government Authorities (Balances in Excise Records)	32.08	61.35
Advance Income Tax (Net of Provisions)	43.53	34.37
Prepaid Expenses	9.54	9.03
Export Incentive Receivable	19.52	6.00
Others	2.21	2.50
TOTAL	217.08	196.74



Notes to Financial Statements for the Year Ended 31st March, 2013

Note No.14

REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Sale of Products		
– Domestic	1,924.77	2,070.80
– Export	2,205.16	2,044.54
Sale of Services		
Job Work Receipts	5.45	5.27
Other Operating Revenue		
Export Incentive	36.10	44.12
Miscellaneous Income	1.11	0.91
TOTAL	4,172.59	4,165.64

DETAILS OF SALE OF PRODUCT

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Pharmaceutical Formulations like Tablets, Capsules, Ointment and Others	4,129.93	4,115.34

Note No.15

OTHER INCOME

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Interest on FDR and Deposits	76.48	13.75
Profit on sale of Machinery	—	0.17
TOTAL	76.48	13.92

Note No.16

COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Raw Material		
Opening Stock	178.07	147.13
Add : Purchases		
– Indigenous	1,973.16	1,336.74
– Imported	351.85	923.47
	2,325.01	2,260.21
Less : Closing Stock	189.18	178.07
Sub-Total (A)	2,313.90	2,229.27
Packing Material		
Opening Stock	69.17	128.20
Add : Purchases	429.31	368.31
Less : Closing Stock	54.36	69.17
Sub-Total (B)	444.12	427.34
TOTAL (A+B)	2,758.02	2,656.61
DETAILS OF MATERIALS CONSUMED		
		(₹ in lakhs)
Particulars	2012-2013	2011-2012
Sulfasalazine	615.35	494.85
Others	2,142.67	2,161.76
TOTAL	2,758.02	2,656.61

Notes to Financial Statements for the Year Ended 31st March, 2013

Note No.17

CHANGE IN INVENTORIES

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Work in Progress		
Opening	33.72	129.98
Less : Closing	38.64	33.72
Sub-Total (A)	(4.92)	96.26
Finished Goods		
Opening	87.92	111.76
Less : Closing	96.51	87.92
Sub-Total (B)	(8.59)	23.84
TOTAL (A+B)	(13.52)	120.10

Note No.18

EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Salaries & Wages	280.29	256.93
Contribution to PF, Pension Fund, ESIS & Others	39.95	33.55
Staff Welfare Expenses	29.51	32.01
TOTAL	349.75	322.49

Note No.19

FINANCE COST

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Bank Charges	63.68	66.78
Bank Interest	19.20	26.24
TOTAL	82.88	93.02

Note No.20

OTHER EXPENSES

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Books, Stationery, subscription	12.54	9.80
Commission	146.76	140.51
Conveyance & Motor Car Expenses	4.81	6.32
Export General Expenses	79.56	44.29
Freight & Transport Charges	56.03	56.29
General Expenses	19.23	10.74
Insurance	9.65	8.03
Legal & Professional Charges	13.67	9.87
Postage & Telephone expenses	5.83	6.28
Power, Fuel & Water Charges	151.42	133.98
Rates & taxes	23.92	11.73
Rent	0.60	0.40
Research, Development & Laboratory Expenses	15.20	16.26
Sales Tax	38.18	90.33
Travelling Expenses	7.19	3.41
Loss on Sale of Assets	1.57	—
Share Listing Fees	0.25	0.25
Sitting Fees	1.72	0.80
Repair and Maintaince		
Repairs to Building	10.60	8.75
Repairs to Machineries	24.35	13.24
Repairs - Others	6.07	6.57
Auditors Remuneration		
Statutory Audit Fees	1.30	1.15
Cost Audit Fees	0.50	—
Tax Audit Fees	0.25	0.25
Certification Fees	0.24	0.20
Reimbursement of Expenses	0.02	0.06
VAT Audit Fees	0.40	0.30
TOTAL	631.86	579.81



Notes to Financial Statements for the Year Ended 31st March, 2013

Note No.21

1 GENERAL INFORMATION

BDH INDUSTRIES LIMITED is a public limited company engaged in manufacturing of therapeutic formulations covering wide range of pharmaceuticals. Its shares are listed on the Bombay Stock Exchange. The company caters to both domestic as well as international market.

2 SIGNIFICANT ACCOUNTING POLICIES

i) BASIS FOR ACCOUNTING

a. The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of Company is done into current and non-current based on operating cycle of the business of the Company. The operating cycle of the business of the company is less than twelve months and therefore all current and non-current classifications are done based on status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act, 1956

b. The accounting policies adopted in the preparation of financial statements are consistent with those used in previous year.

ii) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

iii) FIXED ASSETS

Fixed Assets are recorded at cost of acquisition or construction less CENVAT/Service Tax/VAT credit availed.

iv) DEPRECIATION

Depreciation on fixed assets has been provided on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

v) INVENTORIES

a) RAW MATERIAL

Raw Materials are valued at lower of cost or net realizable value.

b) PACKING MATERIAL

Packing Materials are valued at lower of cost or net realizable value.

c) WORK IN PROCESS

Work in Process are valued at cost. The cost of Stock-in-process comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to it's present location and condition.

d) FINISHED GOODS

Finished Goods are valued at lower of cost or net realizable value. The cost of Finished Goods comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to it's present location and condition. Net realisable value is the estimate of the selling price in ordinary course of business as applicable.

vi) EMPLOYEE BENEFITS

a) Retirement benefit in the form of provident fund is a defined contribution scheme and contributions are charged to Statement of Profit and Loss for the year/period when the contributions are due.

b) Gratuity being a defined benefit obligation is provided at the end of each year/period.

vii) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement/negotiation during year is recognised in the Statement of Profit and Loss.

viii) REVENUE RECOGNITION

a) Revenue from sale of product net of returns is recognized on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally after dispatch of goods and reflected in the accounts at gross realisable value i.e. inclusive of Excise Duty and VAT.

Notes to Financial Statements for the Year Ended 31st March, 2013

- b) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

ix) TAXATION

a) CURRENT TAX

Current Tax is calculated as per the provisions of Income Tax Act, 1961.

b) DEFERRED TAX

Deferred Tax is recognized on timing differences being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable rights exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities related to the taxes on income levied by same governing taxation laws.

The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on balance sheet date.

x) EXCISE DUTY, SERVICE TAX AND CENVAT

CENVAT credit utilised during the year is accounted in Excise Duty and unutilised balance at the year end is considered as advance excise duty.

xi) CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents includes Cash in hand, demand deposits with bank and interest accrued thereon.

xii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xiii) PROPOSED DIVIDEND

Dividend proposed by the Board of Directors is provided in books of account, pending approval of members in Annual General Meeting.

3 NOTES ON ACCOUNTS

i) Disclosure as required by Accounting Standard - AS 17 "Segment Reporting" issued by Institute of Chartered Accountants of India

The entire operations of the Company relate only to one segment viz. pharmaceuticals. As such, there is no separate reportable segment under Accounting Standard - AS 17 on Segment Reporting.

ii) Disclosure as required by Accounting Standard - AS 18 "Related Parties" issued by Institute of Chartered Accountants of India

a) Key Management Personnels

Name of Related Party

Mrs. Jayashree Nair (Chairperson and Managing Director)

Mr. S.C.Kachhara (Executive Director)

Mrs. Karthika Nair (Non - Executive Director)

b) Relatives of Key Management Personnels

Name of Related Party

Mr. G.L.Kachhara

Mr. Ankit Kachhara

c) Others

Karthika Nair Smarak Samithi



Notes to Financial Statements for the Year Ended 31st March, 2013

d) Details of Transactions relating to persons referred to in A, B & C above

(₹ in lakhs)

Particulars	2012-2013	2011-2012
i) Details of Transactions relating to Key Management Personnels :		
1) Remuneration	52.37	47.45
2) Sitting Fees	0.44	0.20
3) Loans Taken by Company		
Opening Balance	13.81	13.81
Add : Repaid during the year	0.00	0.00
Less : Taken during the year	0.00	0.00
Closing Balance	13.81	13.81
4) Interest on loan for the year	0.00	0.00
ii) Details of Transactions relating to Relatives of Key Management Personnels :		
1) Amount paid for Professional Services	1.53	1.50
2) Amount paid for Remuneration	4.66	3.89
iii) Details of Transactions relating to Others		
1) Rent paid	0.60	0.40

iii) Disclosure as required by Accounting Standard - AS 20 "Earning Per Share" issued by Institute of Chartered Accountants of India

Earning Per Share is calculated by dividing the profit after tax by the number of equity shares.

Particulars	2012-2013	2011-2012
Profit after Tax (₹ in Lakhs)	167.26	108.60
No. of Shares	5,757,300	5,757,300
Basic EPS	2.91	1.89
Diluted EPS	2.91	1.89
Nominal Value per Share	₹ 10/-	₹ 10/-

iv) Earnings in Foreign Exchange

(₹ in lakhs)

Particulars	2012-2013	2011-2012
FOB Value of Exports	2158.07	2098.31

v) Expenditure in Foreign Exchange

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Travelling Expenses	6.71	3.09
Commission on Exports	66.08	47.18

vi) CIF Value of Imports

(₹ in lakhs)

Particulars	2012-2013	2011-2012
Raw Materials	328.23	829.94
Capital Goods	0.00	5.52

Notes to Financial Statements for the Year Ended 31st March, 2013**vii) Contingent liabilities not provided for :**

(₹ in lakhs)		
Particulars	2012-2013	2011-2012
i) Bank Guarantees	140.55	147.07
ii) Appeals filed in respect of disputed demands by government authorities against the company		
– Income Tax	70.18	78.44

viii) Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.

Signature to note no.1 to 21 of financial statement.

For **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
Chartered Accountants

For and on Behalf of the Board

L.J. KOTHARI
Proprietor
Membership No.030917

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

NIKITA PHATAK
Company Secretary

Mumbai, May 30th 2013



BDH INDUSTRIES LIMITED

Registered Office: Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL (Joint Shareholders may obtain additional attendance slips on request)

D.P. Id*	
----------	--

Client Id*	
------------	--

NAME OF THE SHAREHOLDER

Folio No.	
-----------	--

No. of share(s) held	
----------------------	--

NAME OF THE PROXY

I hereby record my presence at the Twenty Third Annual General Meeting of the Company at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West) Mumbai - 400 095 on Friday, the 30th August 2013 at 3.00 p.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

NOTE : THIS ATTENDANCE SLIP IS VALID IN CASE SHARES ARE HELD ON THE DATE OF MEETING.



BDH INDUSTRIES LIMITED

Registered Office: Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101.

PROXY FORM

D.P. Id*	
----------	--

Client Id*	
------------	--

Folio No.	
-----------	--

No. of share(s) held	
----------------------	--

I / We _____

of _____ in the district of _____ being a

Member(s) of the above named company, hereby appoint _____

of _____ in the district of _____

or failing him _____ of _____

_____ in the district of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company held on Friday, the 30th August 2013 at 3.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix
Re. 1
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

Signature (s) of the Shareholder (s)

- Note:**
1. The Proxy Form duly completed should be deposited at the Registered Office of the Company at Mumbai not later than 48 hours before the time of the meeting.
 2. Company reserves the right to ask for identification of the proxy.
 3. Proxy cannot speak at the meeting.

BDH : Product Range

- Analgesic/Antipyretic
- Acaricide
- Antiprotozoal
- Antiseptics
- Anti-Tuberculosis
- Antiasthmatics / Broncodilators
- Anticancer
- Antidiabetics
- Antifungal
- Antispasmodics

- Antiviral
- Anxiolytic / Antidepressants Sedative
- NSAID
- Narcotic-Analgesic
- Trichological
- Antacids
- Anthelmintics
- Anti-Glaucoma
- Anti-Psychotics
- Anti-Allergics

- Antibacterial
- Anticonvulsants
- Anti-Emetics
- Antimalarial
- Antiulcer
- Corticosteroids
- Cardiovascular
- Diuretics
- Vitamins & Minerals
- Skin Protective



Headache



Back and Muscular Pain

FOR EXTERNAL APPLICATION IN

→ HEADACHE
→ COUGH
→ LUMBAGO

→ COLD
→ SPRAINS
→ NEURALGIA



Head and Chest colds



FORTE PAIN BALM

Alkay - ER

Potassium Chloride Extended Release
Tablets U.S.P. 600 mg

ERYC EES

ERYTHROMYCIN ETHYL SUCCINATE
FOR ORAL SUSPENSION U.S.P.

BOOK-POST

To,



When you deal with **BDH INDUSTRIES LIMITED** you are backed by a proven and successful company that can deliver a wide range of pharmaceutical and healthcare products you can trust.



BDH
Industries Ltd.

Nair Baug, Akurli Road, Kandivli (East), Mumbai- 400101, India.

Tel.No.: +91-22-61551234, Fax No.: +91-22-28868349

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