



**BDH**  
Industries Ltd.

*Reputation*

*Quality*

*Care*

*Health Care World wide...*

## Twenty Sixth Annual Report 2015-2016



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*

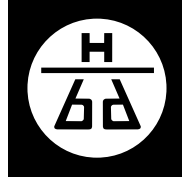


*Reputation*

## **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**

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

**TWENTY SIXTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095 on Thursday, 22<sup>nd</sup> September, 2016 at 3.00 p.m.**

### NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Thursday, 22<sup>nd</sup> September, 2016 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 for the year ended on 31<sup>st</sup> March, 2016 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, 2016.
3. To appoint a Director in place of Mrs. Karthika Nair (DIN 00019695), who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Section 139 and all applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s L. J. Kothari & Co, Chartered Accountants (Firm Registration No. 105313W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration, taxes and out of pocket expenses, as may be fixed by the Board of Directors of the Company."

#### 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 pursuant to the provisions of Section 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the provisions of Articles of Association of the Company, the approval of Members be and is hereby accorded to the re-appointment of Mrs. Jayashree Nair (DIN 00027467) as Managing Director of the Company for a further period of three years commencing 1<sup>st</sup> April, 2017 on the terms and conditions including remuneration as approved by the Remuneration Committee of the Board and as set out in the draft of the agreement to be entered into between the Company and Mrs. Jayashree Nair.  
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of the said appointment and agreement, in such manner as may be agreed to, between the Board and Mrs. Jayashree Nair.  
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable for the purpose of giving effect to this resolution."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-  
"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the provisions of Articles of Association of the Company, the approval of Members be and is hereby accorded to the re-appointment of Mr. S. C. Kachhara (DIN 00019666) as Joint Managing Director of the Company for a further period of three years commencing 1<sup>st</sup> April, 2017 on the terms and conditions including remuneration as approved by the Remuneration Committee of the Board and as set out in the draft of the agreement to be entered into between the Company and Mr. S. C. Kachhara.  
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of the said appointment and agreement, in such manner as may be agreed to, between the Board and Mr. S. C. Kachhara.  
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable for the purpose of giving effect to this resolution."

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 27<sup>th</sup> May, 2016

**Jayashree Nair**  
Chairperson & Managing Director

#### Registered Office :

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101  
Tel. No. :022-61551234 • Fax No. :022-28868349  
Email – investors@bdhind.com • Website : www.bdhind.com  
CIN – L40300MH1990PLC059299

#### 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. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.



3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16<sup>th</sup> September, 2016 to Thursday, 22<sup>nd</sup> September, 2016 (both days inclusive).
4. The dividend, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on 22<sup>nd</sup> September, 2016 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 15<sup>th</sup> September, 2016.
5. Re-appointment of retiring director –  
Mrs. Karthika Nair, (DIN – 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are M.Sc. and MMS (Marketing) from University of Mumbai. She has been Director of the Company since 1999. She is not Director of any other Company. She is daughter of Mrs. Jayashree Nair. The details of the Membership of committees of the board and shareholding are mentioned in Corporate Governance Report.
6. 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, 1956 / Companies Act, 2013.
  - (e) The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividends in respect of the dividend for the financial year 2010-11 till the dividend for the financial year 2014-15, on the website of the Company viz. [www.bdhind.com](http://www.bdhind.com).
7. Electronic copy of the Notice of the 26<sup>th</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 26<sup>th</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode
8. Members may note that the Notice of 26<sup>th</sup> 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. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, shareholders may also send requests to the Company's investors e-mail id [investors@bdhind.com](mailto:investors@bdhind.com).
9. The documents referred to in the Notice will be available for inspection by the members at the registered office of the Company from 11.00 am to 1.00 pm on all working days (excluding Saturday) upto the date of Annual General Meeting.
10. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings setting out the details of the persons seeking appointment / re-appointment as Directors under Item Nos. 5 & 6 in respect of special business accompanying the Notice is annexed hereto.
11. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 26<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting system 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, Kandivli (East), Mumbai 400101 so as to reach the scrutinizer on or before 5.00 p.m. on 21<sup>st</sup> September, 2016.
  - 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 Monday, 19<sup>th</sup> September, 2016 (9:00 am) and ends on Wednesday, 21<sup>st</sup> September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15<sup>th</sup> September, 2016, 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 shareholder, the member shall not be allowed to change it subsequently.
  - V. The process and manner for 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]:
      - (a) 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 e-voting. Please note that the password is an initial password.
      - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (c) Click on Shareholder – Login

- (d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
  - (e) 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.
  - (f) Home page of e-voting opens. Click on remote e-Voting: Active Voting Cycles.
  - (g) Select "EVEN" (Remote E-Voting Event Number) of BDH Industries Limited.
  - (h) Now you are ready for remote e-voting as Cast Vote page opens.
  - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (l) Corporate 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 or who request physical copy of notice]:
- (a) Initial password will be provided by the Company :  
EVEN (Remote E-Voting Event Number)\_USER ID\_PASSWORD/PIN
  - (b) Please follow all steps from Sl. No. (b) to Sl. No. (l) 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 shareholders 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.
- 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 shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15<sup>th</sup> September, 2016.
- 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., 15<sup>th</sup> September, 2016 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 forgot your password, you can reset your password by using "Forget 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 Annual General Meeting, 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 vote by availing the remote e-voting / physical ballot facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast through physical ballot facility and 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 48 hours of the conclusion of the Annual General Meeting, 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 Scrutinizer's Report 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 communicated to the BSE Limited, Mumbai.
12. Members having any questions on accounts are requested to write their queries atleast 10 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.
13. The route map giving directions to reach the venue of the 26<sup>th</sup> Annual General Meeting is given at the end of the Notice.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 27<sup>th</sup> May, 2016

**Jayashree Nair**  
Chairperson & Managing Director

**Registered Office :**

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101  
Tel. No. :022-61551234 • Fax No. :022-28868349  
Email – [investors@bdhind.com](mailto:investors@bdhind.com) • Website : [www.bdhind.com](http://www.bdhind.com)  
CIN – L40300MH1990PLC059299



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

### Item No. 5

Mrs. Jayashree Nair was appointed as Managing Director of the Company for a period of three years from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017 as per the terms and conditions approved by the members at the 23<sup>rd</sup> Annual General Meeting and continuation of her employment as Managing Director requires approval of members by way of special resolution.

Mrs. Jayashree Nair, 73 years, BSc. (Hons.) has been at the helm of BDH Industries Limited since last five decades. Under her guidance and leadership, the Company has registered growth in the business, overcome lean phases and emerged stronger. She has indepth expertise of manufacturing activity and general management of business of the Company. She is an acknowledged expert in various pharmaceutical products that your Company is engaged in. Keeping in view that Mrs. Jayashree Nair has rich and varied experience in pharmaceutical industry and has been involved in the operations of the Company for more than five decades, it would be in the interest of the Company to continue the employment of Mrs. Jayashree Nair as Managing Director. She holds 1265240 shares of the Company. She is a director in BDH Healthcare Private Limited. She is not a member of any committee of the Board in which she is the director. Mrs. Jayashree Nair is mother of Mrs. Karthika Nair. Details of number of board meetings held and attended by her during her tenure as Director of the Company are given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Report which are available on the Company's website [www.bdhind.com](http://www.bdhind.com).

The Audit and Remuneration Committee have approved the reappointment of Mrs. Jayashree Nair as Managing Director for period of three years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020. This is subject to the approval of shareholders at this Annual General Meeting. The agreement referred to in the resolution at item no 5 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mrs. Jayashree Nair upon her re-appointment as Managing Director.

The abstract of the terms and conditions of her re-appointment as contained in the said agreement are as follows :-

1. Period : 3 years with effect from 1<sup>st</sup> April, 2017.
2. The Managing Director shall devote her skills, time, attention and abilities to the business and welfare of the Company and carry out such duties as may be entrusted to her by the Board from time to time subject to direction of the Board. She shall have general control, management and superintendence of the business of the Company and to do and perform all other acts, deeds and things which in the course of business, she may consider necessary or proper or in the best interest of the Company
3. Remuneration
  - a. Salary of ₹ 4,50,000/- per month with annual increment of ₹ 50,000/- in April of each year.
  - b. Perquisites –
    - i) In addition to the salary, the Managing Director shall also be entitled to perquisites like accommodation / house rent allowance, house maintenance allowance, medical insurance and re-imbursement and leave travel allowance for self 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 and Managing Director, such perquisites being restricted to ₹ 12 lakhs per annum. The perquisites are exclusive of contribution to Provident Fund, Superannuation / Annuity Fund, Gratuity and leave salary.
    - ii) Personal Accident Insurance: She shall be covered under the Company's Group Personnel Accident Insurance Policy.
    - iii) Medical, Hospitalisation and Healthcare expenses : Actual medical, hospitalization and healthcare expenses incurred for Managing Director and her family including mediclaim policy premium shall be paid by the Company.
    - iv) Car and Telephone: She shall be provided Company maintained car with driver. The Company shall provide landline telephone at her residence and mobile phone for official use.
4. i) Provident Fund : The Company shall contribute to a statutory or recognised Provident Fund on her behalf to the extent that such contribution is not taxable in her hand under the provisions of the Income Tax Act, 1961 as subsisting from time to time.
- ii) Superannuation : The Company shall contribute to a statutory or recognized superannuation fund or annuity fund on her behalf to the extent that such contribution is not taxable in her hands under the provisions of Income Tax, 1961 as subsisting from time to time.
- iii) Gratuity : Gratuity shall be payable as per the rules of the Company and shall not exceed half a month's salary for each completed year of service.
- iv) Leave Encashment : Encashment of leave at the end of the tenure as per the rules of the Company.
5. The Managing Director so long as she functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of her re-appointment.
6. That in the event of loss or inadequacy of profits in any financial year, the salary and allowances as referred to hereinabove shall be the minimum remuneration payable to the Managing Director.
7. The Company shall reimburse to the Managing Director entertainment, travelling and all other expenses incurred by her for the business of the Company.
8. 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 Managing Director shall not be entitled to any compensation in cases mentioned in Section 202(2) of the Companies Act, 2013
9. 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, in accordance with Schedule V to the Companies Act, 2013 or any amendments or modifications that may be made in this regard hereafter.

10. The Managing Director shall not during the continuance of her employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for her own purpose or for any purpose other than that of the Company of any information or knowledge obtained by her during her employment as to the business or affairs of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mrs. Jayashree Nair and Mrs. Karthika Nair are interested or concerned, financially or otherwise, in passing of this resolution.

The Board recommends approval to her re-appointment as the Managing Director of the Company.

### Item No. 6

Mr. S. C. Kachhara was appointed as Executive Director of the Company for a period of three years from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017 as per the terms and conditions approved by the members at the 23<sup>rd</sup> Annual General Meeting and continuation of his employment as Executive Director requires approval of members by way of special resolution.

Mr. S. C. Kachhara, 61 years, is B.Com., LLB. (Gen.), FCA and MIIA (USA) and has 37 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. He has been director of the Company since 1990. His experience comprises in the areas of finance, taxation, international business and overall business activity. Keeping in view that Mr. S. C. Kachhara has rich and varied experience in pharmaceutical industry and has been involved in the operations of the Company for more than three decades, it would be in the interest of the Company to continue the employment of Mr. S. C. Kachhara as Joint Managing Director. He holds 108200 shares of the Company. He is not a director in any other Company. Details of number of board meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Report which are available on the Company's website [www.bdhind.com](http://www.bdhind.com).

The Audit and Remuneration Committee have approved the reappointment of Mr. S. C. Kachhara as Joint Managing Director for period of three years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020. This is subject to the approval of shareholders at this Annual General Meeting. The agreement referred to in the resolution at item no 6 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. S. C. Kachhara upon his re-appointment as Joint Managing Director.

The abstract of the terms and conditions of his re-appointment as contained in the said agreement are as follows :-

1. Period : 3 years with effect from 1<sup>st</sup> April, 2017
2. The Joint Managing Director shall undertake to employ the best of his skills, devote adequate time, attention and abilities to make his utmost endeavours to promote the interests and welfare of the Company and comply with the directions given by the Board from time to time. The Joint Managing Director, subject to control and review of the Board, shall conduct and manage the business and affairs of the Company and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary or proper and in the interest of the Company. The Joint Managing Director shall exercise such powers and duties as may be entrusted to him by the Board from time to time subject to direction of the Board.
3. Remuneration
  - a. Salary of ₹ 4,50,000/- per month with annual increment of ₹ 50,000/- in April of each year.
  - b. Perquisites – i) In addition to the salary, the Joint Managing Director shall also be entitled to perquisites like accommodation / house rent allowance, house maintenance allowance, medical insurance and re-imbursement and leave travel allowance for self 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 and Joint Managing Director, such perquisites being restricted to ₹ 12 lakhs per annum. The perquisites are exclusive of contribution to Provident Fund, Superannuation / Annuity Fund, Gratuity and leave salary.
    - ii) Personal Accident Insurance: He shall be covered under the Company's Group Personnel Accident Insurance Policy.
    - iii) Medical, Hospitalisation and Healthcare expenses : Actual medical, hospitalization and healthcare expenses incurred for Joint Managing Director and his family including mediclaim policy premium shall be paid by the Company.
    - iv) Car and Telephone: He shall be provided Company maintained car with driver. The Company shall provide landline telephone at his residence and mobile phone for official use.
4.
  - i) Provident Fund : The Company shall contribute to a statutory or recognised Provident Fund on his behalf to the extent that such contribution is not taxable in his hand under the provisions of the Income Tax Act, 1961 as subsisting from time to time.
  - ii) Superannuation : The Company shall contribute to a statutory or recognized superannuation fund or annuity fund on his behalf to the extent that such contribution is not taxable in his hands under the provisions of Income Tax, 1961 as subsisting from time to time.
  - iii) Gratuity : Gratuity shall be payable as per the rules of the Company and shall not exceed half a month's salary for each completed year of service.
  - iv) Leave Encashment : Encashment of leave at the end of the tenure as per the rules of the Company.
5. The Joint Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of his re-appointment.
6. That in the event of loss or inadequacy of profits in any financial year, the salary and allowances as referred to hereinabove shall be the minimum remuneration payable to the Joint Managing Director.
7. The Company shall reimburse to the Joint Managing Director entertainment, travelling and all other expenses incurred by him for the business of the Company.
8. 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 Joint Managing Director shall not be entitled to any compensation in cases mentioned in Section 202(2) of the Companies Act, 2013.
9. 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, in accordance with Schedule V to the Companies Act, 2013 or any amendments or modifications that may be made in this regard hereafter.

10. The Joint Managing Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company.

None of the Directors and Key Managerial Personnel of the Company, except Mr. S. C. Kachhara and his relatives are interested or concerned, financially or otherwise, in passing of this resolution.

The Board recommends approval to his re-appointment as the Joint Managing Director of the Company.

Statement required to be given under part II, Section II(B)(IV) of the Schedule V of the Companies Act, 2013

#### 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) 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. 5 and item no. 6.
- (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. 5 and item no. 6.
- (5) Remuneration proposed : The proposed remuneration of the appointees are mentioned in the Explanatory Statement at item no. 5 and item no. 6.
- (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 Joint Managing 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

Place : Mumbai  
Date : 27<sup>th</sup> May, 2016

**Jayashree Nair**  
Chairperson & Managing Director

#### Registered Office :

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101

#### Route Map for Venue of 26<sup>th</sup> Annual General Meeting of BDH Industries Limited



**DIRECTORS' REPORT**

To,  
THE MEMBERS,  
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting 26<sup>th</sup> Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS :**

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2015-16	2014-15
Sales (Gross)	4672.82	4512.56
Sales (Net)	4612.87	4461.35
Other Income	179.57	121.73
Total Income	4792.44	4583.08
Profit before Interest and Depreciation	587.90	502.06
Less : Interest	33.42	48.15
Depreciation	73.40	74.47
Profit before tax	481.08	379.44
Less : Provision for Taxation	162.91	132.00
Deferred Taxation	(4.45)	(9.53)
Net Profit After Tax	322.62	256.97
Add : Surplus Brought Forward from the previous year	1024.79	965.89
Balance available for Appropriation	1347.41	1222.86
Less : Transfer to General Reserve	48.39	38.55
Less : Provision for Dividend	115.15	97.87
Less : Tax on Dividend	23.44	20.36
Less : Provision for Retirement Benefit	—	(20.21)
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 (Net of Deferred Tax)	—	61.50
Balance carried forward to Balance Sheet	1160.43	1024.79

**REVIEW OF OPERATIONS :**

During the year 2015-16 Company achieved Sales (Net) of ₹ 4612.87 Lakhs as compared to ₹ 4461.35 Lakhs in the previous year registering growth by 3% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 502.06 lakhs in previous year to ₹ 587.90 lakhs in 2015-16. The Company earned Net Profit after Tax of ₹ 322.62 lakhs during the year as against ₹ 256.97 lakhs as in previous year. After adding the surplus brought forward from previous year of ₹ 1024.79 lakhs, ₹ 1160.43 lakhs is carried to the Balance Sheet as surplus in Statement of Profit & Loss.

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

The Company has also entered into Power generation and Agro Products business. However the commercial operations have not yet commenced.

**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 ₹ 2/- per equity share of ₹ 10/- each (previous year ₹ 1.70/- per share) for financial year ended 31<sup>st</sup> March, 2016. The 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 ₹ 138.59 lakhs.