



BDH
Industries Ltd.

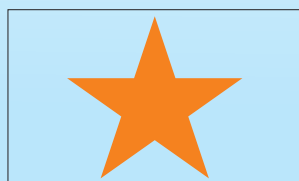
Reputation

Quality

Care

Healthcare & Quality of Life - Globally

Annual Report 2016-2017



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2015

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

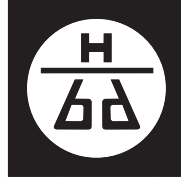


Reputation

Ten Year's Highlights

(₹ In Lakhs)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Total Income	1588.32	2439.34	3041.19	3840.13	4165.64	4172.59	4310.16	4512.56	4672.82	4463.21
Domestic Sales	675.05	1275.04	1679.42	2277.16	2076.98	1931.33	1209.46	1718.14	1406.17	2425.70
Export Sales	913.27	1164.30	1361.77	1562.97	2088.66	2241.26	3100.70	2794.42	3266.65	2037.51
Earning before Interest, Depreciation & Tax	192.57	253.06	256.50	270.02	349.95	403.69	490.12	502.06	587.90	604.88
Profit before Tax	3.45	42.58	79.53	102.66	160.76	248.35	340.48	379.44	481.08	498.47
Net Profit after Tax	2.87	33.53	54.30	77.64	108.60	167.26	229.78	256.97	322.62	333.66
Share Capital	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94
Reserves & Surplus	1305.05	1338.23	1391.14	1424.94	1492.13	1591.08	1718.43	1814.48	1997.12	2329.39
Net Worth	1898.99	1932.17	1985.08	2018.88	2086.07	2185.02	2312.37	2408.42	2591.06	2923.33
Net Block	1625.28	1575.69	1566.47	1611.17	1528.92	1507.29	1475.11	1322.31	1715.20	2293.97
Dividend (%)	-	-	-	5%	6%	10%	12%	17%	20%	20%
Earnings per share (₹)	0.05	0.58	0.94	1.35	1.89	2.91	3.99	4.46	5.60	5.80



BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS : **Ms. Jayashree Nair** *Chairperson & Managing Director*
Mr. S. C. Kachhara *Joint Managing 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 SEVENTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095 on Wednesday, 27th September, 2017 at 3.00 p.m.

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Wednesday, 27th September, 2017 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 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2017.
3. To appoint a Director in place of Ms. Karthika Nair (DIN 00019695), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting, subject to their appointment being ratified by the members at every Annual General Meeting till the 31st Annual General Meeting, at such remuneration and reimbursement of out of pocket expenses, as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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 carrying voting rights. 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 Thursday, 21st September, 2017 to Wednesday, 27th September, 2017 (both days inclusive).
4. The dividend, if declared at the meeting, will be paid to those members whose names appear in the Register of Members on Wednesday 27th September, 2017 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 Wednesday 20th September, 2017.
5. Ms. 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 Ms. Jayashree Nair. The details of the membership of committees of the board and shareholding are mentioned in Corporate Governance Report.
6. M/s. L. J. Kothari & Co., Chartered Accountants (Firm Registration No. 105313W) retire as Auditors of the Company at the conclusion of the 27th Annual General Meeting of the Company scheduled to be held on Wednesday 27th September 2017. Pursuant to the provisions of the section 139(2) of the Companies Act 2013 they are not eligible to be re-appointed as the Auditors of the Company. In their place, it is proposed by the Company to appoint M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) as the Statutory Auditors of the Company for a period of 5 years till the conclusion of the Company's 32nd Annual General Meeting and the necessary resolution in this regard is proposed to be passed by the members of the Company at the ensuing Annual General Meeting. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4. The Board of Directors accordingly recommend the resolution set out at Item No. 4 of the accompanying Notice for the approval of members.
7. 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 is required to be transferred to the ‘Investor Education and Protection Fund’ established by the Central Government under the provisions of the Companies Act, 2013.
 - (e) The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploding 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.



8. Electronic copy of the Notice of the 27th 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 27th 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.
9. Members may note that the Notice of 27th Annual General Meeting of the Company will also be available on the Company's website 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.
10. 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 am to 1.00 pm on all working days (excluding Saturday) upto the date of Annual General Meeting.
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 as amended by Companies (Management and Administration) Rules, 2015 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 on resolutions proposed to be considered at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by members using an electronic voting system from a place other than venue of Annual General Meeting (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 26th September 2017.
 - 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 Sunday, 24th September, 2017 (9:00 am) and ends on Tuesday, 26th September, 2017 (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 20th September, 2017, 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. Note- Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".
 - (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 remote 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 with a copy marked to 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.

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- 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 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.
- Note – Shareholders who forgot the User Details / Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com. In case Shareholders are holding shares in demat mode, USER-ID is combination of (DPID + Client ID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No.).
- 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 20th September, 2017.
- 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., 20th September, 2017 may obtain the login ID and password by sending a request by email at evoting@nsdl.co.in or Company / Registrars 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” or “Physical User / Reset Password” option available on 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 voting 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 displayed at the registered office of the Company and placed on the website of the Company 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 communicated to the BSE Limited (BSE).
12. Members having any questions on accounts are requested to write their queries at least 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 27th Annual General Meeting is given at the end of the Notice.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 29th May, 2017

Jayashree Nair
Chairperson & Managing Director
(DIN-00027467)

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

Route Map for Venue of 27th Annual General Meeting of BDH Industries Limited





DIRECTORS' REPORT

To,
THE MEMBERS,
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting 27th Annual Report and Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS :

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2016-17	2015-16
Sales (Gross)	4463.21	4672.82
Sales (Net)	4367.64	4612.87
Other Income	124.40	179.57
Total Income	4492.04	4792.44
Profit before Interest and Depreciation	604.90	587.90
Less : Interest	34.76	33.42
Depreciation	71.66	73.40
Profit before tax	498.48	481.08
Less : Provision for Taxation	172.82	162.91
Deferred Taxation	(8.00)	(4.45)
Net Profit After Tax	333.66	322.62

REVIEW OF OPERATIONS :

During the year 2016-17 Company achieved Sales (Net) of ₹ 4367.64 Lakhs as compared to ₹ 4612.87 Lakhs in the previous year registering decline by 5.31% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 587.90 lakhs in previous year to ₹ 604.88 lakhs in 2016-17. The Company earned Net Profit after Tax of ₹ 333.66 lakhs during the year as against ₹ 322.62 lakhs as in previous year, a growth of 3.4% over previous year. An amount of ₹ 50 Lakhs from the net profit of the financial year of the year under review is transferred to the General Reserve.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR:

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of the report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company continues to operate in one segment i.e. pharmaceuticals and there is no change in the nature of business of the Company.

DIVIDEND:

Your Directors are pleased to recommend dividend of ₹ 2/- per equity share of ₹ 10/- each (previous year ₹ 2/- per share) for the financial year ended on 31st March, 2017. 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 ₹ 139.59 lakhs.

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

There were no changes in the Directors and Key Management Personnel during the year. The Board of Directors at present has six members Ms. Jayashree Nair, is the Chairperson and Managing Director of the Company. Mr. S. C. Kachhara is the Joint Managing Director and Chief Financial Officer of the Company. There are three independent directors on the Board of the Company, Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag. There is one Non-Executive Director on the Board of the Company – Ms. Karthika Nair, who retires by rotation at the forthcoming Annual General Meeting, being eligible and offer herself for re-appointment. Accordingly, the Board recommends her re-appointment. Ms. Jayashree Nair, Managing Director, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer and Ms. Nikita Phatak, Company Secretary of the Company are the Key Managerial Personnel of the Company. During the year five Board meetings were held, details of which are given in the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors of the Company – Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag, have submitted declaration complying with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors state that :-

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) The Directors had 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 as at 31st March 2017 and of the Profit of the Company for the year ended 31st March 2017.
- (c) 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;
- (d) The Directors had prepared the annual accounts on a going concern basis and
- (e) 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.
- (f) The Directors had 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. A report on Corporate Governance together with a certificate from Statutory Auditor forms part of this Annual Report. A declaration from Managing Director under regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is also attached to this report.

LISTING WITH STOCK EXCHANGE:

The equity shares of the Company are listed on BSE Limited. The listing fee for year 2017-2018 has been paid by the Company.

NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Nomination and Remuneration Policy are covered in the Corporate Governance Report. The said policy has also uploaded on the Company's website at www.bdhind.com.

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 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. The Policy on Related Party Transactions is also hosted on the website of the Company www.bdhind.com.

VIGIL MECHANISM:

The Company has established a Vigil Mechanism i.e. Whistle Blower Policy to enable the the Directors and employees to report to the Audit Committee genuine concerns, unethical behavior and irregularities, if noticed by them, in the Company which could adversely affect Company's operations. The Whistle Blower Policy is also hosted on the website of the Company www.bdhind.com. During the year no concerns or irregularities have been reported by the employees or directors.

FORMAL ANNUAL EVALUATION:

As required under the 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 14th November 2016 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 the 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 reasonable perform their duties.

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 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.

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 year under review as envisaged under sections 73, 74 and 76 of the Companies Act, 2013.



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

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 particulars of energy conservation, technology absorption and foreign exchange earnings and outgo are appended hereto as Annexure IV and forms part of the Annual Report.

INSURANCE:

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATIONS:

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

RESEARCH & DEVELOPMENT :

Research & Development is crucial for the sustained growth of the Company. The Company added investments for R&D facility to keep pace with changing domestic and global scenario. The Company is also planning to apply for recognition of R&D Centre with Department of Scientific and Industrial Research (DSIR). With qualified and experienced research team, the Company has focused its thrust on development of new dosage forms and drug delivery systems, improvement in processes and yield and cost reduction.

ENVIRONMENT, HEALTH & SAFETY:

The Company is committed to environment protection and industrial safety. Our manufacturing facility has been accredited with WHO-GMP and complies with applicable environment regulations of Maharashtra Pollution Control Board (MPCB). Our manufacturing facility is accredited with ISO 9001:2015 certification from SGS United Kingdom Limited. The Company conducts medical check-up programs, first aid sessions and fire safety sessions for employees.

NEW PROJECTS :

- a. The Company has entered into power generation business and the installation of two units of wind turbines 0.8 MW each has been completed at Jaisalmer district, Rajasthan. However the Power Purchase Agreement (PPA) is yet to be executed by State of Rajasthan and hence commercial operations shall commence after signing of PPA.
- b. The Company has also entered into agro products business. The plantation of cashew, mango and coconut grafts has been completed and construction of warehouse at Kudal, Sindhudurg district in Maharashtra has been completed. The commercial operations are yet to commence.

EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return of the Company as on 31st March 2017 is attached herewith as Annexure I to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this Annual Report.

AUDITORS AND AUDITORS' REPORT:

STATUTORY AUDIT:

M/s. L. J. Kothari & Co., Chartered Accountants, (Firm Registration No. 105313W) retire at the ensuing Annual General Meeting and pursuant to the provisions of the section 139(2) of the Companies Act 2013 they are not eligible to be re-appointed as the Auditors of the Company. The Board places on record its appreciation for the services rendered by M/s. L. J. Kothari & Co., Chartered Accountants as Statutory Auditors of the Company for all these years.

In their place, it is proposed by the Company to appoint M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) as the Statutory Auditors of the Company for a period of 5 years till the conclusion of the Company's 32nd Annual General Meeting and the necessary resolution in this regard is proposed to be passed by the members of the Company at the ensuing Annual General Meeting.

The Auditors Report read with the notes to accounts are self-explanatory. There are no qualifications, reservations or adverse remarks made by the Auditors.

SECRETARIAL AUDIT:

Pursuant to the provisions of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s JHR & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing secretarial records maintained by the Company for the financial year ended on 31st March 2017. The Secretarial Audit Report is annexed herewith to the Directors Report in Annexure II. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

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RATIO OF REMUNERATION:

As required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the required details are given below

a.	Directors	Ratio to median Remuneration
	Ms. Jayashree Nair	26:1
	Mr. S. C. Kachhara	26:1
	Mr. A. V. Menon	0.40:1
	Dr. Dinesh Variar	0.31:1
	Mr. Bhagirath Singh Sihag	0.40:1
	Ms. Karthika Nair	0.31:1

- b. The percentage increase in remuneration of Ms. Jayashree Nair, Managing Director is 10%, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer is 10% (as approved by members in 23rd Annual General Meeting) and Ms. Nikita Phatak, Company Secretary is 9%.
- c. The median remuneration of employees increased by 9% in the financial year.
- d. There are 135 permanent employees on the rolls of the Company.
- e. The Company's PAT increased from ₹ 322.62 lakhs to ₹ 333.66 lakhs, an increase of 3.4% against which the average increase in remuneration is 9% and this increase is aligned with the Company's Remuneration Policy.
- f. The aggregate remuneration of key managerial personnel (KMP) is ₹ 108.66 lakhs, revenue of the Company during the year is ₹ 4463.21 lakhs and the remuneration of KMP is 2.43% of revenue.
- g. The market capitalization of the Company as on 31st March, 2017 was ₹ 45.08 crores and as on 31st March, 2016 was ₹ 47.79 crores. The PE ratio of the Company as on 31st March, 2017 was 13.50 and as on 31st March, 2016 was 14.82. The Company made public offer of equity shares (of face value ₹ 10/- each share) at premium (of ₹ 30/- each share) in the year 1995.
- h. The average percentile increase in salaries of employees other than managerial personnel is 9% and increase in managerial remuneration is 10% as approved by members at the 23rd Annual General Meeting.
- i. There is no variable component linked to various parameters – financial and non-financial in the remuneration availed by the directors.
- j. During the year, there was no employee, who is not a director of the Company and received remuneration in excess of the highest paid directors.
- k. We affirm that the remuneration paid is as per Remuneration Policy of the Company.

GENERAL :

The Company has an internal complaints committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 for prevention and redressal of complaints of sexual harassment at workplace. The Company has not received any complaint during the year pursuant to the said Act.

APPRECIATION :

Your Directors thank statutory authorities and bankers for co-operation extended by them to the Company. Your Directors place on record their sincere appreciation of the continued support by the employees and finally thank the shareholders for the trust placed by them with the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 29th May, 2017

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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