



BDH
Industries Ltd.

Twenty Third Annual Report 2012-2013

Reputation

Quality

Care

Health Care World wide...



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2008

Pharmaceutical Company engaged in Health Care World wide

BDH : Quality Policy

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

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

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

Care



Quality

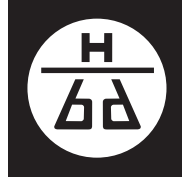


Reputation

BDH : Commitment

*Health Care * Mankind * Worldwide*

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



BDH INDUSTRIES LIMITED

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

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

NOTICE

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

ORDINARY BUSINESS :

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

SPECIAL BUSINESS :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.

Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,

Kandivli (E), Mumbai - 400 101

NOTES:

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

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

ITEM NO. 6 :

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

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

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

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

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

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

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

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

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

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

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

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

ITEM NO. 7 :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. Information about the appointee(s)

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

III. Other information

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

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair*Chairperson & Managing Director*

Place : Mumbai.

Date: 30th May 2013

Registered Office:

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

DIRECTORS' REPORT

To,

THE MEMBERS,

BDH INDUSTRIES LIMITED

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

FINANCIAL RESULTS :

(₹ in Lakhs)

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

REVIEW OF OPERATIONS :

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

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

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

DIVIDEND :

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

SHARE LISTING :

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

FUTURE PROSPECTS :

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

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

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

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

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

**FIXED DEPOSIT :**

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

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

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

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATION :

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

PERSONNEL :

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

COST AUDIT

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

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

ENVIRONMENT, HEALTH & SAFETY :

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

RESEARCH AND DEVELOPMENT :

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

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

BOARD OF DIRECTORS :

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

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

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

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

- 1) In the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures .
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

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CORPORATE GOVERNANCE :

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

AUDITORS AND AUDITORS' REPORT :

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

APPRECIATION :

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

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

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.

Date: 30th May 2013

Registered Office:

Nair Baug, Akurli Road,

Kandivli (E), Mumbai - 400 101

CEO / CFO Certification

We hereby certify that :

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

For BDH Industries Limited,

Jayashree Nair

Chairperson & Managing Director

S. C. Kachhara

Executive Director

Place : Mumbai.

Date : 30th May, 2013