



BDH
INDUSTRIES LTD.

Care, Quality and Reputation



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

Twelfth Annual Report 2001-2002



BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Dr. G. G. Nair	Chairman
		Mrs. J. G. Nair	Managing Director
		Mr. S. C. Kachhara	Director
		Mrs. Karthika Nair	Director
		Mr. K. P. Prabhakar	Director (Resigned effective 31/07/02)
		Mrs. P. G. Menon	Director (Resigned w.e.f. 19/09/01)
		Mr. J. R. Nair	Director
		Dr. V. A. Padval	Director

FINANCE MANAGER CUM
ASST. COMPANY SECRETARY : Mr. Ajay Khatri

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 : Calicut

TWELFTH ANNUAL GENERAL MEETING at Club Aquaria Enterprises, Devidas Road, Behind St. Lawrence School, LIC Colony, Borivli (W), Mumbai - 400 092. on Wednesday, the 25th September, 2002 at 3.00 p.m.

BDH INDUSTRIES LTD.

**NOTICE**

NOTICE is hereby given that the Twelfth 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 25th September, 2002 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 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 Mr. Jayakumar. R. Nair, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Karthika Nair, who retires by rotation and being eligible offers herself 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.

BY ORDER OF THE BOARD

DR.G.G.NAIR
CHAIRMAN

Mumbai,
Dated : 29th July, 2002

Registered Office :
Nair Baug, Akurli Road,
Kandivli (East), Mumbai - 400101

NOTES :

1. A MEMBER IS 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 Thursday, the 19th September, 2002 to Wednesday, the 25th September, 2002 (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.

12th Annual Report 2001-2002**DIRECTORS' REPORT**

To,
THE MEMBERS
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Twelfth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	2001-2002	2000-2001
Turnover & Other Income	2347.84	3022.84
Profit before Interest and Depreciation	325.18	351.39
Less : Interest	182.56	192.12
Depreciation	50.94	48.67
Profit before tax	91.68	110.60
Less : Provision for Taxation	2.91	2.71
Net Profit After Tax	88.77	107.89
Add : Surplus Brought Forward from the previous year	263.44	192.40
Less : Deferred Taxation	19.99	35.86
Less : Provision for Taxation in respect of earlier years	--	0.99
Amount available for appropriation	332.22	263.44
Appropriation to		
1. General Reserve	--	--
2. Balance carried forward to Balance Sheet	332.22	263.44

REVIEW OF OPERATIONS :

Turnover registered during the year under review is Rs.2347.84 lakhs as compared to Rs.3022.84 lakhs in the previous year. There was perceptible slowdown in the Indian Pharmaceutical Market in 2001 hence the performance and profitability of the Company has been affected.

The Operating Profit before interest and depreciation during the year under review is Rs.325.18 lakhs as compared to Rs.351.39 lakhs during the previous year.

The Profit after tax for the year is Rs.88.77 lakhs as against Rs.107.89 lakhs during the previous year. After adding the surplus brought forward from previous year of Rs.263.44 lakhs, Rs.332.22 lakhs is carried forward to the Balance Sheet as surplus in Profit & Loss A/c.

WHO - GMP CERTIFICATION :-

The company has been accredited with WHO-GMP Certificates. It is for the first time "Injection Department" was approved under WHO guidelines in addition to several departments earlier.

We have been accredited with 142 certificates upto June'02 including 18 products relating to Injectables.

We have also initiated the process of registration of various products in overseas market. This will help the Company in strengthening the presence in the Export market.

DIVIDEND :

The Company had taken FCNR(B) Term Loan of US \$ 13 Lakhs for its expansion and modernisation. Repayment is made regularly and present outstanding as on 31st March, 2002 is US \$ 4.33 lakhs.

In view of pending repayment of Term Loan and requirement of Working Capital for sustaining business, 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 2002-2003 has been paid by the Company.

**FUTURE PROSPECTS :**

The prospects of the pharmaceutical business is closely linked to industrial pick up in the world and the Government's initiatives on boosting the Export sector. Improvement in overall economic scenario is expected to provide stimulus to pharma business also.

Pressure on margins would be arrested by introduction of new variants, new products apart from continuous efforts in cost reduction.

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 :

The company continued to have cordial and harmonious relations with its employees.

PERSONNEL :

None of the Directors/Employees are drawing remuneration/salaries in excess of the amounts specified under Sec.217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules, 1975), thus no separate disclosure is required.

RESEARCH AND DEVELOPMENT :

Research and Development is basic requirement of Pharma business and is a key thrust area for us.

Research and development activities backed by constant market surveys is enabling your Company to develop different products and products with difference .

We also strengthen our need for Research and Development by taking co-operation from various research institutes.

BOARD OF DIRECTORS :

Mr. Jaykumar R. Nair and Mrs. Karthika Nair, 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.

Mrs. Prakashini. G. Menon has resigned as Director of the company with effect from 19th September, 2001. The Directors recorded appreciation of the valuable services rendered by her.

Mr. K.P. Prabhakar has resigned as director of the company and shall cease to hold office after 31st July, 2002. The Board places on record its appreciation for lifelong services rendered and contributions during his tenure.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies Act, 2000 the Directors confirm that :

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii. they have selected such accounting policies and applied them consistently and made judgements 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 March 31, 2002 and of the profit of the Company for the said period.
- iii. to the best of their knowledge and information, they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other Irregularities.
- iv. they have prepared the accounts on a going concern basis.

12th Annual Report 2001-2002**AUDIT COMMITTEE :**

The Audit Committee was set up by the Board of Directors in 2001 pursuant to provisions of Section 292 A of the Companies (Amendment) Act, 2000. During the financial year 2001-02, three meetings were held, one of which was before the finalisation of accounts. The dates on which the said meetings were held are as follows :-

30th Oct, 2001

29th April, 2002

27 July, 2002

The Constitution of the Committee and the attendance of each member of the Committee is given below :

Name	Designation	Non Executive / Independent	Committee Meetings Attended
Dr. G.G. Nair	Director	Non Executive	3
Dr. V.A. Padval	Director	Independent	3
Mr. K.P. Prabhakar	Director	Executive	3

Note : The members of the Audit Committee elect a chairman from amongst themselves at every meeting.

CORPORATE GOVERNANCE :

The code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) is required to be implemented by your Company in terms of the Listing Agreement/s with the Stock Exchange/s by March 31, 2003 i.e. during the Financial Year 2002-2003.

The Management is in the process of initiating steps in ensuring proper compliance of these Provisions.

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. Certificate of eligibility of appointment u/s 224 (1B) of the Companies Act, 1956 has been submitted by them. 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 : 29th July, 2002

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 :**

Particulars	2001-2002	2000-2001
1 Electricity		
a. Purchased		
Units (in kwh)	860900	860980
Total Amount (in Rs.)	4450809	4457841
Average Rate/Unit (Rs.)	5.17	5.18
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)	40000	35000
Total Cost (Rs.)	779264	658250
Average Rate/Unit (Rs.per litre)	19.48	18.81

B. CONSUMPTION PER KG OF PRODUCTION

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

TECHNOLOGY ABSORPTION**1. Research & Development**

- Specific areas in which R & D carried out by the Company :
Development of Products and Processes in the areas of Injectables, Formulations and Oncology.
- Benefits derived as a result of the above R & D :
Introduction of Oncology formulations in tablets and injectables doses. Meeting the higher Standards of our Export Customers.
- Future Plan of Action :
Work on WHO-GMP remodelling will continue as an ongoing programme. Injectable range of products continue to be of future interest.
- Expenditure on R & D :

	2001-2002	(Rs.in lakhs) 2000-2001
a. Capital	-	2.14
b. Recurring	4.34	5.04
TOTAL	4.34	7.18

C. Total R & D Expenditure as a percentage of total revenue.

0.18% 0.24%

2. Technology Absorption, Adaptation and Innovation :

- Efforts in brief made towards Technology Absorption, Adaptation and Innovations :
Updated manufacturing process and Quality assessment techniques are being used..
- Benefits derived as a result of the above efforts :
Improvement in Product Profile, quality, cost effective modifications and informative.
- Technology imported during the last 5 years :
No new technology has been imported.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2001-2002	(Rs. in lacs) 2000-2001
i. Foreign Exchange Earned	1684.07	2181.25
ii. C.I.F Value of Imports	352.25	667.03
iii. Foreign Travel	3.61	13.24
iv. Commission on Exports	44.58	55.46
v. Registration Charges & Tender Charges	1.86	0.20

FOR AND ON BEHALF OF THE BOARD

DR. G.G. NAIR
CHAIRMAN

Mumbai,
Dated : 29th July, 2002
Regd. Office :
Nair Baug, Akurli Road,
Kandivli (East), Mumbai - 400 101