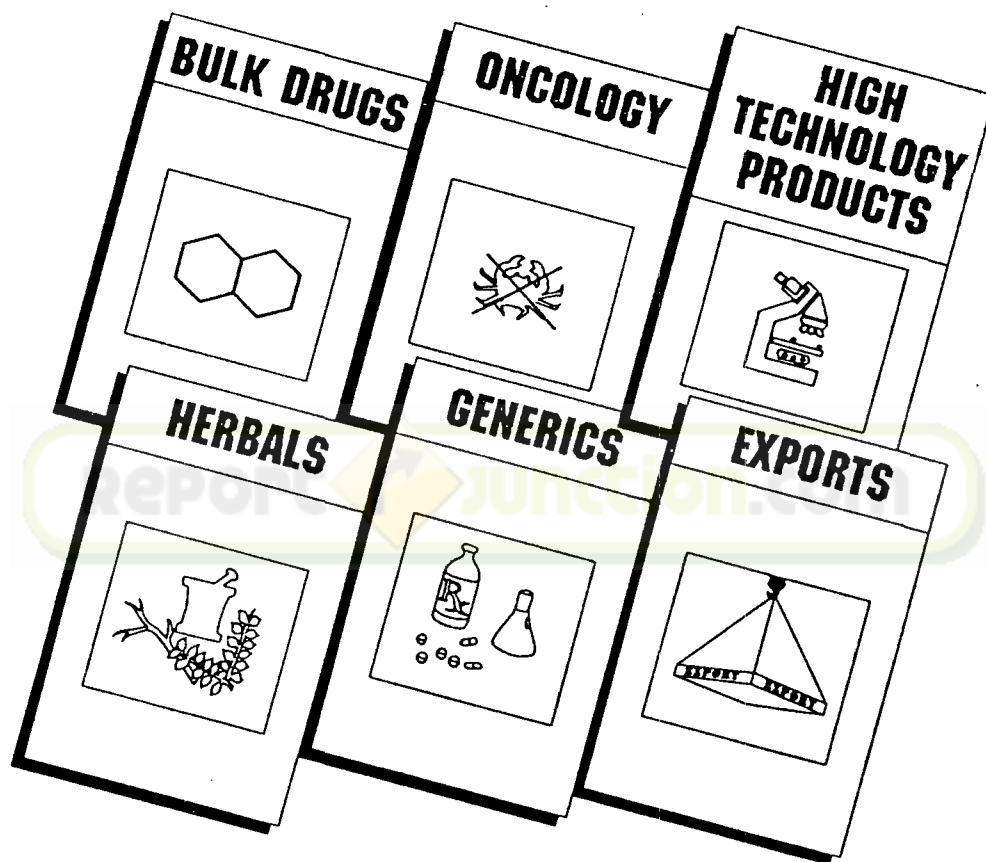




CARE, QUALITY AND REPUTATION



**Advanced Technology
is the key to our continued Success**

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MB	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		✓



BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS :

Dr. G. G. Nair	<i>Chairman</i>
Mrs. J. G. Nair	<i>Managing Director</i>
Mr. S. C. Kachhara	<i>Director</i>
Mr. K. P. Prabhakar	<i>Director</i>
Mrs. P. G. Menon	<i>Director</i>
Mr. J. R. Nair	<i>Director</i>
Dr. C.B. Hingorani	<i>Director</i>
Dr. V.A. Padval	<i>Director</i>

COMPANY SECRETARY : **Mr. S. K. Biswas**

AUDITORS : **L.K. Dangi & Co.**
Chartered Accountants
Mumbai

BANKER : **Central Bank of India**

REGISTERED OFFICE AND SHARE DEPARTMENT : Nair-Baug, Akurli Road
Kandivli (East)
Mumbai 400 101

SALES DEPOTS :

- Calcutta
- Calicut
- Patna

SEVENTH ANNUAL GENERAL MEETING at Club Aquaria Enterprises, Devidas Road,
Behind St. Lawrence School, LIC Colony, Borivli (W), Mumbai - 400 092 on Monday, the
29th Sept., 1997 at 11.00 a.m.

BDH INDUSTRIES LTD.



NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held at Club Aquaria Enterprises, Devidas Road, Behind St. Lawrence School, LIC Colony, Borivli(W), Mumbai - 400 092 on Monday, the 29th September, 1997 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. V. A. Padval, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. C. B. Hingorani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may fixed by the Board of Directors.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT in partial modification of the Ordinary Resolution passed at the 4th Annual General Meeting of the Company held on 24/8/1994 and in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the increase in salary, perquisites, allowances and commission payable to Mrs. Jayashree G Nair, Managing Director with effect from 1st April, 1997 for the remainder of the tenure of her term as set out in the Draft Supplemental Agreement dated 2/5/97 copy of which is placed before this meeting".
 "RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and the fixed allowances referred to in the said Draft Supplemental Agreement shall be the minimum remuneration payable to the Managing Director."
 "RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."
6. "RESOLVED THAT in partial modification of the Ordinary Resolution passed at the 4th Annual General Meeting of the Company held on 24/8/1994 and in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the increase in salary, perquisites and allowances payable to Mr. S. C. Kachhara, Whole-time Director with effect from 1st April, 1997 for the remainder of the tenure of his term as set out in the Draft Supplemental Agreement dated 2/5/97 copy of which is placed before this meeting".
 "RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and the fixed allowances referred to in the said Draft Supplemental Agreement shall be the minimum remuneration payable to the Whole-time Director."
 "RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."
7. "RESOLVED THAT in partial modification of the Ordinary Resolution passed at the 4th Annual General Meeting of the Company held on 24/8/1994 and in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the increase in salary, perquisites and commission payable to Mr. K. P. Prabhakar, Whole-time Director with effect from 1st April, 1997 for the remainder of the tenure of his term as set out in the Draft Supplemental Agreement dated 2/5/97 copy of which is placed before this meeting".
 "RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and the fixed allowances referred to in the said Draft Supplemental Agreement shall be the minimum remuneration payable to the Whole-time Director."
 "RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

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8. "RESOLVED THAT in partial modification of the Ordinary Resolution passed at the 4th Annual General Meeting of the Company held on 24/8/1994 and in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the increase in salary, perquisites and allowances payable to Mr. Jayakumar R Nair, Whole-time Director with effect from 1st April, 1997 for the remainder of the tenure of his term as set out in the Draft Supplemental Agreement dated 2/5/97 copy of which is placed before this meeting".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and the fixed allowances referred to in the said Draft Supplemental Agreement shall be the minimum remuneration payable to the Whole-time Director."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

BY ORDER OF THE BOARD

Mumbai,

Dated : 2nd September, 1997

Registered Office :

Nair Baug, Akurli Road,

Kandilvi (East),

Mumbai-400 101

DR. G. G. NAIR

CHAIRMAN

NOTE :

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 THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy in order to be effective must be received at the Registered Office of the Company not less than Forty Eight hours before the time for holding the meeting.
3. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 23rd September, 1997 to Monday, the 29th September, 1997 (both days inclusive).
5. Shareholders are requested to intimate the Company the change, if any, in their Registered Address.
6. Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM NO.5 :

The Members, at their Annual General Meeting held on 24/8/94 appointed Mrs. Jayashree G Nair, as the Managing Director for a period of 5 years w.e.f 1/4/1994 as per the terms and conditions of the Agreement dated 1/4/94 entered into between the Company and Mrs. Jayashree G Nair

The said agreement empowers the Board to vary or alter the terms and conditions of the Agreement; however, the Managing Director was not given any increase in salary for last two years. Meanwhile, the Company expanded its activities in all spheres in the last two years under the guidance of the Managing Director. The Board therefore in its meeting held on 27/3/97, resolved to revise the remuneration and perquisites w.e.f from 1/4/97 pursuant to Article 148 of Articles of Association of the Company for the balance period of her tenure subject to the approval of the Members in General Meeting, and the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the conditions specified in Schedule XIII to the said Act as amended from time to time, as follows as per Draft Supplemental agreement dated 2/5/97.

Salary : Rs.32000/- per month (in the pay scale of 20000-4000-40000) togetherwith the consequential benefit in the perquisites.

In the event of loss or inadequacy of profits in any financial year, the salary and fixed allowances as mentioned above shall be the minimum remuneration payable to Mrs. Jayashree G Nair, Managing Director, subject to the overall ceiling specified in Schedule XIII as amended from time to time.

The other terms and conditions of the appointment approved by the shareholders at the Annual General Meeting held on 24/8/94 will remain unchanged.

BDH INDUSTRIES LTD.



The above may be treated as an abstract of the Draft Supplemental Agreement dated 2/5/97 which is available for inspection at the Registered Office of the Company on any working day.

Mrs. Jayashree G Nair has been the Managing Director of the Company from the inception and under her guidance the Company achieved a turnover of approx. Rs.19 crores registering approx 100% growth in turnover as compared to 1993-94. The Expansion cum Modernisation Project has been taken up at her initiative which is on the verge of completion which will see the growth of the Company to much higher level in future.

The Board recommends the resolution for approval of shareholders.

None of the Directors are concerned or interested in the above resolution other than Mrs. Jayashree G Nair, Managing Director and Dr. G. G. Nair, Chairman.

Item No.6

The Members, at their Annual General Meeting held on 24/8/94 appointed Mr. S. C. Kachhara, as the Whole-time Director for a period of 5 years w.e.f 1/4/1994 as per the terms and conditions of the Agreement dated 1/4/94 entered into between the Company and Mr. S. C. Kachhara.

The said agreement empowers the Board to vary or alter the terms and conditions of the Agreement; however, the Whole-time Director was not given any increase in salary for last two years. Meanwhile, the Company expanded its activities in all spheres in the last two years with active participation of the Whole-time Director. The Board therefore in its meeting held on 27/3/97, resolved to revise the remuneration and perquisites w.e.f from 1/4/97 pursuant to Article 148 of Articles of Association of the Company for the balance period of his tenure subject to the approval of the Members in General Meeting, and the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the conditions specified in Schedule XIII to the said Act as amended from time to time, as follows as per Draft Supplemental Agreement dated 2/5/97.

- a. Monthly salary : Rs.40,000/- per month.
(in the pay scale of Rs.25,000-Rs.5,000-Rs.50,000).
- b. House Rent Allowance : Rs. 1,600 per month.
- c. Leave Travel Allowance : Rs.10,000/- per annum.
- d. Medical Reimbursement : Rs.10,000/- per annum."

In the event of loss or inadequacy of profits in any financial year, the salary and fixed allowances as mentioned above shall be the minimum remuneration payable to Mr. S. C. Kachhara, Whole-time Director, subject to the overall ceiling specified in Schedule XIII as amended from time to time.

The other terms and conditions of the appointment approved by the shareholders at the Annual General Meeting held on 24/8/94 will remain unchanged.

The above may be treated as an abstract of the Draft Supplemental Agreement dated 2/5/97 which is available for inspection at the Registered Office of the Company on any working day.

Mr. S. C. Kachhara has been the Director of the Company since inception and has contributed to the growth of the Company to its present level.

The Board recommends the resolution for approval of shareholders.

None of the Directors are concerned or interested in the above resolution other than Mr. S. C. Kachhara, Whole-time Director.

Item No.7

The Members, at their Annual General Meeting held on 24/8/94 appointed Mr. K. P. Prabhakar, as the Whole-time Director for a period of 5 years w.e.f 1/4/1994 as per the terms and conditions of the Agreement entered into between the Company and Mr. K. P. Prabhakar.

The said agreement empowers the Board to vary or alter the terms and conditions of the Agreement; however, the Whole-time Director was not given any increase in salary for last two years. Meanwhile, the Company expanded its activities in all spheres in the last two years with active participation of the Whole-time Director. The Board therefore in its meeting held on 27/3/97, resolved to revise the remuneration and perquisites w.e.f from 1/4/97 pursuant to Article 148 of Articles of Association of the Company for the balance period of his tenure subject to the approval of the Members in General Meeting, and the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the conditions specified in Schedule XIII to the said Act as amended from time to time, as follows as per Draft Supplemental agreement dated 2/5/97.

- a. Monthly salary : Rs.16,000/- per month.
(in the pay scale of Rs.10,000-Rs.2,000-Rs.20,000).

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- b. House Rent Allowance : Rs. 1,600 per month.
- c. Leave Travel Allowance : Rs.10,000/- per annum.
- d. Medical Reimbursement : Rs.10,000/- per annum."

In the event of loss or inadequacy of profits in any financial year, the salary and fixed allowances as mentioned above shall be the minimum remuneration payable to Mr. K. P. Prabhakar, Whole-time Director, subject to the overall ceiling specified in Schedule XIII as amended from time to time.

The other terms and conditions of the appointment approved by the shareholders at the Annual General Meeting held on 24/8/94 will remain unchanged.

The above may be treated as an abstract of the Draft Supplemental Agreement dated 2/5/97 which is available for inspection at the Registered Office of the Company on any working day.

Mr. K. P. Prabhakar has been the Director of the Company since inception and has contributed to the growth of the Company to its present level.

The Board recommends the resolution for approval of shareholders.

None of the Directors are concerned or interested in the above resolution other than Mr. K. P. Prabhakar, Whole-time Director.

Item No.8

The Members, at their Annual General Meeting held on 24/8/94 appointed Mr. Jayakumar R Nair, as the Whole-time Director for a period of 5 years w.e.f 1/4/1994 as per the terms and conditions of the Agreement entered into between the Company and Mr. Jayakumar R Nair.

The said agreement empowers the Board to vary or alter the terms and conditions of the Agreement; however, the Whole-time Director was not given any increase in salary for last two years. Meanwhile, the Company expanded its activities in all spheres in the last two years with active participation of the Whole-time Director. The Board therefore in its meeting held on 27/3/97, resolved to revise the remuneration and perquisites w.e.f from 1/4/97 pursuant to Article 148 of Articles of Association of the Company for the balance period of his tenure subject to the approval of the Members in General Meeting, and the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the conditions specified in Schedule XIII to the said Act as amended from time to time, as follows as per Draft Supplemental agreement dated 2/5/97.

- a. Monthly Salary : Rs.17,600/- per month.
(in the pay scale of Rs.11,000-Rs.2,200-Rs.22,000).
- b. House Rent Allowance : Rs. 1,600 per month.
- c. Leave Travel Allowance : Rs.10,000/- per annum.
- d. Medical Reimbursement : Rs.10,000/- per annum."

In the event of loss or inadequacy of profits in any financial year, the salary and fixed allowances as mentioned above shall be the minimum remuneration payable to Mr. Jayakumar R Nair, Whole-time Director, subject to the overall ceiling specified in Schedule XIII as amended from time to time.

The other terms and conditions of the appointment approved by the shareholders at the Annual General Meeting held on 24/8/94 will remain unchanged.

The above may be treated as an abstract of the Draft Supplemental Agreement dated 2/5/97 which is available for inspection at the Registered Office of the Company on any working day.

Mr. Jayakumar R Nair has been the Director of the Company since inception and has contributed to the growth of the Company to its present level.

The Board recommends the resolution for approval of shareholders.

None of the Directors are concerned or interested in the above resolution other than Mr. Jayakumar R Nair, Whole-time Director.

BY ORDER OF THE BOARD

DR. G. G. NAIR
CHAIRMAN

Mumbai,
Dated: 2nd September, 1997

Registered Office :

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

BDH INDUSTRIES LTD.



DIRECTORS' REPORT

To,

THE MEMBERS
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Seventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

	1996-97	(Rs. in lacs) 1995-96
Turnover & Other Income	1896.50	1735.94
Profit before Interest and Depreciation	168.75	137.93
LESS : Interest	87.10	59.85
Depreciation	6.34	5.31
Profit before Tax	75.31	72.77
LESS : Provision for Taxation	20.00	11.20
Net Profit After Tax	55.31	61.57
ADD : Surplus Brought Forward from the previous year	129.59	73.98
	184.90	135.55
LESS : Taxation pertaining to prior year	-	2.96
Amount available for appropriation	184.90	132.59
Appropriation to		
1. General Reserve	3.00	3.00
2. Proposed Dividend	-	-
3. Balance carried forward to Balance Sheet	181.90	129.59

REVIEW OF OPERATIONS :

During the year under review, Company's Turnover has increased to Rs.1893.74 lacs from Rs.1734.05 lacs in the previous year registering a marginal growth of 9.2%. The Turnover suffered a set back because of paucity of Working Capital; in addition, the activities of the Expansion Project also affected the Working of the existing facilities causing reduction in the turnover.

The Profit before tax during the year is Rs. 75.31 lacs as against Rs.72.77 lacs during 1995-96 registering marginal increase.

DIVIDEND :

Your Directors are of the opinion that since the expansion project is yet to be completed mainly due to paucity of funds caused by delay / non-receipt of allotment money and seeing the tight liquidity position, it would be prudent to plough back the profits for completion of the project which will be to the best interest of the Company and the benefits of which can be reaped by the members in future.

SHARE CAPITAL :

The Allotment money of the Public Issue was due for payment on or before 20th May, 1995. On the basis of representations received from Shareholders the Company extended the last date of payment of Allotment Money to 31.12.96 and issued several notices in this regard to the shareholders duly notifying about the consequences of non-payment of the Allotment money within the extended period. However, the Allotment money on 3,64,200 shares amounting to Rs. 72.84 lacs (including the shares Premium of Rs.54.63 lacs) remained unpaid despite reminder notices.

The Board had to take the decision of forfeiture of these shares in the interest of the Company.

FUTURE PROSPECTS :

With the expected completion of the Expansion Project during the year, the Company have planned a turnover of Rs.2500 lacs in the Current year.

The Registration process of our products with various overseas governments will be completed during the current year which will result in increased volume of exports in the coming years.

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PROMISE V/S PERFORMANCE : (In Terms of Clause 43 of the Listing Agreement)

	Projections	Actual Performance (Audited)
		(Rs. in Lacs)
i. Sales	2500.00	1893.75
ii. Profit after Tax	292.60	55.31
iii. E P S (Rs.)	4.79	0.90

Delay in Project implementation and delay / non-receipt of Allotment Money has affected the working.

FIXED DEPOSIT :

The company has not invited any deposits from the Public within the meaning of Section 58-A of the Companies Act, 1956 during the year under review.

CONSERVATION OF ENERGY AND TECHNOLOGY UPGRADATION:

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding the Conservation of energy, technology absorption and foreign exchange earnings /outgo is appended hereto as Annexure I of this Report.

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATION :

Your Directors are happy to inform that harmonious and cordial industrial relationship continues to prevail at all the levels of the Organisation

PERSONNEL :

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 is appended hereto as Annexure II of this report.

RESEARCH AND DEVELOPMENT :

The Company continues to lay emphasis on R & D based Development and introduction of New products such as ERIC KID Tablets and improvements in the formulation of PV DINE powder. Research and Development interaction with research institutions for product development and process development has been fruitful.

DIRECTORATE :

Dr. C. B. Hingorani who was appointed Director with your consent in the Fifth Annual General Meeting of the Company and who being liable to retire by rotation, and being eligible, offers himself for re-appointment.

Dr. V. A. Padval who was appointed Director with your consent in the Fifth Annual General Meeting of the Company and who being liable to retire by rotation, and being eligible, offers himself for re-appointment.

AUDITORS :

L. K. Dangi & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend re-appointment of Auditors.

APPRECIATION :

Your Directors acknowledge with gratitude the co-operation and assistance given by the Food & Drugs Control Administration, Director General of Foreign Trade and other Government authorities during the year under review.

Your Directors appreciates the co-operation received from the Company's Bankers.

Your Directors also wish to place on record their sincere appreciation for the devoted services rendered by the Employees and above all acknowledge with gratitude the co-operation of the shareholders for the continued growth of the Company.

FOR AND ON BEHALF OF THE BOARD

DR. G.G. NAIR
CHAIRMAN

Mumbai,

Dated : 2nd September, 1997

Registered Office :

Nair Baug, Akurli Road,
Kandivli (East),

Mumbai - 400 101.