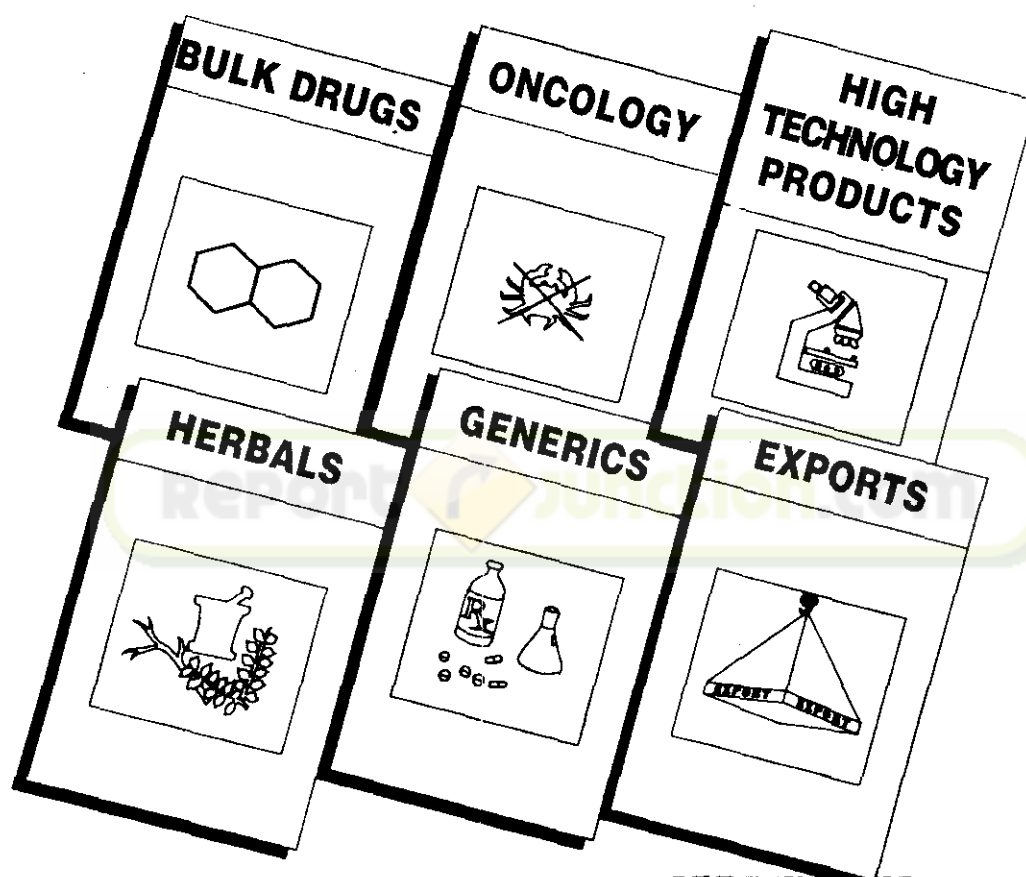




BDH
INDUSTRIES LTD.

Care, Quality and Reputation



CERTIFIED TRUE COPY
For BDH INDUSTRIES LIMITED

Finance Manager Cum, Company Secretary

*Advanced Technology
is the key to our continued Success*

Tenth Annual Report 1999-2000



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>
		Mrs. Karthika Nair	<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>

FINANCE MANAGER & COMPANY SECRETARY

: Mr. Kairav Trivedi

AUDITORS

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

BANKERS

: Central Bank of India

REGISTERED OFFICE AND SHARE DEPARTMENT

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

SALES DEPOTS

: Calcutta
Calicut
Hyderabad

TENTH ANNUAL GENERAL MEETING at Club Aquaria Enterprises, Devidas Road, Behind St. Lawrence School, LIC Colony, Borivli (W), Mumbai - 400 092. on Wednesday, the 27th September, 2000 at 11.30 a.m.

BDH INDUSTRIES LTD.



NOTICE

NOTICE is hereby given that the Tenth 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 (West), Mumbai-400092 on Wednesday, the 27th September, 2000 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 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. Vishnu A Padval, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Chandur 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 be fixed by the Board of Directors.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT Mrs. Karthika Nair, who was appointed as an Additional Director by the Board of Directors of the Company under Article 145 of the Articles of Association of the Company, and who by virtue of Section 260 of the Companies Act, 1956, hold office upto the date of this Annual General Meeting and is eligible for re-appointment and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, proposing her candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the appointment of Mrs. Karthika Nair as a Whole-time Director, for a period of 5 (Five) years with effect from 27th October, 1999 upon the terms and conditions including remuneration as are set out in the Draft Agreement to be entered into between the Company and Mrs. Karthika Nair and placed before this meeting, which Agreement be and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mrs. Karthika Nair."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and other allowances referred to in the said Draft 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 do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

BY ORDER OF THE BOARD

DR. G. G. NAIR
CHAIRMAN

Mumbai,
Dated: 28th July, 2000

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

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 Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 20th September, 2000 to Wednesday, the 27th September, 2000 (both days inclusive) .
4. Shareholders are requested to intimate the Company the change, if any, in their Registered Address.
5. Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting.

10th Annual Report 1999-2000

EXPLANATORY STATEMENT

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

ITEM NO.5

Mrs. Karthika Nair was appointed as the Additional Director of the Company by the Board of Directors at their meeting held on 27th October, 1999, pursuant to Section 260 of the Companies Act, 1956. She holds the office of Director upto the date of Annual General Meeting. The Company has received a notice in writing from a Member alongwith a deposit of Rs.500/- proposing her candidature for the office of the Director of the Company under the provisions of section 257 of the Companies Act, 1956.

Mrs. Karthika Nair is having Technical Qualification as Post Graduate in Science as well as Management Degree with specialisation in Marketing. Keeping in view her expertise in the field of Marketing and with reputed MNC's, the Board of Directors at its meeting held on 27th October, 1999 appointed her as Whole-time Director of the Company, for a period of 5 years w.e.f. 27th October, 1999 subject to approval of shareholders at the Annual General Meeting.

The Draft Agreement of Mrs. Karthika Nair, Whole-time Director inter-alia contains the following main terms and conditions :

1. Period of Agreement : Five Years w.e.f. 27th October, 1999.
2. Remuneration : Salary: Rs.20,000/- per month in the scale of Rs.20,000/- to Rs.40,000/-
The annual increments will be decided by the Board and will be merit based and taking into account the Company's performance.
3. Perquisites : In addition to the salary, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; togetherwith reimbursement of expenses or allowances such as medical reimbursement for self and family, leave travel allowance for herself and family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Ms. Karthika Nair ; such perquisites and allowances exclusive of contribution to Provident Fund, Superannuation/ Annuity Fund, Gratuity and Leave Salary will each year be subject to a maximum of 20% of her annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-Tax Rules wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

4. Car and Telephone : The Company shall provide a car to her for use on Company's business only. The Company shall provide a telephone at her residence for business purpose only.
5. Personal Accident Insurance : She shall be covered under the Company's Group Personnel Accident Insurance Policy.

Apart from the above, the Whole-time Director shall be eligible to Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund upto the tax exempted limit. Gratuity at the rate not exceeding half a months salary for each completed year of service and encashment of leave at the end of the tenure as per the rules of the Company.

Provided that the remuneration payable to the Whole-time Director shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

Minimum Remuneration : In the event of loss or inadequacy of Profits in any financial year, the Company shall pay minimum remuneration by way of salary and perquisite and allowances as specified above to the Whole-time Director.

This Agreement may be terminated at any time by either party hereto by giving to the other party 3(Three) months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination. In any event, the Whole-time Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

That the terms and conditions of this Agreement may be altered or varied from time to time by the Board of Directors of the Company as it may, in its discretion think fit, within the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments or modifications that may be made in this regard hereafter.

This Explanatory Statement together with the Notice is and should be treated as an abstract of the Draft Agreement to be entered into between the Company and the Whole-time Director pursuant to Section 302 of the Companies Act, 1956.

The Draft Agreement to be entered into between the Company and the Whole-time Director is available for inspection by Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. at any working day of the Company.

Mrs. Jayashree G Nair, Managing Director and Dr.G.G.Nair, Chairman being relatives as defined in Table 1 A of the Companies Act, 1956 and Mrs. Karthika Nair, Whole-time Director, are concerned and interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

BY ORDER OF THE BOARD

DR. G. G. NAIR
CHAIRMAN

Mumbai,
Dated: 28th July, 2000
Registered Office :
Nair Baug, Akurli Road,
Kandivli (East), Mumbai-400 101

**DIRECTORS' REPORT**

To,
THE MEMBERS
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Tenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	1999-2000	(Rs. in Lacs) 1998-99
Turnover & Other Income	1818.45	2378.40
Profit before Interest and Depreciation	232.47	188.76
Less : Interest	179.13	81.34
Depreciation	38.84	10.96
Profit before Tax and Extraordinary items	14.50	96.46
Less : Extraordinary items(Exchange loss)	—	89.87
Profit before tax	14.50	6.59
Less : Provision for Taxation	0.80	0.75
Net Profit After Tax	13.70	5.84
Add : Surplus Brought Forward from the previous year	231.82	225.98
Less : Provision for Gratuity in respect of earlier years	53.12	—
Amount available for appropriation	192.40	231.82
Appropriation to		
1. General Reserve	—	—
2. Balance carried forward to Balance Sheet	192.40	231.82

REVIEW OF OPERATIONS :

During the year under review, Company could record a Turnover of Rs.1818.45 lacs as compared to Rs.2378.40 lacs in the previous year. During the transition period of enhancement in capacity, the Production and Sales were effected thereby resulting in decline in Turnover.

The Operating Profit before interest and depreciation during the year is Rs.232.47 lacs as compared to Rs.188.76 lacs during the previous year. Modernisation of Plant & Utilisation of expanded capacity has started improving the bottom line. The Profit after tax for the year is Rs.13.70 lacs as against Rs.5.84 lacs during the previous year.

After adding the surplus brought forward from previous year of Rs.231.82 lacs and providing for Gratuity in respect of earlier years of Rs.53.12 lacs, the Company has carried forward Rs.192.40 lacs to the Balance Sheet.

WHO - GMP CERTIFICATION :-

During the year under review the Company was accredited with WHO-GMP Certificates for its main Products. Thus the Company is equipped to register its products in various markets world over, thereby, strengthening the existing market and expanding its present Export market.

DIVIDEND :

In view of inadequate profits, your Directors do not recommend any Dividends.

SHARE CAPITAL :

The Company's shares are listed at Mumbai, Ahmedabad and Madras Stock Exchanges, the Listing Fees for the year 2000-2001 has been paid by the Company.

FUTURE PROSPECTS :

The Modernisation cum Expansion Project was completed and the Commercial Production commenced with effect from 15th May, 1999. The Company has achieved Rs.731.17 lakhs turnover during the first quarter of the current financial year. This trend is expected to continue.

The National Drug Authorities from various countries have visited/scheduled to visit the plant during the current year. This is expected to generate further Export business.

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.

*10th Annual Report 1999-2000***Y2K COMPLIANCE :**

The Board is pleased to inform that the year, 2000 transition was completed smoothly and does not expect any material financial impact arising out of year, 2000 issues in future.

INDUSTRIAL RELATION :

Your Directors record harmonious and cordial Industrial relationship prevailing in the organisation.

PERSONNEL :

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

RESEARCH AND DEVELOPMENT :

Your Company continues to lay emphasis on inhouse R&D. Dronate-OS injection has been successfully introduced under Oncology Division during the year. Standardisation of Oily injections and newer Oncology products are in progress.

BOARD OF DIRECTORS :

Mrs. Karthika Nair was appointed as an Additional Director with effect from 27th October, 1999. She holds office until the conclusion of this Annual General Meeting and is eligible for re-appointment. The Company has received a notice under section 257 of the Companies Act, 1956, proposing her appointment as a Director subject to retirement by rotation.

Further, she was appointed as a Whole-time Director for a period of 5 Years w.e.f. 27th October, 1999 for which, approval of the shareholders is required as set out in Item No. 5 of the Notice.

Dr. V.A. Padval and Dr. C.B. Hingorani, Directors are retiring by rotation at the forthcoming Annual General Meeting being eligible, offer themselves for re-appointment. Accordingly, the Board recommends their re-appointment.

AUDITORS AND AUDITORS' REPORT :

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. Accordingly, your Directors recommend re-appointment of Auditors.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and, therefore do not call for any further comments.

APPRECIATION :

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

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 continued co-operation of the shareholders.

FOR AND ON BEHALF OF THE BOARD

DR. G.G. NAIR
CHAIRMAN

Mumbai,
Dated : 28th July, 2000

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

ANNEXURE I TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY :**A. POWER AND FUEL CONSUMPTION :**

<u>Particulars</u>	<u>1999-2000</u>	<u>1998-1999</u>
1 Electricity		
a. Purchased		
Units (in kwh)	766480	446400
Total Amount (in Rs.)	3271806	2238572
Average Rate/Unit (Rs.)	4.27	5.01
b. Own Generation		
i. Through Diesel Generators	-	-
ii. Through Steam Turbine/Generators	-	-
2 Coal (specify quality and where used)	-	-
3 Furnace Oil	-	-
4 Others		
L.D. Oil		
Quantity (Litres)	23000	9000
Total Cost (Rs.)	287760	95770
Average Rate/Unit (Rs.per litre)	12.51	10.64