



**BDH**  
*Industries Ltd.*

## Twenty Fifth Annual Report 2014-2015



*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 continual 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 MOH / DHS at Affordable Rates : ROW Market**
- **Strengthen International NGOs at Reasonable Rates**
- **Global Reach - Exporting to more than 30 countries**



## BDH INDUSTRIES LIMITED

**BOARD OF DIRECTORS** : **Ms. Jayashree Nair** *Chairperson & Managing Director*  
**Mr. S. C. Kachhara** *Executive 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 FIFTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai - 400 095 on Monday, 28<sup>th</sup> September, 2015 at 3.00 p.m.**

### NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of BDH INDUSTRIES LIMITED will be held on Monday, 28<sup>th</sup> September, 2015 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 of the Company for the financial year ended 31<sup>st</sup> March 2015 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, 2015.
3. To appoint a Director in place of Mr. S. C. Kachhara (DIN 00019666) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

#### SPECIAL BUSINESS :

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

"RESOLVED THAT the new set of Articles of Association placed before the meeting and initialed by the Chairman for the purpose of identification be and the same is adopted in substitution for, and to the exclusion of, the present set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 27<sup>th</sup> May, 2015

**Jayashree Nair**  
Chairperson & Managing Director

#### Registered Office :

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101  
Tel. No. :022-61551234 • Fax No. :022-28868349  
Email – investor.bdh@mtnl.net.in • Website : www.bdhind.com  
CIN – L24230MH1990PLC059299

#### 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. 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. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2015 to Monday, 28th September, 2015 (both days inclusive).
3. The dividend if sanctioned at the Annual General Meeting, will be paid to those members, whose names appear in the Register of Members on 28th September, 2015 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 21st September 2015.
4. Re-appointment of retiring director – Mr. S. C. Kachhara, (DIN – 00019666) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His qualifications are B.Com, L.L.B. (Gen.), FCA and MIIA (USA). He has been Director of the Company since inception. He has experience of 37 years in the areas of finance, taxation, international business and overall business activities. He is not a Director in any other Company.
5. 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 are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013.
6. 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 initiative of Government, members who would like to receive Annual Report in electronic mode are requested to do so by registering their e-mail addresses with Company's Registrar and Share Transfer Agent, mentioning their folio number and e-mail address to which Annual Report can be sent.



7. Members may note that the Notice of 25th 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. 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 a.m. to 1.00 p.m. on all working days upto the date of Annual General Meeting.
8. Explanatory statement under section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
9. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("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 27<sup>th</sup> September 2015.
  - 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 Friday, 25th September 2015 (9.00 a.m.) and ends on Sunday, 27<sup>th</sup> September, 2015 (5.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2015, 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 member, the member shall not be allowed to change it subsequently.
  - V. The process and manner for remote 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(s)] :
      - (i) 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 remote e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder - Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) 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.
      - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      - (vii) Select "EVEN" of BDH Industries Limited.
      - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
      - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
      - (xii) Institutional 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(s) or requesting physical copy of notice] :
      - (i) Initial password is provided as mentioned at the bottom of the Attendance Slip for the AGM :  
EVEN (Remote e-voting Event Number)\_USER ID\_PASSWORD/PIN
      - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
  - VI. In case of any queries, you may refer the frequently asked questions (FAQs) for members and remote e-voting user manual for members 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.

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- 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 the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September 2015.
- 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., 21st September 2015 may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) 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 forget your password, you can reset your password by using "Forgot User Details / 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 poll at the meeting) in a fair and transparent manner.
- XIII. The Chairperson shall, at the AGM, 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 votes by availing the remote e-voting / physical ballot facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast 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 three days of the conclusion of the AGM, 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 report of the Scrutinizer shall be 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 forwarded to BSE Limited, Mumbai.
10. This Notice has been updated with the instructions for voting through electronic means as per amended Rules, 2015.
11. Members having any questions on Accounts are requested to write their queries atleast ten days prior to the Annual General Meeting to Company at its registered office address so as to enable the Management to keep the information ready at the meeting.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 27<sup>th</sup> May, 2015

**Jayashree Nair**  
*Chairperson & Managing Director*

**Registered Office :**

Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101  
Tel. No. : 022-61551234 • Fax No. : 022-28868349  
Email: [investor.bdh@mtnl.net.in](mailto:investor.bdh@mtnl.net.in) • Website : [www.bdhind.com](http://www.bdhind.com)  
CIN – L24230MH1990PLC059299



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO.5

Following the enactment of the Companies Act, 2013, and the repeal of the Companies Act, 1956 it is necessary to alter the Articles of Association of the Company to bring them fully in conformity with the applicable / corresponding provisions of the Companies Act, 2013.

In view of the foregoing, it is proposed to substitute a new set of Articles of Association for the present set of Articles of Association, rather than making piecemeal alterations in various provisions contained in the existing Articles of Association.

Pursuant to the provisions of section 14 of the Companies Act, 2013, the new set of Articles of Association would require to be approved by the shareholders in general meeting by way of special resolution. Hence this resolution is put for the consideration of the shareholders.

The following are the material alterations made to the existing Articles of Association. These are occasioned by the enactment of the new Companies Act, 2013 and the applicable provisions thereof :

1. The existing Article 6 relating to further issue of capital has been replaced by a new Article 16 in view of the provisions of section 62 of the Act.
2. The existing Article 8 relating to reduction of capital has been replaced by a new Article 73 in view of the provisions of section 66 of the Act.
3. New Article 75 relating to buy-back of shares has been inserted in conformity with section 68 to 70 of the Act.
4. The new Article relating to sweat equity shares has been incorporated in conformity with section 54 of the Act.
5. Existing Articles 32 to 41 relating to calls on shares have been suitably altered in conformity with the applicable provisions of the Act. The corresponding articles are Article 24 to 33.
6. New Article 44 to 47 relating to nomination has been incorporated in conformity with the section 72 of the Act.
7. Existing Article 190 to 192 relating to restriction on power of board has been replaced by new Article 145 in view of the provisions of Section 179 and 180 of the Act.
8. Existing provisions in Articles 92 to 95 relating to conversion of shares into stock and reconversion has been deleted.
9. Existing Articles 96 to 118 relating to general meetings has been replaced by new Articles 76 to 99.
10. New Articles 126 to 128 relating to Managing Director has been inserted. It corresponds to existing Article 173 to 176.
11. New Article 135 relating to Chairperson has been inserted. It corresponds to existing Article 109.
12. Existing Article 185 relating to Directors may appoint committees has been replaced by new Article 138, in view of the provisions of Section 179 of the Act.
13. The existing Articles 220 to 229 relating to Accounts and Audit has been replaced by new Articles 161 and 162, in view of the provisions of sections 139 to 146 of the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. A copy of the existing Articles of Association and of the proposed new set of Articles of Association will be open for inspection by members at the registered office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public holidays).



**DIRECTORS' REPORT**

To,

THE MEMBERS,

BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Twenty Fifth Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2015.

**FINANCIAL RESULTS :**

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
Sales (Gross)	4512.57	4310.17
Sales (Net)	4461.36	4263.59
Other Income	121.73	124.42
Total Income	4583.10	4388.01
Profit before Interest and Depreciation	502.06	490.12
Less : Interest	48.15	73.95
Depreciation	74.47	75.69
Profit before tax	379.44	340.48
Less : Provision for Taxation	132.00	115.19
Deferred Taxation	(9.53)	(4.49)
Net Profit After Tax	256.97	229.78
Add : Surplus Brought Forward from the previous year	965.89	871.62
Balance available for Appropriation	1222.86	1101.40
Less : Transfer to General Reserve	38.55	34.47
Less : Provision for Dividend	97.87	69.06
Less : Tax on Dividend	20.36	11.74
Less : Provision for Retirement Benefit	(20.21)	20.21
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 (Net of Deffered Tax)	61.50	0.00
Balance carried forward to Balance Sheet	1024.78	965.89

**REVIEW OF OPERATIONS :**

During the year 2014-15 Company achieved Sales (Net) of ₹ 4461.36 Lakhs as compared to ₹ 4263.59 Lakhs in the previous year registering growth by 4.6% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 490.12 lakhs in previous year to ₹ 502.06 lakhs in 2014-15. The Company earned Net Profit of ₹ 256.97 lakhs during the year as against ₹ 229.78 lakhs as in previous year thereby showing growth of 12% in Net Profit after Tax. Your Directors have approved a transfer of ₹ 38.55 lakhs to General Reserve for the year ended 31<sup>st</sup> March 2015 as against an amount of ₹ 34.47 lakhs in previous year. After adding the surplus brought forward from previous year of ₹ 965.89 lakhs, ₹1024.78 lakhs is carried to the Balance Sheet as surplus in Statement of Profit & Loss.

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS :**

No event occurred between the end of the year to which the financial statements are related and the date of report that would materially change or affect the financial position of the Company.

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

There has been no material change in the nature of business during the financial year under review.

**DIVIDEND :**

Your Directors are pleased to recommend dividend of ₹ 1.40/- per equity share of ₹ 10/- each (previous year ₹ 1.20/- per share) plus Special Silver Jubilee Dividend of ₹ 0.30 per equity share of ₹ 10/-, hence total dividend recommended is ₹ 1.70 per equity share of ₹ 10/- each for financial year ended 31<sup>st</sup> March, 2015. The said 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 ₹117.80 lakhs. The dividend is tax free in the hands of shareholders.





## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors at present has six members Mrs. Jayashree Nair, is the Chairperson and Managing Director of the Company. She was appointed as Managing Director of the Company for a period of three years with effect from 1st April 2014 as approved by the members at the 23rd Annual General Meeting. Mr. S.C. Kachhara is the Executive Director & Chief Financial Officer of the Company. He was appointed as Executive Director of the Company for a period of three years with effect from 1st April 2014 as approved by the members at the 23rd Annual General Meeting. Mr. S. C. Kachhara was also re-designated the Chief Financial Officer of the Company with effect from 28th May 2014 in compliance with section 203 of the Companies Act 2013. Mr. S. C. Kachhara (DIN 00019666) retires by rotation at the forthcoming Annual General Meeting, being eligible and offers himself for re-appointment. Accordingly, the Board recommends his re-appointment.

There are three Independent Directors on the Board of the Company – Mr. A.V. Menon (DIN-00019770), Dr. Dinesh Variar (DIN-00019721) and Mr. Bhagirath Singh Sihag (DIN-00155407). In order to comply with the requirements of Section 149(4) and 149(5) of the Companies Act 2013, the Board of Directors recommended the appointment of the three Independent Directors as Independent Directors under the provisions of the Companies Act 2013, subject to the approval of the members at the 24th Annual General Meeting. The approval of members was obtained by postal ballot, e-voting and poll at the 24th Annual General Meeting and the results were announced to the stock exchange. The terms of appointment for the Independent Directors were issued by way of letter duly signed by Chairperson of the Board.

There is one Non- Executive Director on the Board of the Company – Mrs. Karthika Nair (DIN-00019695). To comply with the requirement of Section 203 of the Companies Act 2013, Mrs. Jayashree Nair, Managing Director, Mr. S. C. Kachhara, Executive Director and Chief Financial Officer and Ms. Nikita Phatak, Company Secretary of the Company have been re-designated as the Key Managerial Personnel of the Company. The Board of Directors met five times during the year on 28<sup>th</sup> May 2014, 12<sup>th</sup> August 2014, 17<sup>th</sup> September 2014, 14<sup>th</sup> November 2014 and 12<sup>th</sup> February 2015. The Policy for selection of Directors and determining independence of a director and Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached herewith as Annexure III(A) and Annexure III(B) to this report.

## **DECLARATION FROM INDEPENDENT DIRECTORS:**

The Independent Directors on the Board of the Company have submitted their declaration stating that they meet the criteria of independence under section 149(6) of the Companies Act 2013.

## **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimated 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 and loss of the Company for that period;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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; and
- the Directors have 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 as stipulated under Listing Agreement and a Corporate Governance Report is part of this Annual Report. A certificate from Statutory Auditor of the Company on compliance of the conditions stipulated for Corporate Governance under Clause 49 of the Listing Agreement is attached to this report. A declaration by the Managing Director pursuant to clause 49 of the Listing Agreement regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to this report.

## **LISTING WITH STOCK EXCHANGE :**

The equity shares of the Company are listed with Bombay Stock Exchange Limited. The annual listing fee for year 2015-2016 has been promptly paid by the Company.

## **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 any 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.

### **VIGIL MECHANISM :**

The Company has established a Vigil Mechanism for Directors and employees to report their genuine concerns or grievances. The Whistle Blower Policy is adopted which provides safeguards against victimization of the Whistle Blower. The employees of the Company are free to report any concerns of unethical behavior, suspected fraud or violation of laws to the Audit Committee under this policy.

### **FORMAL ANNUAL EVALUATION :**

As required under 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 12th February 2015 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 Executive Director and Non-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 reasonably perform their duties.

Also as required under Clause 49 of the Listing Agreement, 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 the 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. The Members of the Committee of audit, nomination and remuneration, shareholders / investors grievance and share transfer were also assessed on the above parameters and also in context of the Committee's effectiveness vis-à-vis the Companies Act 2013 and the Listing Agreement.

### **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 period under review as envisaged under Sections 73, 74 and 76 of the Companies Act, 2013.

### **PARTICULARS OF LOANS, GUARANTEES AND 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 guarantees other than bank guarantees in the normal course of business to meet the contractual obligations. The Board of Directors have authorized the Company to invest the surplus of the Company 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, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of Companies (Accounts) Rules, 2014, Chapter XI, particulars of energy conservation, technology absorption and foreign exchange earnings and outgo are appended hereto as Annexure IV to this Report.

### **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.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 none of the Directors/Employees are drawing remuneration / salaries in excess of ₹ 60,00,000/- per annum or ₹ 5,00,000/- per month.

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

The Company continued its commitment to environment protection and industrial safety. Our manufacturing facility is accredited with WHO-GMP and complies with applicable environmental regulations. The Company also received ISO 9001:2008 Certificate from SGS United Kingdom Limited. Periodical audits are done internally to assess the efficiency of the plant. The Company conducts medical check-up programs, first aid courses and fire safety sessions for employees. The Company has also upgraded the fire fighting system during the year.

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

The Extract of Annual Return of the Company as on 31<sup>st</sup> March 2015 is annexed herewith as Annexure I to this Report.

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

#### **STATUTORY AUDIT :**

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 notes to financial statements are self-explanatory.