



**BDH**  
Industries Ltd.

*Reputation*

*Quality*

*Care*

*Healthcare & Quality of Life - Globally*

Annual Report 2016-2017



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2015

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 continual improvement in our  
design, manufacturing and processes.**

*Care*



*Quality*

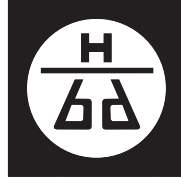


*Reputation*

### **Ten Year's Highlights**

(₹ In Lakhs)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Total Income</b>	1588.32	2439.34	3041.19	3840.13	4165.64	4172.59	4310.16	4512.56	4672.82	4463.21
<b>Domestic Sales</b>	675.05	1275.04	1679.42	2277.16	2076.98	1931.33	1209.46	1718.14	1406.17	2425.70
<b>Export Sales</b>	913.27	1164.30	1361.77	1562.97	2088.66	2241.26	3100.70	2794.42	3266.65	2037.51
<b>Earning before Interest, Depreciation &amp; Tax</b>	192.57	253.06	256.50	270.02	349.95	403.69	490.12	502.06	587.90	604.88
<b>Profit before Tax</b>	3.45	42.58	79.53	102.66	160.76	248.35	340.48	379.44	481.08	498.47
<b>Net Profit after Tax</b>	2.87	33.53	54.30	77.64	108.60	167.26	229.78	256.97	322.62	333.66
<b>Share Capital</b>	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94
<b>Reserves &amp; Surplus</b>	1305.05	1338.23	1391.14	1424.94	1492.13	1591.08	1718.43	1814.48	1997.12	2329.39
<b>Net Worth</b>	1898.99	1932.17	1985.08	2018.88	2086.07	2185.02	2312.37	2408.42	2591.06	2923.33
<b>Net Block</b>	1625.28	1575.69	1566.47	1611.17	1528.92	1507.29	1475.11	1322.31	1715.20	2293.97
<b>Dividend (%)</b>	-	-	-	5%	6%	10%	12%	17%	20%	20%
<b>Earnings per share ( ₹ )</b>	0.05	0.58	0.94	1.35	1.89	2.91	3.99	4.46	5.60	5.80



## BDH INDUSTRIES LIMITED

**BOARD OF DIRECTORS** : **Ms. Jayashree Nair** *Chairperson & Managing Director*  
**Mr. S. C. Kachhara** *Joint Managing Director & CFO*  
**Ms. Karthika Nair** *Non Executive Director*  
**Mr. A. V. Menon** *Independent Director*  
**Dr. Dinesh Variar** *Independent Director*  
**Mr. Bhagirath Singh Sihag** *Independent Director*

**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 LIMITED**  
6-10, Haji Moosa, Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai - 400 011

**TWENTY SEVENTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095 on Wednesday, 27<sup>th</sup> September, 2017 at 3.00 p.m.**

### NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Wednesday, 27<sup>th</sup> September, 2017 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 Financial Statements for the year ended on 31<sup>st</sup> March, 2017 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2017.
3. To appoint a Director in place of Ms. Karthika Nair (DIN 00019695), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 32<sup>nd</sup> Annual General Meeting, subject to their appointment being ratified by the members at every Annual General Meeting till the 31<sup>st</sup> Annual General Meeting, at such remuneration and reimbursement of out of pocket expenses, as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.
2. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 21<sup>st</sup> September, 2017 to Wednesday, 27<sup>th</sup> September, 2017 (both days inclusive).
4. The dividend, if declared at the meeting, will be paid to those members whose names appear in the Register of Members on Wednesday 27<sup>th</sup> September, 2017 and to those beneficial owners whose names are provided by National Securities Depository Limited (NSDL) and Central Depository (India) Limited (CDSL) as at the close of business hours on Wednesday 20<sup>th</sup> September, 2017.
5. Ms. Karthika Nair, (DIN – 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are M.Sc and MMS (Marketing) from University of Mumbai. She has been director of the Company since 1999. She is not Director of any other Company. She is daughter of Ms. Jayashree Nair. The details of the membership of committees of the board and shareholding are mentioned in Corporate Governance Report.
6. M/s. L. J. Kothari & Co., Chartered Accountants (Firm Registration No. 105313W) retire as Auditors of the Company at the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday 27<sup>th</sup> September 2017. Pursuant to the provisions of the section 139(2) of the Companies Act 2013 they are not eligible to be re-appointed as the Auditors of the Company. In their place, it is proposed by the Company to appoint M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) as the Statutory Auditors of the Company for a period of 5 years till the conclusion of the Company's 32<sup>nd</sup> Annual General Meeting and the necessary resolution in this regard is proposed to be passed by the members of the Company at the ensuing Annual General Meeting. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4. The Board of Directors accordingly recommend the resolution set out at Item No. 4 of the accompanying Notice for the approval of members.
7. Members are requested to:
  - (a) intimate to the Company / their Depository Participant (“DP”), changes, if any, in their registered address at an early date;
  - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
  - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - (d) encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years is required to be transferred to the ‘Investor Education and Protection Fund’ established by the Central Government under the provisions of the Companies Act, 2013.
  - (e) The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploding of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividends in respect of the dividend for the financial year 2010-11 till the dividend for the financial year 2014-15, on the website of the Company viz. [www.bdhind.com](http://www.bdhind.com).



8. Electronic copy of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 27<sup>th</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may note that the Notice of 27<sup>th</sup> Annual General Meeting of the Company will also be available on the Company's website [www.bdhind.com](http://www.bdhind.com) for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, shareholders may also send requests to the Company's investors e-mail id [investors@bdhind.com](mailto:investors@bdhind.com).
10. The documents referred to in the Notice will be available for inspection by the members at the registered office of the Company during 11.00 am to 1.00 pm on all working days (excluding Saturday) upto the date of Annual General Meeting.
11. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by members using an electronic voting system from a place other than venue of Annual General Meeting (remote e-voting) will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The shareholder who do not have access to e-voting or who do not wish to cast the vote electronically may request the Company for physical ballot paper for casting their vote, which will be provided by the Company upon request. Such ballot paper duly filled in may be sent to the Scrutinizer c/o BDH Industries Limited, Nair Baug, Akurli Road, Kandivali (East), Mumbai 400101 so as to reach the scrutinizer on or before 5.00 p.m. on 26<sup>th</sup> September 2017.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Sunday, 24<sup>th</sup> September, 2017 (9:00 am) and ends on Tuesday, 26<sup>th</sup> September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the member shall not be allowed to change it subsequently.
  - V. The process and manner for e-voting are as under :
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants]:
      - (a) Open email and open PDF file viz; "BDH Industries remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password. Note- Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".
      - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (c) Click on Shareholder – Login
      - (d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
      - (e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (f) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
      - (g) Select "EVEN" (Remote E-Voting Event Number) of BDH Industries Limited.
      - (h) Now you are ready for remote e-voting as Cast Vote page opens.
      - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
      - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.
      - (l) Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@bdhind.com](mailto:scrutinizer@bdhind.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
    - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or who request physical copy of notice]:
      - (a) Initial password will be provided by the Company :  
EVEN (Remote E-Voting Event Number)\_USER ID\_PASSWORD/PIN
      - (b) Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

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- VI. In case of any queries, you may refer the frequently asked questions (FAQs) for members and remote e-voting user manual for shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll free no.:1800 222 990.
- VII. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password / PIN for casting your vote.  
 Note – Shareholders who forgot the User Details / Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is combination of (DPID + Client ID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No.).
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> September, 2017.
- X. Any person, who acquires shares of the Company and becomes member of the Company after despatch of notice and holding shares as of the cut off date i.e., 20<sup>th</sup> September, 2017 may obtain the login ID and password by sending a request by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Company / Registrars by mentioning their Folio no. /DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forget User Details / Password” or “Physical User / Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800 222 990.
- XI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. Ankit Varia (Membership No. 151266), of M/s Ankit Varia & Co., Practising Chartered Accountant has been appointed as the Scrutinizer to scrutinize the remote e-voting process (including voting at the meeting) in a fair and transparent manner.
- XIII. The Chairperson shall, at the Annual General Meeting, at the end of discussion on resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their vote by availing the remote e-voting / physical ballot facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast through physical ballot facility and at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the Scrutinizer's Report shall be displayed at the registered office of the Company and placed on the website of the Company [www.bdhind.com](http://www.bdhind.com) and on the website of NSDL immediately after declaration of result by the Chairperson or a person authorized by her in writing. The results shall also be immediately communicated to the BSE Limited (BSE).
12. Members having any questions on accounts are requested to write their queries at least 10 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.
13. The route map giving directions to reach the venue of the 27<sup>th</sup> Annual General Meeting is given at the end of the Notice.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
 Date : 29<sup>th</sup> May, 2017

**Jayashree Nair**  
 Chairperson & Managing Director  
 (DIN-00027467)

### Registered Office :

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101  
 Tel. No. :022-61551234 • Fax No. :022-28868349  
 Email – [investors@bdhind.com](mailto:investors@bdhind.com) • Website : [www.bdhind.com](http://www.bdhind.com)  
 CIN – L40300MH1990PLC059299

**Route Map for Venue of 27<sup>th</sup> Annual General Meeting of BDH Industries Limited**





## DIRECTORS' REPORT

To,  
THE MEMBERS,  
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting 27<sup>th</sup> Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS :

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2016-17	2015-16
Sales (Gross)	4463.21	4672.82
Sales (Net)	4367.64	4612.87
Other Income	124.40	179.57
Total Income	4492.04	4792.44
Profit before Interest and Depreciation	604.90	587.90
Less : Interest	34.76	33.42
Depreciation	71.66	73.40
Profit before tax	498.48	481.08
Less : Provision for Taxation	172.82	162.91
Deferred Taxation	(8.00)	(4.45)
Net Profit After Tax	333.66	322.62

### REVIEW OF OPERATIONS :

During the year 2016-17 Company achieved Sales (Net) of ₹ 4367.64 Lakhs as compared to ₹ 4612.87 Lakhs in the previous year registering decline by 5.31% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 587.90 lakhs in previous year to ₹ 604.88 lakhs in 2016-17. The Company earned Net Profit after Tax of ₹ 333.66 lakhs during the year as against ₹ 322.62 lakhs as in previous year, a growth of 3.4% over previous year. An amount of ₹ 50 Lakhs from the net profit of the financial year of the year under review is transferred to the General Reserve.

### MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR:

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of the report.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company continues to operate in one segment i.e. pharmaceuticals and there is no change in the nature of business of the Company.

### DIVIDEND:

Your Directors are pleased to recommend dividend of ₹ 2/- per equity share of ₹ 10/- each (previous year ₹ 2/- per share) for the financial year ended on 31<sup>st</sup> March, 2017. The dividend on Equity Shares is subject to the approval of the shareholders at the Annual General Meeting. The total cash outflow on account of dividend payment, including distribution tax will be ₹ 139.59 lakhs.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL :

There were no changes in the Directors and Key Management Personnel during the year. The Board of Directors at present has six members Ms. Jayashree Nair, is the Chairperson and Managing Director of the Company. Mr. S. C. Kachhara is the Joint Managing Director and Chief Financial Officer of the Company. There are three independent directors on the Board of the Company, Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag. There is one Non-Executive Director on the Board of the Company – Ms. Karthika Nair, who retires by rotation at the forthcoming Annual General Meeting, being eligible and offer herself for re-appointment. Accordingly, the Board recommends her re-appointment. Ms. Jayashree Nair, Managing Director, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer and Ms. Nikita Phatak, Company Secretary of the Company are the Key Managerial Personnel of the Company. During the year five Board meetings were held, details of which are given in the Corporate Governance Report.

### DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors of the Company – Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag, have submitted declaration complying with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

## Annual Report 2016-2017

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### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors state that :-

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and of the Profit of the Company for the year ended 31<sup>st</sup> March 2017.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis and
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE GOVERNANCE:**

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 Annual Report. A declaration from Managing Director under regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is also attached to this report.

### **LISTING WITH STOCK EXCHANGE:**

The equity shares of the Company are listed on BSE Limited. The listing fee for year 2017-2018 has been paid by the Company.

### **NOMINATION AND REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Nomination and Remuneration Policy are covered in the Corporate Governance Report. The said policy has also uploaded on the Company's website at [www.bdhind.com](http://www.bdhind.com).

### **RISK MANAGEMENT POLICY:**

The Company has adopted a Risk Management Policy to identify and categorize various risks, implement measures to minimize impact of these risks and a process to monitor them on regular basis.

### **RELATED PARTY TRANSACTIONS:**

There were no materially significant related party transactions during the year that have potential conflict with the interests of the Company. The transactions with related parties are disclosed in the notes to the financial statements. Form AOC-2 prescribed under the Companies Act 2013 and Companies (Accounts) Rules, 2014 is furnished as Annexure V to this report. The Policy on Related Party Transactions is also hosted on the website of the Company [www.bdhind.com](http://www.bdhind.com).

### **VIGIL MECHANISM:**

The Company has established a Vigil Mechanism i.e. Whistle Blower Policy to enable the the Directors and employees to report to the Audit Committee genuine concerns, unethical behavior and irregularities, if noticed by them, in the Company which could adversely affect Company's operations. The Whistle Blower Policy is also hosted on the website of the Company [www.bdhind.com](http://www.bdhind.com). During the year no concerns or irregularities have been reported by the employees or directors.

### **FORMAL ANNUAL EVALUATION:**

As required under the Schedule IV of the Companies Act 2013 and Clause 49(II) (B)(6) of the Listing Agreement the Independent Directors at their separate meeting held on 14<sup>th</sup> November 2016 evaluated the performance of the non-independent directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company, taking into account the views of the Executive Director and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonable perform their duties.

The Board assessed the performance of the independent directors as per the criteria laid down and have recommended their continuation on the Board. The Board of Directors assessed the performance of individual directors on the Board based on parameters such as relevant experience and skills, focus on shareholder value creation, governance standards, knowledge of business, processes and procedures followed, integrity, relationship with Management, impact on key management decisions etc.

### **INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### **FIXED DEPOSIT:**

The Company has not invited / accepted any deposits during the year under review as envisaged under sections 73, 74 and 76 of the Companies Act, 2013.



#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not made any loans to any third party as envisaged under section 186 of the Companies Act 2013. The Company has not given any guarantee other than bank guarantee in the normal course of business to meet the contractual obligations. The Board of Directors have authorized the Company to invest the surplus in deposits with Banks.

#### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year under review, there have been no significant and material orders passed by any regulators / courts / tribunals that could impact the going concern status and the Company's operations in future.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY UPGRADATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 particulars of energy conservation, technology absorption and foreign exchange earnings and outgo are appended hereto as Annexure IV and forms part of the Annual Report.

#### **INSURANCE:**

The properties and assets of your Company are adequately insured.

#### **INDUSTRIAL RELATIONS:**

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

#### **RESEARCH & DEVELOPMENT :**

Research & Development is crucial for the sustained growth of the Company. The Company added investments for R&D facility to keep pace with changing domestic and global scenario. The Company is also planning to apply for recognition of R&D Centre with Department of Scientific and Industrial Research (DSIR). With qualified and experienced research team, the Company has focused its thrust on development of new dosage forms and drug delivery systems, improvement in processes and yield and cost reduction.

#### **ENVIRONMENT, HEALTH & SAFETY:**

The Company is committed to environment protection and industrial safety. Our manufacturing facility has been accredited with WHO-GMP and complies with applicable environment regulations of Maharashtra Pollution Control Board (MPCB). Our manufacturing facility is accredited with ISO 9001:2015 certification from SGS United Kingdom Limited. The Company conducts medical check-up programs, first aid sessions and fire safety sessions for employees.

#### **NEW PROJECTS :**

- a. The Company has entered into power generation business and the installation of two units of wind turbines 0.8 MW each has been completed at Jaisalmer district, Rajasthan. However the Power Purchase Agreement (PPA) is yet to be executed by State of Rajasthan and hence commercial operations shall commence after signing of PPA.
- b. The Company has also entered into agro products business. The plantation of cashew, mango and coconut grafts has been completed and construction of warehouse at Kudal, Sindhudurg district in Maharashtra has been completed. The commercial operations are yet to commence.

#### **EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return of the Company as on 31<sup>st</sup> March 2017 is attached herewith as Annexure I to this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this Annual Report.

#### **AUDITORS AND AUDITORS' REPORT:**

##### **STATUTORY AUDIT:**

M/s. L. J. Kothari & Co., Chartered Accountants, (Firm Registration No. 105313W) retire at the ensuing Annual General Meeting and pursuant to the provisions of the section 139(2) of the Companies Act 2013 they are not eligible to be re-appointed as the Auditors of the Company. The Board places on record its appreciation for the services rendered by M/s. L. J. Kothari & Co., Chartered Accountants as Statutory Auditors of the Company for all these years.

In their place, it is proposed by the Company to appoint M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) as the Statutory Auditors of the Company for a period of 5 years till the conclusion of the Company's 32<sup>nd</sup> Annual General Meeting and the necessary resolution in this regard is proposed to be passed by the members of the Company at the ensuing Annual General Meeting.

The Auditors Report read with the notes to accounts are self-explanatory. There are no qualifications, reservations or adverse remarks made by the Auditors.

##### **SECRETARIAL AUDIT:**

Pursuant to the provisions of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s JHR & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing secretarial records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017. The Secretarial Audit Report is annexed herewith to the Directors Report in Annexure II. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

## Annual Report 2016-2017

### RATIO OF REMUNERATION:

As required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the required details are given below

a.	Directors	Ratio to median Remuneration
	Ms. Jayashree Nair	26:1
	Mr. S. C. Kachhara	26:1
	Mr. A. V. Menon	0.40:1
	Dr. Dinesh Variar	0.31:1
	Mr. Bhagirath Singh Sihag	0.40:1
	Ms. Karthika Nair	0.31:1

- b. The percentage increase in remuneration of Ms. Jayashree Nair, Managing Director is 10%, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer is 10% (as approved by members in 23<sup>rd</sup> Annual General Meeting) and Ms. Nikita Phatak, Company Secretary is 9%.
- c. The median remuneration of employees increased by 9% in the financial year.
- d. There are 135 permanent employees on the rolls of the Company.
- e. The Company's PAT increased from ₹ 322.62 lakhs to ₹ 333.66 lakhs, an increase of 3.4% against which the average increase in remuneration is 9% and this increase is aligned with the Company's Remuneration Policy.
- f. The aggregate remuneration of key managerial personnel (KMP) is ₹ 108.66 lakhs, revenue of the Company during the year is ₹ 4463.21 lakhs and the remuneration of KMP is 2.43% of revenue.
- g. The market capitalization of the Company as on 31<sup>st</sup> March, 2017 was ₹ 45.08 crores and as on 31<sup>st</sup> March, 2016 was ₹ 47.79 crores. The PE ratio of the Company as on 31<sup>st</sup> March, 2017 was 13.50 and as on 31<sup>st</sup> March, 2016 was 14.82. The Company made public offer of equity shares (of face value ₹ 10/- each share) at premium (of ₹ 30/- each share) in the year 1995.
- h. The average percentile increase in salaries of employees other than managerial personnel is 9% and increase in managerial remuneration is 10% as approved by members at the 23<sup>rd</sup> Annual General Meeting.
- i. There is no variable component linked to various parameters – financial and non-financial in the remuneration availed by the directors.
- j. During the year, there was no employee, who is not a director of the Company and received remuneration in excess of the highest paid directors.
- k. We affirm that the remuneration paid is as per Remuneration Policy of the Company.

### GENERAL :

The Company has an internal complaints committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 for prevention and redressal of complaints of sexual harassment at workplace. The Company has not received any complaint during the year pursuant to the said Act.

### APPRECIATION :

Your Directors thank statutory authorities and bankers for co-operation extended by them to the Company. Your Directors place on record their sincere appreciation of the continued support by the employees and finally thank the shareholders for the trust placed by them with the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 29<sup>th</sup> May, 2017

**Jayashree Nair**  
Chairperson & Managing Director

### Registered Office :

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101  
Tel. No. :022-61551234 • Fax No. :022-28868349  
Email – investors@bdhind.com • Website : www.bdhind.com  
CIN – L40300MH1990PLC059299



## ANNEXURES TO THE DIRECTORS' REPORT

### ANNEXURE I

#### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L40300MH1990PLC059299
2.	Registration Date	5 <sup>th</sup> December, 1990
3.	Name of the Company	BDH INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Company limited by Shares
5.	Address of the Registered office & contact details	<p>Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101, India. Tel. No.: +91 22 61551234 Fax no.: +91 22 28868349</p> <p>Ms. Nikita Phatak, Company Secretary</p> <p>Email: comp.sec@bdhind.com</p> <p>Website: www.bdhind.com</p>
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p>TSR Darashaw Limited 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel. No.: +91 22 66568484 Fax No. : +91 22 66568494 Email – csg-unit@tsrdarashaw.com</p>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Pharmaceutical Products	21002	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL

## Annual Report 2016-2017

### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [01.04.2016]				No. of Shares held at the end of the year [31.03.2017]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals / Hindu Undivided Family	2,763,349	427,220	3,190,569	55.42	2,763,349	427,220	3,190,569	55.42	0.00
b) Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1)</b>	<b>2,763,349</b>	<b>427,220</b>	<b>3,190,569</b>	<b>55.42</b>	<b>2,763,349</b>	<b>427,220</b>	<b>3,190,569</b>	<b>55.42</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) Non-Resident Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>2,763,349</b>	<b>427,220</b>	<b>3,190,569</b>	<b>55.42</b>	<b>2,763,349</b>	<b>427,220</b>	<b>3,190,569</b>	<b>55.42</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Cental Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>	0	0	0	0	0	0	0	0	0
a) Bodies Corp.									
i) Indian	88,580	1,100	89,680	1.56	131,159	1,100	132,259	2.30	0.74
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals -									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,266,782	224,310	1,491,092	25.90	1,365,371	217,010	1,582,381	27.48	1.59
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	723,218	0	723,218	12.56	693,633	0	693,633	12.56	-0.51
c) Any Other (specify)									
i) Director	1,000	0	1,000	0.02	1,000	0	1,000	0.02	0.00
ii) Foreign Holding	0	0	0	0	0	0	0	0	0
iii) NRI (Repatriable)	172,168	0	172,168	2.99	114,166	0	114,166	1.98	-1.01
iii) NRI (Non-Repatriable)	89,555	0	89,555	1.56	43,292	0	43,292	0.75	-0.80
<b>Sub-total (B) (2)</b>	<b>2,341,321</b>	<b>225,410</b>	<b>2,566,731</b>	<b>44.58</b>	<b>2,348,621</b>	<b>218,110</b>	<b>2,566,731</b>	<b>44.58</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>2,341,321</b>	<b>225,410</b>	<b>2,566,731</b>	<b>44.58</b>	<b>2,348,621</b>	<b>218,110</b>	<b>2,566,731</b>	<b>44.58</b>	<b>0.00</b>
<b>TOTAL (A)+(B)</b>	<b>5,104,670</b>	<b>652,630</b>	<b>5,757,300</b>	<b>100.00</b>	<b>5,111,970</b>	<b>645,330</b>	<b>5,757,300</b>	<b>100.00</b>	<b>0.00</b>
C Shares held by Custodians for ADRs & ADRs	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>5,104,670</b>	<b>652,630</b>	<b>5,757,300</b>	<b>100.00</b>	<b>5,111,670</b>	<b>645,330</b>	<b>5,757,300</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter-**

Sr No	Shareholder's Name	Shareholding at the beginning of the year [01.04.2016]			Shareholding at the end of the year [31.03.2017]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jayashree Nair	1,265,240	21.98	0.00	1,265,240	21.98	0.00	0.00
2	Laxmi Nair	464,380	8.07	0.00	464,380	8.07	0.00	0.00
3	Karthika Nair	444,980	7.73	0.00	444,980	7.73	0.00	0.00
4	Padma Kaimal	332,120	5.77	0.00	332,120	5.77	0.00	0.00
5	Purnima Hingorani Nair	257,102	4.47	0.00	257,102	4.47	0.00	0.00
6	Suresh C Kachhara	108,200	1.88	0.00	108,200	1.88	0.00	0.00
7	A N Raju Nair	81,600	1.42	0.00	81,600	1.42	0.00	0.00
8	Arpit Suresh Kachhara	70,299	1.22	0.00	70,299	1.22	0.00	0.00
9	Ankit Suresh Kachhara	26,720	0.46	0.00	26,720	0.46	0.00	0.00
10	Sushila Suresh Jain	20,977	0.36	0.00	20,977	0.36	0.00	0.00
11	Prerna Chhotulal Lodha	20,374	0.35	0.00	20,374	0.35	0.00	0.00
12	Radha Jaykumar Nair	20,000	0.35	0.00	20,000	0.35	0.00	0.00
13	Vikram C Hingorani	20,000	0.35	0.00	20,000	0.35	0.00	0.00
14	Syamala Suresh	14,000	0.24	0.00	14,000	0.24	0.00	0.00
15	Kurumala Parameswar Prabhakar	13,576	0.24	0.00	13,576	0.24	0.00	0.00
16	Gopakumar Gopalan Nair	12,958	0.23	0.00	12,958	0.23	0.00	0.00
17	Lakshmi Prabhakar	8,043	0.14	0.00	8,043	0.14	0.00	0.00
18	Nishaant Nair	4,000	0.07	0.00	4,000	0.07	0.00	0.00
19	Sumitra Suresh Kachhara	3,700	0.06	0.00	3,700	0.06	0.00	0.00
20	Mohini Hingorani	600	0.01	0.00	600	0.01	0.00	0.00
21	Vijaykumar G Nair	500	0.01	0.00	500	0.01	0.00	0.00
22	Prakashini Govind Menon	100	0.00	0.00	100	0.00	0.00	0.00
23	G Ramachandran	1100	0.02	0.00	1100	0.02	0.00	0.00
	<b>TOTAL</b>	3190569	55.42	0.00	3190569	55.42	0.00	0.00

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

Sr No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Karthika Nair					
	At the beginning of the year	01.04.2016	444980	7.73	—	—
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	21.10.2016	(9500)	(0.17)	435480	7.56
		21.10.2016	9500	0.17	444980	7.73
	At the end of the year	31.03.2017	—	—	444980	7.73

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### D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Santosh Kumar Saraogi					
	At the beginning of the year	01.04.2016	72913	1.27	72913	1.27
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	03.06.2016	(8695)	(0.15)	64218	1.12
		17.06.2016	(2001)	(0.03)	62217	1.08
	At the end of the year	31.03.2017	62217	1.08	62217	1.08
2.	Porinju V Veliyath					
	At the beginning of the year	01.04.2016	58000	1.01	58000	1.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	--	--	--	--	--
	At the end of the year	31.03.2017	58000	1.01	58000	1.01
3	Yedlapalli Venkata Ganeshwara Rao					
	At the beginning of the year	01.04.2016	57538	1.00	57538	1.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	--	--	--	--	--
	At the end of the year	31.03.2017	57538	1.00	57538	1.00
4.	Deeraj Kumar Lohia					
	At the beginning of the year	01.04.2016	121538	2.11	121538	2.11
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	30.09.2016	(650)	(0.01)	120888	2.10
		14.10.2016	(7881)	(0.14)	113007	1.96
		04.11.2016	(4044)	(0.07)	108963	1.89
		11.11.2016	(3463)	(0.06)	105500	1.83
		18.11.2016	(195)	(0.00)	105305	1.83
		25.11.2016	(2500)	(0.04)	102805	1.79
		06.01.2017	(5000)	(0.09)	97805	1.70
		20.01.2017	(1010)	(0.02)	96795	1.68
		27.01.2017	(2260)	(0.04)	94535	1.64
		03.02.2017	(4372)	(0.08)	90163	1.57
		17.02.2017	(14800)	(0.26)	75363	1.31
		24.02.2017	(12534)	(0.22)	62829	1.09
		03.03.2017	(1106)	(0.02)	61723	1.07
		10.03.2017	(3124)	(0.05)	58599	1.02
		17.03.2017	(2870)	(0.05)	55729	0.97
		24.03.2017	(2000)	(0.03)	53729	0.93
	At the end of the year	31.03.2017	(943)	(0.02)	52786	0.92
5.	Chetanbhai Rajnikantbhai Parekh					
	At the beginning of the year	01.04.2016	31288	0.54	31288	0.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	10.06.2016	5000	0.09	36288	0.63
		09.09.2016	10000	0.17	46288	0.80
		07.10.2016	5000	0.09	51288	0.89
			(3288)	(0.06)	48000	0.83
	At the end of the year	31.03.2017	48000	0.83	48000	0.83



6.	Ishwarchandra Sitaram Kaushik					
	At the beginning of the year	01.04.2016	190017	3.30	190017	3.30
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	10.06.2016	3487	0.06	193504	3.36
		08.07.2016	(3832)	(0.07)	189672	3.29
		15.07.2016	(2168)	(0.04)	187504	3.25
		22.07.2016	6211	0.11	193715	3.36
		22.07.2016	(1000)	(0.02)	192715	3.34
		29.07.2016	510	0.01	193225	3.35
		29.07.2016	(290)	(0.00)	192935	3.35
		05.08.2016	275	0.00	193210	3.35
		05.08.2016	(3210)	(0.05)	190000	3.30
		12.08.2016	(28600)	(0.50)	161400	2.80
		26.08.2016	(5000)	(0.09)	156400	2.71
		02.09.2016	(2400)	(0.04)	154000	2.67
		15.09.2016	(5600)	(0.10)	148400	2.57
		07.10.2016	(28112)	(0.49)	120288	2.08
		14.10.2016	(4995)	(0.09)	115293	2.00
		21.10.2016	(11828)	(0.21)	103465	1.79
		28.10.2016	(19447)	(0.34)	84018	1.45
		04.11.2016	(6969)	(0.12)	77049	1.33
		11.11.2016	(1000)	(0.02)	76049	1.32
		17.02.2017	(7280)	(0.13)	68769	1.19
		10.03.2017	(9948)	(0.17)	58821	1.02
		17.03.2017	(4536)	(0.08)	54285	0.94
		24.03.2017	(10000)	(0.17)	44285	0.77
	At the end of the year	31.03.2017	(1730)	(0.03)	42555	0.74
7.	Romiyo Thekkinedath Mercily					
	At the beginning of the year	01.04.2016	22357	0.39	22357	0.39
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	12.08.2016	365	0.01	22722	0.39
		26.08.2016	65	0.00	22787	0.40
		02.09.2016	1800	0.03	24587	0.43
		30.09.2016	1500	0.03	26087	0.45
		21.10.2016	200	0.00	26287	0.46
		28.10.2016	1700	0.03	27987	0.49
		11.11.2016	1000	0.02	28987	0.50
		25.11.2016	1200	0.02	30187	0.52
		09.12.2016	1000	0.02	31187	0.54
		31.12.2016	361	0.01	31548	0.55
		10.02.2017	912	0.02	32460	0.56
		17.02.2017	547	0.01	33007	0.57
		17.03.2017	(843)	(0.02)	32134	0.56
	At the end of the year	31.03.2017	—	—	32134	0.56

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8	Mohammed Ali					
	At the beginning of the year	01.04.2016	22357	0.39	22357	0.39
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	12.08.2016	365	0.00	22722	0.39
		26.08.2016	65	0.00	22787	0.39
		02.09.2016	1800	0.03	24587	0.43
		30.09.2016	1500	0.02	26087	0.45
		21.10.2016	200	0.00	26287	0.45
		28.10.2016	1700	0.03	27987	0.48
		11.11.2016	1000	0.02	28987	0.50
		25.11.2016	1200	0.02	30187	0.52
		09.12.2016	1000	0.02	31187	0.54
		31.12.2016	361	0.01	31548	0.55
		10.02.2017	912	0.01	32460	0.56
		17.02.2017	547	0.01	33007	0.57
		17.03.2017	(873)	(0.01)	32134	0.56
	At the end of the year	31.03.2017	--	--	32134	0.56
9.	Mahendra Girdharilal					
	At the beginning of the year	01.04.2016	31309	0.54	31309	0.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	--	--	--	--	--
	At the end of the year	31.03.2017	31309	0.54	31309	0.54
10.	Globe Capital Market Ltd					
	At the beginning of the year	01.04.2016	500	0.01	500	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	20.05.2016	100	0.00	600	0.01
		10.06.2016	27000	0.47	27600	0.48
		05.08.2016	(27000)	(0.47)	600	0.01
		22.09.2016	27000	0.47	27600	0.48
		07.10.2016	120	0.00	27720	0.48
		25.11.2016	13	0.00	27733	0.48
		16.12.2016	990	0.02	28723	0.50
		31.12.2016	(100)	(0.00)	28623	0.50
		13.01.2017	(18)	(0.00)	28605	0.50
		20.01.2017	(15)	(0.00)	28590	0.50
		27.01.2017	40	0.00	28630	0.50
		03.02.2017	110	0.00	28740	0.50
		10.02.2017	50	0.00	28790	0.50
		24.02.2017	(1190)	(0.02)	27600	0.48
	At the end of the year	31.03.2017	--	--	27600	0.48
11.	Chingan Rajeevan					
	At the beginning of the year	01.04.2016	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	24.02.2017	25	0.00	25	0.00
		10.03.2017	775	0.01	800	0.01
		17.03.2017	11000	0.19	11800	0.20
		24.03.2017	8575	0.15	20375	0.35
	At the end of the year	31.03.2017	6463	0.11	26838	0.47



12.	Govind Naik					
	At the beginning of the year	01.04.2016	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	12.08.2016	5240	0.09	5240	0.09
		02.09.2016	700	0.01	5940	0.10
		14.10.2016	1998	0.03	7938	0.13
		21.10.2016	2114	0.04	10052	0.17
		28.10.2016	10948	0.19	21000	0.36
		25.11.2016	(5000)	(0.09)	16000	0.28
		02.12.2016	(1000)	(0.02)	15000	0.26
		06.01.2017	(2000)	(0.03)	13000	0.23
		10.03.2017	5000	0.09	18000	0.31
		24.03.2017	2000	0.03	20000	0.34
	At the end of the year	31.03.2017	5000	0.09	25000	0.43

**E) Shareholding of Directors and Key Managerial Personnel :**

Sr No	For each Directors and Key Managerial Personnel	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ms. Jayshree Nair, Chairperson and Managing Director					
	At the beginning of the year	01.04.2016	1265240	21.98	1265240	21.98
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	1265240	21.98	1265240	21.98
2	Mr. S. C. Kachhara, Executive Director / Chief Financial Officer					
	At the beginning of the year	01.04.2016	108200	1.88	108200	1.88
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	108200	1.88	108200	1.88
3	Ms. Karthika Nair Non Executive Director					
	At the beginning of the year	01.04.2016	444980	7.73	444980	7.73
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	444980	7.73	444980	7.73

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4	Mr. Bhagirath Singh Sihag Independent Director					
	At the beginning of the year	01.04.2016	1000	0.02	1000	0.02
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	1000	0.02	1000	0.02
5	Mr. A.V.Menon Independent Director					
	At the beginning of the year	01.04.2016	–	–	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	–	–	–	–
6	Dr. Dinesh Variar Independent Director					
	At the beginning of the year	01.04.2016	–	–	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	–	–	–	–
7	Ms. Nikita Phatak Company Secretary					
	At the beginning of the year	01.04.2016	–	–	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2017	–	–	–	–

### V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,32,54,102	13,80,821	0	9,46,34,923
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>9,32,54,102</b>	<b>13,80,821</b>	<b>0</b>	<b>9,46,34,923</b>
Change in Indebtedness during the financial year				
i) Addition	98,74,44,367	0	0	98,74,44,367
ii) Reduction	99,78,06,161	0	0	99,78,06,161
Net Change	(1,03,61,794)	0	0	(1,03,61,794)



Indebtedness at the end of the financial year				
i) Principal Amount	8,28,92,308	13,80,821	0	8,42,73,129
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	8,28,92,308	13,80,821	0	8,42,73,129

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

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

Sr No.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount (₹)
		Ms. Jayashree Nair	Mr. S.C. Kachhara	
		Chairperson & Managing Director	Executive Director / CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the IncomeTax Act, 1961	44,40,000	44,40,000	88,80,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6,66,000	6,66,000	13,32,000
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	51,06,000	51,06,000	1,02,12,000
	Ceiling as per the Act	84,00,000	84,00,000	1,68,00,000

### B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1	Independent Directors	Mr. Bhagirath Singh Sihag	Mr. A.V. Menon	Dr. Dinesh Variar	—	
	Fee for attending board committee meetings	87,778	87,778	67,778	—	2,43,334
	Commission	0	0	0	—	0
	Others, please specify	0	0	0	—	0
	<b>Total (1)</b>	87,778	87,778	67,778	—	2,43,334
2	Other Non-Executive Directors	—	—	—	Ms. Karthika Nair	
	Fee for attending board committee meetings	—	—	—	67,778	67,778
	Commission	—	—	—	0	0
	Others, please specify	—	—	—	0	0
	<b>Total (2)</b>	—	—	—	67,778	67,778
	<b>Total (B) = (1+2)</b>	87,778	87,778	67,778	67,778	3,11,112
	Overall Ceiling as per the Act	5,00,000	5,00,000	5,00,000	5,00,000	20,00,000

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### C. Remuneration to key managerial personnel other than MD/MANAGER/WTB

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ms. Nikita Phatak Company Secretary	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,54,672	6,54,672
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	others, specify	0	0
5	Others, please specify	0	0
	<b>Total</b>	<b>6,54,672</b>	<b>6,54,672</b>

Remuneration of Managing Director and Executive Director / CFO are given in Item no. VI A.

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

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



**ANNEXURE II**  
**Form No. MR-3**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,  
BDH Industries Limited  
Nair Baug, Akurli Road,  
Kandivali (East) Mumbai - 400 101

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BDH Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder except and otherwise specifically mentioned and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during audit period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period) and
  - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- v. The Laws as are specifically applicable to the Company are as under:
  - a. Drugs and Cosmetics Act, 1940
  - b. Narcotic Drugs and Psychotropic Substances Act, 1985

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the Composition of the Board of Directors during the audit period.

Adequate notice of at least seven days is given to all Directors to schedule the Board Meetings.

Agenda and detailed notes on agenda are sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

## Annual Report 2016-2017

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Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Thane  
Date: 26<sup>th</sup> May, 2017

For **J. H. Ranade & Associates**  
Company Secretaries

**J. H. Ranade**  
(Proprietor)  
FCS: 4317, CP: 2520

The Members,  
BDH Industries Limited  
Nair Baug, Akurli Road,  
Kandivali (East) Mumbai – 400101

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Thane  
Date: 26<sup>th</sup> May, 2017

For **J. H. Ranade & Associates**  
Company Secretaries

**J. H. Ranade**  
(Proprietor)  
FCS: 4317, CP: 2520



### ANNEXURE III(A)

#### Policy for Selection of Directors and determining Directors' independence

BDH Industries Limited ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. BDH Industries Limited recognizes the importance of Independent Directors in achieving the effectiveness of the Board. It aims to have an optimum combination of Executive, Non-Executive and Independent Directors. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company. The Nomination and Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

The criteria of independence, as laid down Section 178 of Companies Act, 2013 and Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the company
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business and such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- g. who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013

#### Other directorships / committee memberships

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

### ANNEXURE III(B)

#### Remuneration Policy for Directors, Key Managerial Personnel and other employees

BDH Industries Limited recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders. The Board, on the recommendation of the Committee shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company. The remuneration structure shall include the following components:-

- A) Executive Directors and Key Managerial Personnel
  - (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Performance Incentive
- B) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
- C) Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.



#### ANNEXURE IV

Conservation of energy, technology absorption and foreign exchange earnings and outgo

##### A. CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy :
  - a. Installation of new technology Chiller plant resulting in operational efficiencies
  - b. Installation of new technology and higher capacity Multi Column Distillation Plant impacting reduction in water consumption.
  - c. Monitored power factor to unity that optimises power utilization.
  - d. Eliminated leakages by replacement of AHU resulting in operational efficiencies.
  - e. Continuous monitoring of HVAC System & AHU for operational efficiency.
2. Steps taken by the Company for utilizing alternate and better sources of energy : The Light Diesel Oil (LDO) used for boiler is substituted by piped natural gas (PNG), a clean and environment friendly energy replacing fuel consumption and reducing cost.
3. Capital investment on energy conservation equipments : ₹ 17.83 Lakhs.

##### B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption :  
Replacement of existing pure water system with automatic and high capacity Multi Column Distillation Plant. Upgradation of manufacturing facilities is an ongoing process based on quality assessment techniques.
2. Benefits derived as a result of the above efforts :  
Improvement in operational efficiencies and reduction in water consumption.
3. Technology imported during the last 3 years :  
Details of technology imported – HPLC system with server for improved automation.  
Year of import – 2017  
Whether technology has been fully absorbed - Yes
4. Expenditure incurred on Research & Development:

(₹ in lakhs)

	2016-2017	2015-2016
a. Capital	75.19	31.14
b. Recurring	54.78	46.43
<b>TOTAL</b>	<b>129.97</b>	<b>77.57</b>
Total R&D Expenditure as a percentage of total revenue	2.89%	1.61%

##### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 1890.01 lakhs as against outgo of ₹ 1180.37 lakhs.

FOR AND ON BEHALF OF THE BOARD

**Jayashree Nair**

*Chairperson & Managing Director*

##### Registered Office :

Nair Baug, Akurli Road,  
Kandivli (East), Mumbai 400101  
Tel. No. :022-61551234  
Fax No. :022-28868349  
Email – investors@bdhind.com  
Website : www.bdhind.com  
CIN – L40300MH1990PLC059299  
Place : Mumbai  
Date : 29<sup>th</sup> May, 2017

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### ANNEXURE V Form No. AOC - 2

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis :
  - (a) Name(s) of the related party and nature of relationship : Not Applicable
  - (b) Nature of contracts / arrangements / transactions : None
  - (c) Duration of the contracts / arrangements / transactions : Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions : Not Applicable
  - (f) Date(s) of approval by the Board : Not Applicable
  - (g) Amount paid as advances, if any : None
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : Not Applicable
2. Details of material contacts or arrangements or transactions at arm's length basis :
  - (a) Name(s) of the related party and nature of relationship : Not Applicable
  - (b) Nature of contracts / arrangements / transactions : None
  - (c) Duration of the contracts / arrangements / transactions : Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable
  - (e) Date(s) of approval by the Board : Not Applicable
  - (f) Amount paid as advances, if any : None

Note – The related party transactions that were entered into during the financial year were non-material and were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions under Accounting Standard - AS18 are disclosed in the notes to the financial statements.

FOR AND ON BEHALF OF THE BOARD

**Jayashree Nair**  
Chairperson & Managing Director

**Registered Office :**

Nair Baug, Akurli Road,  
Kandivli (East), Mumbai 400101  
Tel. No. :022-61551234  
Fax No. :022-28868349  
Email – investors@bdhind.com  
Website : www.bdhind.com  
CIN – L40300MH1990PLC059299

Place : Mumbai

Date : 29<sup>th</sup> May, 2017



## CORPORATE GOVERNANCE REPORT

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### 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

The Board of Directors is at the core of the Corporate Governance practices. Your Company believes that an active, independent and participative Board is a pre-requisite to achieve and maintain a desired level of Corporate Governance. The Board members possess adequate experience, expertise and requisite management skills.

#### a) Composition

The composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013. The present Board of Directors of your Company comprises of a Chairperson and Managing Director; one Joint Managing Director, one Non-Executive Director and three Non-Executive and Independent Directors. Independent Directors have expert knowledge in the fields of finance, taxation, law and medicine. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise. The present composition of the Board is as follows :-

Sr. No.	Name of Directors	DIN	Category
1.	Ms. Jayashree Nair	00027467	Chairperson & Managing Director
2.	Mr. S. C. Kachhara	00019666	Joint Managing Director
3.	Ms. Karthika Nair	00019695	Non-Executive Director
4.	Mr. A. V. Menon	00019770	Independent Director
5.	Dr. Dinesh Variar	00019721	Independent Director
6.	Mr. Bhagirath Singh Sihag	00155407	Independent Director

Ms. Jayashree Nair, Chairperson & Managing Director and Ms. Karthika Nair, Non-Executive Director are related to each other. None of the other Directors are related to each other.

#### b) Board Meetings

During the financial year 2016-17, Five Board Meetings were held on 27<sup>th</sup> May 2016, 11<sup>th</sup> August 2016, 22<sup>nd</sup> September 2016, 14<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017.

All necessary information including but not limited to those mentioned in Part A of Schedule II of the Listing Regulations, are placed before the Board of Directors. All operational and statutorily required information was placed before the Board. All significant events were also reported to the Board. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic.

The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company. 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. 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.	Ms. Jayashree Nair	5	Yes	1	2 #
2.	Mr. S.C. Kachhara	5	Yes	–	2
3.	Ms. Karthika Nair	5	Yes	–	2 #
4.	Mr. A.V. Menon	5	Yes	1	2 #
5.	Dr. Dinesh Variar	4	Yes	–	2
6.	Mr. Bhagirath Singh Sihag	5	Yes	3	2

# Including Chairmanship of Committee.

## Annual Report 2016-2017

### 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 fixed component of remuneration paid to the Chairperson & Managing Director and Executive Director for the year ended 31<sup>st</sup> March, 2017 are given below :-

Name	Designation	Salary ₹	Contribution to PF & other Funds ₹	Perquisite ₹
Ms. Jayashree Nair	Chairperson & Managing Director	4440000	532800	666000
Mr. S. C. Kachhara	Executive Director	4440000	532800	666000

There are no performance linked incentives paid to Managing Director and Executive Director.

The appointment of Managing Director and Joint Managing Director is contractual for a period of three years from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2020 as per agreement dated 23<sup>rd</sup> March 2017. Either party is entitled to terminate the agreement by giving 3 months notice in writing to the other party. There is no separate provision for payment of severance fee in the agreements signed by the Company with them. The Company has currently no stock options or other convertible instruments.

### 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 2016-17 are as follows :-

Sr. No.	Name of Director	Sitting Fees paid
1.	Ms. Karthika Nair	₹ 67778/-
2.	Mr. A.V. Menon	₹ 87778/-
3.	Dr. Dinesh Variar	₹ 67778/-
4.	Mr. Bhagirath Singh Sihag	₹ 87778/-

### iii) Details of shareholding of Non Executive Directors :-

Ms. Karthika Nair, Non Executive Director holds 444980 (7.73%) equity shares of ₹ 10/- each of the Company as on 31<sup>st</sup> March, 2017. Mr. Bhagirath Singh Sihag, Non Executive and Independent Director holds 1000 (0.02%) equity shares of ₹ 10/- each of the Company as on 31<sup>st</sup> March, 2017. The other Non Executive and Independent Directors i.e. Mr. A. V. Menon and Dr. Dinesh Variar do not hold any shares in the Company.

### d) Information required on Directors seeking appointment / re-appointment

Ms. Karthika Nair (DIN 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are MSc. and MMS (Marketing) from University of Mumbai. She has been Director of the Company since 1999. She is not a Director of any other Company. She is daughter of Ms. Jayashree Nair.

- e) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors.
- f) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- g) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

### h) 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 signed by the Chairperson & Managing Director / CEO of the Company is given in this Annual Report.

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year, there has been due compliance with the said code for prevention of insider trading.

- i) The Board periodically reviews the compliance reports of all laws applicable to the Company.



- j) The details of the familiarisation programme of the Independent Directors are available on the website of the Company [www.bdhind.com](http://www.bdhind.com).

## BOARD COMMITTEES

### a) Audit Committee

The terms of reference of the Audit Committee are aligned with the terms of reference provided under Section 177(4) of the Companies, 2013 and Part C of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Company currently comprises of Mr. A. V. Menon, Chairman of the Committee, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag, all being Independent Directors as required under section 177 of the Companies Act, 2013 read with provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2016-17, four meetings of the Audit Committee were held on 27<sup>th</sup> May 2016, 11<sup>th</sup> August 2016, 14<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017.

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	4
2.	Dr. Dinesh Variar	Member	3
3.	Mr. Bhagirath Singh Sihag	Member	4

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.

### b) Remuneration Committee

The terms of reference of the Remuneration Committee are aligned with the terms of reference of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Committee of the Company currently comprises of Mr. A. V. Menon - Chairman of the Committee, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag, all being Independent Directors. The Committee evaluates the performance of Executive Directors and determine and proposes the remuneration payable to Executive Directors. One meeting of the Committee was held during the year duly attended by all members. The Company Secretary acts as a Secretary to the Committee. The Board assessed the performance of the independent members directors as per the criteria laid down and have recommended their continuation on the Board. The Board of Directors assessed the performance of individual directors on the Board based on parameters such as relevant experience and skills, focus on shareholder value creation, governance standards, knowledge of business, processes and procedures followed, integrity, relationship with Management, impact on key management decisions etc.

### c) Stakeholders Relationship Committee:

The terms of reference of the Stakeholders Relationship Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Part B of Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee comprises Ms. Karthika Nair – Chairperson of the Committee, Ms. Jayashree Nair and Mr. S. C. Kachhara. Two meetings of the Committee were held during the year. The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring of transfers, transmission, dematerialization, rematerialisation, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company and review the complaints received from the investors/shareholders. There were three complaints received from shareholder which were resolved within the prescribed time. There are no complaints from shareholders, which were pending as on 31<sup>st</sup> March, 2017. The Company Secretary acts as a Secretary to the Committee. The Company had no unattended complaints as on 31<sup>st</sup> March, 2017. Ms. Nikita Phatak, Company Secretary is the Compliance Officer of the Company.

### d) Risk management Committee

In compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk management Committee is constituted and currently comprises Ms. Jayashree Nair - Chairperson, Mr. S. C. Kachhara and Ms. Karthika Nair. One meeting of the Committee was held during the year. The Committee monitors and reviews the risk management plan and reports the same to the Board of Directors. The Company Secretary acts as a Secretary to the Committee.

### e) Independent Directors Meeting

During the year under review, the independent directors met on 14<sup>th</sup> November, 2016, without the attendance of non-independent directors and members of management, inter-alia to :-

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

## Annual Report 2016-2017

- iii) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### DISCLOSURES:

#### a) Related Party Transactions

There were no materially significant transactions with the directors or the management or subsidiaries or relatives that have any potential conflict with the interest of the Company. Transactions with related parties are disclosed in Notes to the Financial Statements. The Policy on Related Party Transactions is also hosted on the website of the Company [www.bdhind.com](http://www.bdhind.com).

#### b) Statutory Compliances, penalties

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.

#### c) Subsidiary Company

The Company does not have any Subsidiary company.

#### d) Management Discussion & Analysis Report

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

#### e) CEO/CFO Certification

The Managing Director/CEO and the Joint Managing Director/CFO have certified to the Board as per the requirement of Regulation 17(8) and Schedule II Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The CEO / CFO Certification forms part of the Annual Report.

#### f) Whistle Blower Policy

The Company has Whistle Blower Policy. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The said policy has been also hosted on the website of the Company i.e. [www.bdhind.com](http://www.bdhind.com).

#### g) Disclosure of commodity price risks and commodity hedging activities

The Company is engaged in the manufacturing of pharmaceuticals. Since the Company does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

- h) The Company has complied with all the mandatory requirements of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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 BSE Limited 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 Annual Report containing inter-alia Audited Annual Accounts, Auditors Report, Corporate Governance Report and Management Discussion and Analysis and other important information is circulated to members and others entitled thereto and also hosted on website of the Company [www.bdhind.com](http://www.bdhind.com). The Company has designated the email id viz. [investors@bdhind.com](mailto:investors@bdhind.com) for investor servicing.

### GENERAL BODY MEETINGS

#### A] Details of Annual General Meeting held in preceding 3 years and Special Resolutions passed thereat :-

A.G.M.	Financial Year	Date of A.G.M.	Time	Location	Details of Special Resolution passed
26 <sup>th</sup>	2015-2016	22-09-2016	3.00 p.m.	Swagath Bageecha, Bageecha Complex, Marve Road, Malad West, Mumbai – 400 095	Re-appointment of Ms. Jayashree Nair as Managing Director and Mr. S. C. Kachhara as Joint Managing Director
25 <sup>th</sup>	2014-2015	28-09-2015	3.00 p.m.		Adoption of new Articles of Association
24 <sup>rd</sup>	2013-2014	17-09-2014	3.00 p.m.		None

#### B] Postal Ballot

Date of Notice	Proposal	No. & % of votes cast in favour	No. & % of votes cast in against	Date of passing the resolution
31 <sup>st</sup> December, 2015	Special Resolution under section 13 of the Companies Act, 2013 for alteration of object clause of Memorandum of Association of the Company	2824728 (99.59%)	11491 (0.41%)	9 <sup>th</sup> February, 2016

The above special resolution has been passed by the requisite majority.



#### I. Person who conducted the Postal Ballot exercise

Mr. J. H. Ranade, Practising Company Secretary was appointed as Scrutinizer to conduct the postal ballot process in fair and transparent manner.

#### II. Procedure for Postal Ballot

The Notice, Explanatory Statement alongwith the Postal Ballot Form and self-addressed postage pe-paid envelope, were dispatched to the members to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballots, the Scrutinizer after due verification, submitted his report. Thereafter, the results of the Postal Ballot were declared by the Chairperson. The same were filed with Stock Exchange and hosted on the website of the Company.

#### III. E-voting facility

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Postal Ballot Form by post.

#### IV. Whether any special resolution is proposed to be conducted through Postal Ballot

At present there is no proposal to pass any special resolution through postal ballot.

#### GENERAL SHAREHOLDERS INFORMATION

<b>Annual General Meeting - Date, time and venue</b>	Wednesday, 27 <sup>th</sup> September, 2017 at 3.00 p.m. Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095.
<b>Date of Book Closure</b>	From 21 <sup>st</sup> September, 2017 to 27 <sup>th</sup> September, 2017 (both days inclusive)
<b>Dividend Payment Date</b>	On or after 30 <sup>th</sup> September, 2017
<b>Name and address of Stock Exchange at which the Company's securities are listed and confirmation about payment of annual listing fees</b>	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Listing fees has been paid to the stock exchange for the financial year 2017-18.
<b>Stock Code and ISIN No.</b>	524828 and INE278D01018
<b>Registrar &amp; Share Transfer Agent</b>	TSR Darashaw Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
<b>Share Transfer System</b>	The Company's shares are traded in the stock exchange 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.
<b>Dematerialisation of shares</b>	As on 31-03-2017, 83.51% of the Company's shares representing 5111970 shares were held in dematerialised form.
<b>Address for Correspondence / Plant Location</b>	Ms. Nikita Phatak, Company Secretary. BDH Industries Limited, Nair Baug, Akurli Road, Kandivli East, Mumbai – 400101. Tel no. 022-61551234 Email – investors@bdhind.com

#### Financial Calendar (Tentative) :

Financial Year of the Company	: 01-04-2017 to 31-03-2018
Financial Reporting for:	
Quarter ending June, 2017	: On or before 14 <sup>th</sup> September, 2017
Quarter ending September, 2017	: On or before 14 <sup>th</sup> December, 2017
Quarter ending December, 2017	: On or before 14 <sup>th</sup> February, 2018
Audited Results for year 2017-18	: On or before 30 <sup>th</sup> May, 2018

#### Categories of Shareholders as on 31<sup>st</sup> March, 2017 :

Category	No. of shares	% of Shareholding
Promoters, Directors & Relatives	3191569	55.44
Companies/ Bodies Corporate	132259	2.30
General Public	2276014	39.53
NRI's	157458	2.73
<b>TOTAL</b>	<b>5757300</b>	<b>100</b>

## Annual Report 2016-2017

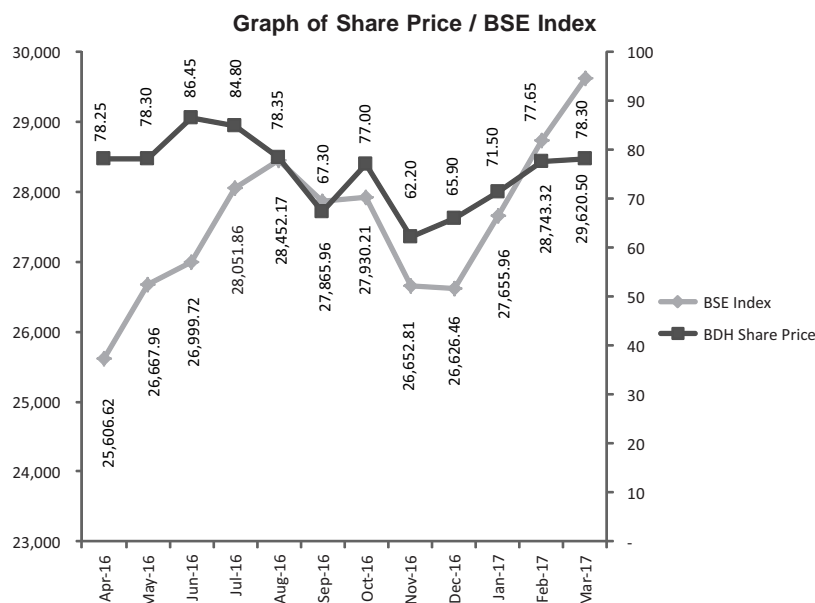
Distribution of shareholding as on 31<sup>st</sup> March, 2017 :

Shareholding of nominal value (in ₹)	Shareholders		Share Amount	
	Number	% to Total	(in ₹)	% to Total
1	2	3	4	5
Upto 5000	3706	83.71	702891	12.21
5001 – 10000	369	8.34	308847	5.36
10001 – 20000	170	3.84	255382	4.44
20001 – 30000	59	1.33	148017	2.57
30001 – 40000	22	0.50	78549	1.36
40001 – 50000	30	0.68	141733	2.46
50001 – 100000	28	0.63	215203	3.74
100001 and above	43	0.97	3906678	67.86
<b>Total</b>	<b>3986</b>	<b>100.00</b>	<b>5757300</b>	<b>100.00</b>

Stock Market price data for the year 2016-2017.

Bombay Stock Exchange (BSE)

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2016	90.00	75.10	October, 2016	77.50	68.20
May, 2016	89.00	73.00	November, 2016	77.60	56.85
June, 2016	88.50	71.20	December, 2016	66.75	58.50
July, 2016	91.20	78.50	January, 2017	77.00	66.65
August, 2016	86.35	75.00	February, 2017	81.00	69.10
September, 2016	82.95	60.90	March, 2017	80.00	72.80



### Declaration under Regulation 26(3) and Schedule V Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members of  
BDH Industries Limited.

It is hereby certified and confirmed in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2017.

Place : Mumbai  
Date : 29<sup>th</sup> May, 2017

**Jayashree Nair**  
Chairperson & Managing Director



## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of

**BDH INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by BDH Industries Limited (the Company) for the year ended on March 31, 2017, as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We 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 29, 2017

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Developments-

Pharmaceutical industry is one of the world's fastest growing industries and remains one of the biggest contributors to world economy. The global pharmaceutical industry is now estimated to be over US\$1.1 trillion and global medicine spending expected to reach US\$1.5 trillion by 2021. A move to value based outcomes in drug research, increased penetration of speciality drugs, greater patient access to medicines and healthcare insurance and continued rise of emerging markets shall be primary drivers behind increase in global medicine spending in coming years.

Indian pharmaceutical industry is third largest in terms of volume and thirteenth largest in terms of value. With rising income levels, penetration of healthcare services and expansion of healthcare insurance schemes, Indian pharmaceutical market is expected to grow in double digits. The Indian regulatory environment is rapidly evolving with several announced and expected changes like expansion of the national list of essential medicines with more drugs coming under price control, potential ban on fixed dose combination drugs, expected regulation around mandatory generic prescription by doctors and stringent regulatory compliance with uniform code of pharmaceutical marketing practices (UCPMP). Despite pricing challenges and impact of demonetization, Indian pharmaceutical industry has shown steady growth during the year.

#### Outlook-

The Indian Pharmaceutical industry is on a commendable growth path driven by increasing affordability, shifting disease patterns and healthcare reforms. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 percent of global exports in term of volume. Indian pharmaceutical exports have significantly increased from US\$ 2 billion in 2006 to about US\$15 billion in 2016. Increasing expectations for healthcare provision and changing diets and lifestyles are increasing demand for healthcare products in India across all life stages. Oncology, Autoimmune and Diabetology treatments are expected to drive large part of spending growth. Indian pharmaceuticals manufacturing facilities registered with US FDA at 500 plus is also highest for any country outside USA. The country has large pool of scientists and engineers who have the potential steer pharmaceutical industry to higher level. With the varied range of medicines available for exports and with the availability of the largest number of approved manufacturing facilities, Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

#### Opportunities, Risks, Concerns and Threats -

Indian pharmaceutical companies are focusing on global generic and API business, R&D activities, contract research and manufacturing alliances. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to Indian manufacturers. In spite of challenging business environment, intense competition, margin pressures and regulatory interventions growth is expected with the country's growing economy, persistent health insurance segment and better healthcare facilities. Indian pharmaceutical market is considered to be highly fragmented and consolidation has become an important feature of this industry. Enhancing access, improving affordability and driving innovation are some of the common themes reflected in the portfolio and pipeline of Indian pharmaceutical companies. The Indian pharmaceutical industry is strengthened by low cost of manufacturing and high process knowledge skills to grab larger share of global pharmaceutical market. India is fast emerging as a preferred pharmaceuticals manufacturing location.

The Indian pharmaceutical business continues to face significant challenges with volume and complexity of change having intensified the implication of risk. Regulatory risks, which are an inherent threat in pharma are compounded by evolving regulations, new legislation and increased enforcement. To provide affordable healthcare, the Union Health Ministry in India plans to make prescription of generic medicines mandatory by amending Drugs and Cosmetics Act. As the list of drugs keeps evolving and increasing for price revision under DPCO, the companies are restructuring the cost to align with potential downward pricing exposure. The Government is focused towards ensuring access and increasing affordability of medicines while maintaining strong commitment on quality. The shift from cost-based pricing to market-based pricing methodology under the new drug policy benefits the consumers.

Poor public healthcare funding and infrastructure, low per capita consumption of medicines, currency fluctuations, regulatory issues, inflation and resultant all round increase in input costs are few causes of concern. At the same time downward pressure on pricing by government, focus on prevention than treatment and high R&D pose major challenge to the industry.

During the year, there was no change in the nature of Company's business.

#### Financial Performance and Operations Review -

During the financial year under report the Company registered a total income of ₹ 4492.04 lakhs as against ₹ 4792.44 Lakhs in the previous year, registering a decline by 2%. Export Sales in the financial year 2016-17 are ₹ 1951.63 lakhs as compared to ₹ 3205.07 lakhs in the financial year 2015-16. The Company achieved Domestic Sales of ₹ 2411.79 lakhs as compared to ₹ 1398.21 lakhs in financial year 2015-16. The operations have resulted in a net profit of ₹ 333.66 lakhs during the year under report as against ₹ 322.62 lakhs in the previous financial year, a growth of 3.4%.

#### Internal Control Systems and its 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 a vital role in the growth and success of an organization. The Company recruits, develops and employs suitably qualified, capable and experienced personnel, as per requirement. The Company has maintained cordial and harmonious relations with all employees. The Company deputed employees for training and development workshops and seminars with an objective to improve the operational performance of individuals. The Company has Reward and Recognition Programme. The Company has 135 permanent employees as on 31st March, 2017.

#### Cautionary Statement -

Certain Statements in the Management Discussion and Analysis section may be forward looking within the meaning of applicable laws and regulations. Many factors may affect the actual results including competition, price realization, currency fluctuations, regulatory issues, changes in government policies and regulations, tax regimes, economic development within India and countries in which the Company conducts business and other incidental factors.



## CEO / CFO Certification

To,  
The Board of Directors,  
BDH Industries Limited  
Nair Baug, Akurli Road,  
Kandivli East, Mumbai 400101

We hereby, certify that :

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 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/CEO*

**S. C. Kachhara**  
*Joint Managing Director/CFO*

Place : Mumbai,  
Date : 29<sup>th</sup> May, 2017

### INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**BDH INDUSTRIES LIMITED**

#### Report on the Financial Statements

We have audited the accompanying financial statements of BDH Industries Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

#### Auditors' Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements 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 the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report that, to the extent applicable that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) 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.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on records by the Board of Directors, none of the Director is disqualified from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the informations and explanations given to us :
- The company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note No. 23 (viii) to the financial statements.
  - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016 (Refer Note No. 23 (ix) to the financial statements). Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) if section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Lalit Kothari**  
*Proprietor*  
Membership No.030917

Place : Mumbai  
Date : May 29, 2017

### ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of BDH Industries Limited on the financial statements for the year ended 31 March, 2017)

#### **Report on the Internal Financial controls under Clause (i) of Sub-Section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of BDH Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the control stated in the guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Lalit Kothari**  
Proprietor

Membership No.030917

Place : Mumbai  
Date : May 29, 2017



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of BDH Industries Limited on the financial statements for the year ended 31 March, 2017)

- i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipments;
- (b) The Property Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property Plant & Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of immovable properties are held in the name of the company;
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on physical verification.
- iii. In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the company for the year;
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75, and 76 of the Act and the Rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2017, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Sales Tax, Income Tax, Service Tax, Duty of Customs or Duty of Excise which have not been deposited on account of any dispute except as given below :

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	19.08	1997-1998, 1998-1999, 2001-2002	Appellate Authorities at various stages

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company has not issued any debentures during the year.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid managerial remuneration in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Lalit Kothari**  
Proprietor

Membership No.030917

Place : Mumbai  
Date : May 29, 2017

## Annual Report 2016-2017

### BALANCE SHEET AS AT 31<sup>st</sup> March, 2017

(₹ in Lakhs)

	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>I. Shareholder's Funds</b>			
a) Share Capital	3	593.94	593.94
b) Reserves and Surplus	4	2,329.39	2,135.71
		<b>2,923.33</b>	<b>2,729.65</b>
<b>II. Non-Current Liabilities</b>			
a) Deferred Tax Liabilities (Net)	5	12.97	20.98
b) Long Term Borrowings	6	84.49	-
c) Long Term Provisions	7	79.45	68.62
		<b>176.91</b>	<b>89.60</b>
<b>III. Non-Current Liabilities</b>			
a) Short Term Borrowings	8	758.24	946.35
b) Trade Payables	9	1,447.39	1,319.32
c) Other Current Liabilities	10	132.74	119.45
		<b>2,338.37</b>	<b>2,385.12</b>
<b>TOTAL</b>		<b>5,438.61</b>	<b>5,204.35</b>
<b>ASSETS</b>			
<b>I. Non-Current Assets</b>			
a) Property, Plant & Equipment	11		
– Tangible Assets		2,293.97	1,310.15
– Capital Work in Progress		–	405.05
		<b>2,293.97</b>	<b>1,715.20</b>
<b>II. Current Assets</b>			
a) Inventories	12	286.30	497.66
b) Trade Receivables	13	796.93	801.37
c) Cash and Cash Equivalents	14	1,919.37	2,002.69
d) Short Term Loans and Advances	15	142.04	187.44
		<b>3,144.64</b>	<b>3,489.16</b>
<b>TOTAL</b>		<b>5,438.61</b>	<b>5,204.35</b>
Significant Accounting Policies and Notes form part of the Financial Statements	1-23		

As per our report of even date attached.

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

For and on Behalf of the Board

**JAYASHREE NAIR**  
Chairperson & Managing Director  
DIN : 00027467

**S.C. KACHHARA**  
Joint Managing Director & CFO  
DIN : 00019666

**KARTHIKA NAIR**  
Director  
DIN : 00019695

**L.J. KOTHARI**  
Proprietor  
Membership No.030917

**NIKITA PHATAK**  
Company Secretary  
ACS-23104

Mumbai, May 29, 2017



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>st</sup> March, 2017

(₹ in Lakhs)

	Note No.	2016-2017	2015-2016
<b>I. Revenue from operations (Gross)</b>	16	4,463.21	4,672.82
Excise Duty		(95.57)	(59.95)
Revenue from operations (Net)		<b>4,367.64</b>	<b>4,612.87</b>
<b>II. Other income</b>	17	124.40	179.57
<b>III. Total Revenue (I + II)</b>		<b>4,492.04</b>	<b>4,792.44</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	18	2,489.66	2,959.50
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	158.53	11.06
Employee benefits expense	20	577.78	508.41
Finance costs	21	34.76	33.42
Depreciation and amortization expense	11	71.66	73.40
Other expenses	22	661.18	725.57
<b>Total expenses</b>		<b>3,993.56</b>	<b>4,311.36</b>
<b>V. Profit before Tax</b>		<b>498.48</b>	<b>481.08</b>
<b>VI. Tax expense:</b>			
(1) Current tax		172.82	162.91
(2) Deferred tax		(8.00)	(4.45)
<b>VII. Profit after Tax (V-VI)</b>		<b>333.66</b>	<b>322.62</b>
<b>VIII. Earnings per equity share of ₹ 10/- each:</b>			
- Basic / Diluted		<b>5.80</b>	<b>5.60</b>

Significant Accounting Policies and Notes form part of the Financial Statements 1-23

As per our report of even date attached.

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

For and on Behalf of the Board

**JAYASHREE NAIR**  
Chairperson & Managing Director  
DIN : 00027467

**S.C. KACHHARA**  
Joint Managing Director & CFO  
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**KARTHIKA NAIR**  
Director  
DIN : 00019695

**L.J. KOTHARI**  
Proprietor  
Membership No.030917

**NIKITA PHATAK**  
Company Secretary  
ACS-23104

Mumbai, May 29, 2017

## Annual Report 2016-2017

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> March, 2017

(₹ in Lakhs)

	2016-2017	2015-2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Extra Ordinary Items	498.48	481.08
Add : (Profit) / Loss on Sale of Tangible Assets	0.32	(1.80)
Add: Provision for Gratuity	15.17	8.41
	<b>513.96</b>	<b>487.69</b>
<b>ADJUSTMENTS</b>		
Depreciation	71.66	73.40
Interest Paid	34.76	33.42
Operating Profit Before Working Capital Changes	<b>620.38</b>	<b>594.51</b>
<b>ADJUSTMENTS</b>		
(Increase)/Decrease Trade And Other Receivables	49.83	207.97
(Increase)/Decrease Inventories	211.36	43.17
Increase/(Decrease) Trade Payables	137.04	(218.33)
Cash Generated From The Operations	<b>1,018.61</b>	<b>627.32</b>
Interest Paid	(34.76)	(33.42)
Direct Tax Paid	(172.82)	(162.91)
Cash Flow Before Extra Ordinary Items	<b>811.03</b>	<b>430.99</b>
Extra Ordinary Items	—	—
Net Cash from Operating Activities	<b>811.03</b>	<b>430.99</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(653.89)	(468.14)
Sale of Fixed Assets	1.75	2.27
Net Cash Flow From Investment Activities	<b>(652.14)</b>	<b>(465.87)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Borrowings - Short Term	(188.11)	58.67
Proceeds from Borrowings - Long Term	84.49	—
Dividend Paid (Includes Dividend Distribution Tax)	(138.59)	(117.80)
	<b>(242.21)</b>	<b>(59.13)</b>
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)	<b>83.32</b>	<b>(94.01)</b>
Cash and Cash Equivalents Opening Balance	<b>2,002.69</b>	<b>2,096.70</b>
Cash and Cash Equivalents Closing Balance	<b>1,919.37</b>	<b>2,002.69</b>

Significant Accounting Policies and Notes form part of the Financial Statements 1-23

#### 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 report of even date attached.

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

For and on Behalf of the Board

**JAYASHREE NAIR**  
Chairperson & Managing Director  
DIN : 00027467

**S.C. KACHHARA**  
Joint Managing Director & CFO  
DIN : 00019666

**KARTHIKA NAIR**  
Director  
DIN : 00019695

**L.J. KOTHARI**  
Proprietor  
Membership No.030917

**NIKITA PHATAK**  
Company Secretary  
ACS-23104

Mumbai, May 29, 2017



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

### Note No. 1

#### 1 GENERAL INFORMATION

BDH INDUSTRIES LIMITED is a public limited company, incorporated in 1990 under the Companies Act, 1956 having its registered office in Mumbai. The company is engaged in manufacturing of therapeutic formulations covering wide range of pharmaceuticals. Its shares are listed on the BSE Ltd.. The company caters to both domestic as well as international market.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

##### i) BASIS OF PREPARATION

a. The financial statements of the Company have been prepared and presented to comply in all material respects with the notified Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared and presented on accrual basis under the historical cost convention.

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.

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 (including contingent liabilities) at the date of the financial statements and the results of operations during the reporting period end. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known/materialise.

##### iii) PROPERTY, PLANT & EQUIPMENT

a. Tangible assets, are carried at cost less accumulated depreciation/amortisation. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, duties and taxes (other than those subsequently recoverable from the tax authorities), freight and other incidental expenses directly to make the asset ready for its intended use.

b. During the year Assets for Renewable Energy (Windmills) were capitalised as Chief Electrical Inspector to Government (CEIG) Certificate was received. Agro Division Building for Warehouse was completed during the year, hence capitalised.

##### iv) DEPRECIATION

a. Depreciation on all assets of the Company is charged on Straight Line Method over the useful life of the assets mentioned in Schedule II to the Companies Act, 2013.

b. On an annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is higher of an asset's net selling price and value in use. Value is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

c. Assets costing individually upto ₹ 5,000 are fully depreciated in the year of purchase.

d. Leasehold land is not amortised.

e. No Depreciation is provided on followings :

i) Windmills for Renewable Energy

ii) Warehouse at Kudal

The above assets were yet to be put to use for commercial purposes.

##### 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 its 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 its present location and condition. Net realisable value is the estimate of the selling price in ordinary course of business as applicable.

## Annual Report 2016-2017

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### vi) EMPLOYEE BENEFITS

#### a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences, ex-gratia, leave encashment and leave travel allowance is recognised in the period in which the employees renders related services.

#### b) Long Term Employee Benefits

##### i) Defined Contribution Plan

The Company's contribution to Provident Fund Scheme, Employee's State Insurance Scheme are considered as defined contribution plans and are recognised as an expense to the statement of profit and loss, based on the amount of contribution required to be made and when services are rendered by employees.

##### ii) Defined Benefit Plan

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.
- b) Revenue from service is recognised as and when services are rendered and related costs are incurred.
- c) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- d) The Export Incentive are disclosed under Other Operating Revenue.

### ix) RESEARCH & DEVELOPMENT

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to fixed assets.

### x) TAXATION

#### a) CURRENT TAX

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

#### 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.

### xi) 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.

### xii) CASH AND CASH EQUIVALENTS

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

### xiii) 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. Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent Assets are neither recognised nor disclosed in financial statements.

### xiv) EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding during the year.

### xv) PROPOSED DIVIDEND

Proposed Dividend on equity share is subject to approval in the Annual General Meeting and is not recognised as liability (including Dividend Distribution Tax thereon) as at 31 March, 2017.



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

### Note No. 3

#### SHARE CAPITAL

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>I. Authorised</b>		
75,00,000 Equity Shares of ₹ 10 each	<b>750.00</b>	<b>750.00</b>
<b>II. Issued</b>		
61,21,500 Equity Shares of ₹ 10 each	<b>593.94</b>	<b>593.94</b>
(57,57,300 Equity Shares of ₹ 10 each and 3,64,200 Equity Shares of ₹ 10 each, ₹ 5 paid up)		
<b>III. Subscribed and Paid Up</b>		
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
<b>TOTAL</b>	<b>593.94</b>	<b>593.94</b>

**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. 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.

**b) Reconciliation of the Number of Shares**

Name of Shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No. of Shares	Amt. in ₹	No. of Shares	Amt. in ₹
Balance at the beginning of the year	5,757,300	57,573,000	5,757,300	57,573,000
Issued during the year	—	—	—	—
Balance at the end of the period	5,757,300	57,573,000	5,757,300	57,573,000

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back in the 5 years immediately preceding the balance sheet date.

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

Sr. No.	Name of Shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		No. of Shares	% of Holding	No. of Shares	% of Holding
i.	Jayashree Nair	1,265,240	21.98%	1,265,240	21.98%
ii.	Laxmi Nair	464,380	8.07%	464,380	8.07%
iii.	Karthika Nair	444,980	7.73%	444,980	7.73%
iv.	Padma Kaimal	332,120	5.77%	332,120	5.77%

### Note No. 4

#### RESERVES & SURPLUS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>I. Capital Reserve</b>		
Opening and Closing	<b>121.79</b>	<b>121.79</b>
<b>II. Share Premium Account</b>		
Opening and Closing	<b>409.32</b>	<b>409.32</b>
<b>III. Revaluation Reserve</b>		
Opening Balance	141.82	143.21
Written off during the year	(1.39)	(1.39)
Closing Balance	<b>140.43</b>	<b>141.82</b>
<b>IV. General Reserve</b>		
Opening Balance	163.76	115.37
Transferred during the year	50.05	48.39
Closing Balance	<b>213.81</b>	<b>163.76</b>
<b>V. Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	1,299.02	1,142.58
Net Profit for the year	333.66	322.62
Dividend paid during the year	(115.15)	(97.87)
Tax on Dividend paid during the year	(23.44)	(19.92)
Transfer to General Reserve during the year	(50.05)	(48.39)
<b>Closing Balance</b>	<b>1,444.04</b>	<b>1,299.02</b>
<b>TOTAL</b>	<b>2,329.39</b>	<b>2,135.71</b>

**Note:**

**i) Proposed Dividend on Equity Share**

Proposed Dividend ₹ 2 per Equity Share	115.15	115.15
Dividend Distribution Tax on proposed dividend	23.44	23.44
(Proposed Dividend on equity share are subject to approval in the Annual General Meeting and are not recognised as liability including Dividend Distribution Tax thereon)		

## Annual Report 2016-2017

### Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

#### Note No. 5

##### DEFERRED TAX LIABILITY (NET)

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
I. Deferred Tax Liability on account of		
– Depreciation	38.82	43.25
II. Deferred Tax Asset on account of		
– Provision for Gratuity	(25.85)	(22.27)
<b>TOTAL</b>	<b>12.97</b>	<b>20.98</b>

#### Note No. 6

##### LONG TERM BORROWINGS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Term Loan from Bank	84.49	–
<b>TOTAL</b>	<b>84.49</b>	<b>–</b>

#### Note No. 7

##### LONG TERM PROVISIONS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Provision for Gratuity (Non-Funded)	79.45	68.62
<b>TOTAL</b>	<b>79.45</b>	<b>68.62</b>

#### Note No. 8

##### SHORT TERM BORROWINGS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
I. Secured		
Loans Repayable on Demand from Banks		
- FBC / EBP / EBD	141.43	163.07
- Overdraft	89.96	(0.01)
- Packing Credit & Cash Credit	513.04	769.48
Sub-Total	744.43	932.54
II. Unsecured		
Loans and Advances from Related Parties		
– Loans from Directors	13.81	13.81
Sub-Total	13.81	13.81
<b>TOTAL</b>	<b>758.24</b>	<b>946.35</b>

##### 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. 9

##### TRADE PAYABLES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Trade Payables	1,447.39	1,319.32
<b>TOTAL</b>	<b>1,447.39</b>	<b>1,319.32</b>



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

### Note No. 10

#### OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
I. Unpaid Dividend	33.46	23.44
II. Duties & Taxes	52.92	54.11
III. Advance Received from Customers	38.19	33.72
IV. Deposits	8.17	8.17
<b>TOTAL</b>	<b>132.74</b>	<b>119.45</b>

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

### Note No. 11

#### PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block				Depreciation			Net Block		
	As at 1 <sup>st</sup> April 2016	Additions	Disposals / Adjust- ments	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April 2016	For the Year	Disposals / Adjust- ments	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Land	601.80	—	—	601.80	—	—	—	—	601.80	601.80
Leasehold Land (Waluj)	10.65	—	—	10.65	—	—	—	—	10.65	10.65
Leasehold Land (Kudal)	8.19	—	—	8.19	—	—	—	—	8.19	8.19
Building (Kudal)	—	176.90	—	176.90	—	—	—	—	176.90	—
Shed at Umbergaon	6.53	—	—	6.53	—	—	—	—	6.53	6.53
Building	439.82	—	—	439.82	238.78	13.09	—	251.86	187.96	201.04
Plant & Machinery	803.93	20.06	—	823.99	493.26	36.35	—	529.61	294.38	310.67
Laboratory Apparatus	85.57	47.68	—	133.24	50.29	4.34	—	54.64	78.61	35.27
Air Conditioners	197.63	0.70	—	198.33	134.57	7.49	—	142.06	56.27	63.06
Motor Car	50.39	—	4.79	45.60	18.51	5.09	2.73	20.88	24.72	31.88
Furniture & Fixtures	38.95	0.19	—	39.15	37.11	0.52	—	37.63	1.51	1.84
Electrical Installation	150.21	—	—	150.21	122.57	3.45	—	126.02	24.19	27.64
Office Equipments	21.55	—	—	21.55	14.86	0.59	—	15.46	6.10	6.70
Computer	53.19	1.38	—	54.57	48.31	2.12	—	50.43	4.14	4.88
Windmill	—	812.04	—	812.04	—	—	—	—	812.04	—
	2,468.41	1,058.95	4.79	3,522.56	1,158.27	73.05	2.73	1,228.59	2,293.97	1,310.15
Add : Capital Work in Progress									—	405.05
TOTAL									2,293.97	1,715.20

### Note No. 12

#### INVENTORIES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
I. Raw Material	110.16	179.75
II. Packing Material	115.54	98.78
III. Semi-Finished Goods	15.45	102.58
IV. Finished Goods	45.15	116.55
<b>TOTAL</b>	<b>286.30</b>	<b>497.66</b>

## Annual Report 2016-2017

### Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

#### Note No. 13

##### TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>I. Outstanding for a period exceeding six months from the date they were due for payment</b>		
- Unsecured, Considered Good	86.62	29.08
<b>II. Others</b>		
- Secured, Considered Good	710.31	772.29
<b>TOTAL</b>	<b>796.93</b>	<b>801.37</b>

#### Note No. 14

##### CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>I. Cash on Hand</b>	0.01	0.01
<b>II. Balances with Banks</b>		
- Current Accounts	9.56	18.73
- EEFC Accounts	7.16	—
- Unpaid Equity Dividend Account	33.46	23.44
<b>III. Deposits with Bank</b>		
- Upto 12 months maturity	1,869.18	1,960.51
<b>TOTAL</b>	<b>1,919.37</b>	<b>2,002.69</b>

Deposits worth ₹ 69.56 Lakhs (previous year ₹ 70.17 Lakhs) are under lien for margin on L/C and Guarantees with banks.

#### Note No. 15

##### SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>I. Security Deposits</b>		
Unsecured, Considered Good	26.00	25.72
<b>II. Advance Given to Suppliers</b>		
Unsecured, Considered Good	15.17	34.55
<b>III. Balances with Government Authorities</b> (Balances in Excise Records)	8.88	32.09
<b>IV. Advance Income Tax (Net of Provisions)</b>	64.71	70.06
<b>V. Prepaid Expenses</b>	15.19	5.29
<b>VI. Export Incentive Receivable</b>	7.07	12.42
<b>VII. Others</b>	5.02	7.31
<b>TOTAL</b>	<b>142.04</b>	<b>187.44</b>



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

### Note No. 16

#### REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>I. Sale of Products</b>		
- Domestic	2,411.79	1,398.21
- Export	1,951.63	3,205.07
	<u>4,363.42</u>	<u>4,603.27</u>
<b>II. Sale of Services</b>		
- Job Work Receipts	11.99	6.17
<b>III. Other Operating Revenue</b>		
- Export Incentive	85.88	61.58
- Miscellaneous Income	1.92	1.79
<b>TOTAL</b>	<u><b>4,463.21</b></u>	<u><b>4,672.82</b></u>

#### DETAILS OF SALE OF PRODUCTS

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Pharmaceutical Formulations like Tablets, Capsules, Ointment and others	4,363.42	4,603.27
<b>TOTAL</b>	<u><b>4,363.42</b></u>	<u><b>4,603.27</b></u>

### Note No. 17

#### OTHER INCOME

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>I. Interest Received on :</b>		
- Deposits with Bank	123.90	177.40
- Security Deposits	0.50	0.37
<b>II. Profit on Sale of Machinery</b>	-	1.80
<b>TOTAL</b>	<u><b>124.40</b></u>	<u><b>179.57</b></u>

### Note No. 18

#### COST OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>I. RAW MATERIAL</b>		
Opening Stock	179.75	204.58
Add : Purchases		
- Indigenous	799.98	1,336.86
- Imported	1,229.87	1,077.08
	<u>2,029.85</u>	<u>2,413.94</u>
Less : Closing Stock	110.16	179.75
Sub-Total (A)	<u>2,099.44</u>	<u>2,438.77</u>
<b>II. PACKING MATERIAL</b>		
Opening Stock	98.78	106.07
Add : Purchases	406.98	513.44
Less : Closing Stock	115.54	98.78
Sub-Total (B)	<u>390.22</u>	<u>520.73</u>
<b>TOTAL</b>	<u><b>2,489.66</b></u>	<u><b>2,959.50</b></u>

Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

DETAILS OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
i. Methotrexate	1,344.35	667.55
ii. Other materials	1,145.31	2,291.95
<b>TOTAL</b>	<b>2,489.66</b>	<b>2,959.50</b>

Note No. 19

CHANGES IN INVENTORIES

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>I. Work in Progress</b>		
Opening	102.58	30.08
Less : Closing	15.45	102.58
Sub-Total (A)	87.13	(72.50)
<b>II. Finished Goods</b>		
Opening	116.55	200.11
Less : Closing	45.15	116.55
Sub-Total (B)	71.40	83.56
<b>TOTAL</b>	<b>158.53</b>	<b>11.06</b>

Note No. 20

EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
I. Salaries & Wages including Bonus	479.43	422.38
II. Contribution to PF, Pension Fund, ESIS & Others	54.83	48.75
III. Workmen & Staff Welfare Expenses	43.52	37.28
<b>TOTAL</b>	<b>577.78</b>	<b>508.41</b>

Note No. 21

FINANCE COST

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
I. Bank Charges	34.76	33.42
<b>TOTAL</b>	<b>34.76</b>	<b>33.42</b>



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

### Note No. 22

#### MANUFACTURING & OTHER EXPENSES

(₹ in Lakhs)

	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
i. Power, Fuel & Water Charges	183.60	192.85
ii. Repairs and Maintenance		
- Repairs to Building	17.33	12.93
- Repairs to Machineries	39.86	40.26
- Repairs - others	11.05	7.63
iii. Rates & Taxes	35.51	41.36
iv. Insurance	9.24	12.01
v. Research, Development & Laboratory Expenses	16.59	15.14
vi. Loss on Sale of Motor Car	0.32	—
vii. Export General Expenses	58.47	41.32
viii. Freight & Transport Charges	53.56	49.08
ix. Commission	105.64	193.62
x. Conveyance & Motor Car Expenses	4.50	5.22
xi. Legal & Professional Charges	28.60	38.27
xii. Postage & Telephone Expenses	5.34	6.76
xiii. Books, Stationary & Subscription	8.22	12.05
xiv. Rent	0.60	0.60
xv. Sales Tax	49.13	28.82
xvi. Travelling Expenses	9.82	6.60
xvii. Share Listing Fees	2.00	2.00
xviii. Sitting Fees	3.11	1.48
xix. General Expenses	14.76	14.33
xx. Auditors Remuneration		
- Statutory Audit Fees	2.00	1.60
- Tax Audit Fees	0.50	0.40
- Certification Fees	0.67	0.65
- VAT Audit Fees	0.75	0.50
- Reimbursement of Expenses	—	0.07
<b>TOTAL</b>	<b>661.18</b>	<b>725.57</b>

### Note No.23

#### 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
    - Ms. Jayashree Nair (Chairperson and Managing Director)
    - Mr. S.C.Kachhara (Joint Managing Director / CFO)
    - Ms. 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

## Annual Report 2016-2017

### Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

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

(₹ in Lakhs)

	2016-17	2015-16
I) Details of Transactions relating to Key Management Personnels :		
1) Remuneration	102.12	92.46
2) Sitting Fees	0.68	0.39
3) Loans Taken by Company		
Opening Balance	13.81	13.81
Add : Repaid during the year	—	—
Less : Taken during the year	—	—
Closing Balance	<u>13.81</u>	<u>13.81</u>
4) Interest on Loan for the year	—	—
II) Details of Transactions relating to Relatives of Key Management Personnels :		
1) Amount paid for Professional Services	1.55	2.75
2) Amount paid for Remuneration	12.25	9.92
III) Details of Transactions relating to Others		
Rent paid	0.60	0.60

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.

	2016-17	2015-16
Profit after Tax (₹ in Lakhs)	333.66	322.62
No. of Shares	5,757,300	5,757,300
Basic EPS (₹)	5.80	5.60
Diluted EPS (₹)	5.80	5.60
Nominal Value per Share (₹)	10/-	10/-

iv) Earnings in Foreign Exchange

(₹ in Lakhs)

	2016-17	2015-16
FOB Value of Exports	1,890.01	3,184.27

v) Expenditure in Foreign Exchange

(₹ in Lakhs)

	2016-17	2015-16
Travelling Expenses	8.58	4.57
Commission on Exports	117.64	316.50

vi) CIF Value of Imports

(₹ in Lakhs)

	2016-17	2015-16
Raw Materials	1,212.69	1,047.88



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2017

### vii) PROPOSED DIVIDEND

- a) Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Revised AS 4 - 'Contingencies and Events Occurring After Balance Sheet Date' such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, on approval by the shareholders, the liability for proposed dividend of ₹ 1,15,14,600 and tax liability ₹ 23,44,102 as at March 31, 2016 is charged to retained earnings during the year ended March 31, 2017 and proposed dividend of ₹ 97,87,410 and ₹ 19,92,486 tax liability as at March 31, 2015 is charged to retained earnings during the year ended March 31, 2016. There is no impact on equity as at March 31, 2016.
- b) The Board of Directors at its meeting held on May 29, 2017 has recommended a dividend of ₹ 2 per equity share for the year ended March 31, 2017. The declaration and payment of dividend is subject to the approval of the shareholders in the Annual General Meeting.

	Amt. in ₹
Proposed Dividend	11,514,600
Corporate Dividend Tax	2,344,102

### viii) Contingent liabilities not provided for :

(₹ in Lakhs)

	2016-17	2015-16
i) Bank Guarantees	89.09	288.05
ii) Appeals filed in respect of disputed demands by government authorities against the company		
- Income Tax	19.08	18.63

### ix) Disclosure of Specified Bank Notes (SBN)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 of Specified Bank Note (SBN) held and transacted during the period November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification is given below:

Amt. in ₹

	SBN's	Other Denomination Notes	Total
Closing cash on hand as on November 08, 2016	—	1,054	1,054
(+) Withdrawal from Bank Accounts	—	35,000	35,000
(+) Permitted receipts	18,000	—	18,000
(-) Permitted payments	—	35,267	35,267
(-) Amounts Deposited in Banks	18,000	—	18,000
Closing cash on hand as on December 30, 2016	—	787	787

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

Signature to Note No.1 to 23 of financial statements.

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

Firm Registration Number 105313W

Chartered Accountants

For and on Behalf of the Board

**JAYASHREE NAIR**  
Chairperson & Managing Director  
DIN : 00027467

**S.C. KACHHARA**  
Joint Managing Director & CFO  
DIN : 00019666

**KARTHIKA NAIR**  
Director  
DIN : 00019695

**L.J. KOTHARI**

Proprietor

Membership No.030917

Mumbai, May 29, 2017

**NIKITA PHATAK**  
Company Secretary  
ACS-23104

## Notes

## **BDH : Commitment**

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

*Health Care*



*Mankind*



*Worldwide*

## **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**



**BDH**  
***Industries Ltd.***

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