

**BDH**  
*Industries Ltd.*

*Reputation*

*Quality*

*Care*

*Healthcare & Quality of Life - Globally*

## Annual Report 2017-2018



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*

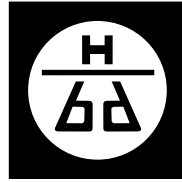


*Reputation*

### **Ten Year's Highlights**

**( ₹ In Lakhs)**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Total income</b>	2445.89	3047.45	3842.27	4179.39	4249.07	4434.58	4634.29	4852.39	4587.61	4189.24
<b>Domestic Income</b>	1281.59	1685.68	2279.30	2090.73	2007.81	1333.88	1839.87	1585.74	2550.10	1934.22
<b>Export Income</b>	1164.30	1361.77	1562.97	2088.66	2241.26	3100.70	2794.42	3266.65	2037.51	2255.02
<b>Earning before Interest, Depreciation &amp; Tax</b>	253.06	256.50	270.02	349.95	403.69	490.12	502.06	587.90	604.88	618.37
<b>Profit before Tax</b>	42.58	79.53	102.66	160.76	248.35	340.48	379.44	481.08	498.47	517.76
<b>Net Profit after Tax</b>	33.53	54.30	77.64	108.60	167.26	229.78	256.97	322.62	333.66	376.48
<b>Equity Share Capital</b>	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94
<b>Other Equity</b>	1338.23	1391.14	1424.94	1492.13	1591.08	1718.43	1814.48	1997.12	2329.39	2531.91
<b>Net Worth</b>	1932.17	1985.08	2018.88	2086.07	2185.02	2312.37	2408.42	2591.06	2923.33	3125.85
<b>Net Block</b>	1575.69	1566.47	1611.17	1528.92	1507.29	1475.11	1322.31	1715.20	2293.97	2258.67
<b>Dividend (%)</b>	-	-	5%	6%	10%	12%	17%	20%	20%	22.5%
<b>Earnings per share ( ₹ )</b>	0.58	0.94	1.35	1.89	2.91	3.99	4.46	5.60	5.80	6.54



## **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** *Independent Director*

**COMPANY SECRETARY** : **Ms. Nikita Phatak**

**AUDITOR** : **M/s. CLB & Associates**  
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 EIGHTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095 on Tuesday 25<sup>th</sup> September 2018 at 3.00 p.m.**

### NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of BDH Industries Limited will be held on Tuesday 25th September 2018 at 3.00 p.m. to transact the following business :-

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2018 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, 2018.
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.

#### SPECIAL BUSINESS :

4. To approve partial alteration in the main object clause of Memorandum of Association of the Company and if thought fit, to pass, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of section 13 and all other applicable provisions of the Companies Act 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time and subject to the approval of the Registrar of Companies, Mumbai, Maharashtra and agreed to by the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for partial alteration of the main object clause III (A) 2 of Memorandum of Association of the Company in the following manner :-

To carry on business in India and elsewhere as manufacturers, refiners, importers, exporters, buyers, sellers, processors, suppliers, stockists, agents, merchants, distributors and dealers in all types of pharmaceuticals, bulk drugs and formulations, basic drug intermediaries, medicines, medicaments, allopathy products, Ayurvedic & Unani products, homeopathy products, biotechnology formulations, herbal products, active pharmaceutical ingredients and intermediates, biotechnology extracts, herbal extracts, phyto-pharmaceuticals, herbal formulations, botanical extracts, healthcare products, amino acids, agrochemicals, naturochemicals, nutraceuticals, therapeutics, diagnostic kits, genomics, animal health products, pesticides and agrochemicals, chemicals including organic, inorganic, industrial heavy, fine laboratory and petrochemicals, photographic chemicals substances, computer, cosmetics, agricultural products, its processing and plantation, engineering products, cement and surgical products.

RESOLVED FURTHER THAT except above partial alteration all other provisions of main object clause III (A) 2 shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all necessary steps, do all such acts, deeds, matters and things and to make, verify, execute, sign and file all such e-forms, applications, writing, documents, deeds, forms as may be necessary on behalf of the Company 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 Wednesday 19th September 2018 to Tuesday 25th September 2018 (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 Tuesday 25th September 2018 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 Tuesday 18th September 2018.
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 a 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. The Explanatory Statements pursuant to Section 102 of the Companies Act 2013 setting out material facts relating to the business stated under Item no . 4 is annexed hereto. 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 (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 2015-16, on the website of the Company viz. [www.bdhind.com](http://www.bdhind.com).
- (f) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc, to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Company's Registrar and Transfer Agents – TSR Darashaw Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSR Darashaw Limited. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSR Darashaw Limited.
8. Electronic copy of the Notice of the 28th 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 28th 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 28th 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).
10. 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.
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 28th 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 24th September 2018.
  - 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 Saturday 22nd September, 2018 (9:00 am) and ends on Monday, 24th September, 2018 (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 18th September, 2018, 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. A member can opt for only one mode of voting ie either through e-voting or by ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
  - V. The process and manner for e-voting are as under :
 

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.



5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer@bdhind.com](mailto:scrutinizer@bdhind.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VI. 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 18th September, 2018.
- VII. 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., 18th September, 2018 may obtain the login ID and password by sending a request by email at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800 222 990.
- VIII. 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.
- IX. 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.
- X. 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.
- XI. 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.
- XII. 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](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 communicated to the BSE Limited (BSE).
12. Members having any questions on accounts are requested to write their queries at least ten days prior to 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 28th Annual General Meeting is given at the end of the Notice.

FOR AND ON BEHALF OF THE BOARD

**Jayashree Nair**

*Chairperson & Managing Director*  
(DIN-00027467)

Mumbai, 29th May 2018

#### 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

#### Item no. 4

The Company is engaged in the business of manufacturing of pharmaceuticals. Your Company intends to spread its present scope of operations with respect to future prospects of pharmaceutical industry. The proposed alteration in the main object clause of the Memorandum of Association of the Company shall enable the Company to expand its activities into new areas of pharmaceutical business.

The alteration in object clause of Memorandum of Association shall be subject to the approval of the Registrar of Companies, Mumbai, Maharashtra. A copy of the existing Memorandum of Association of the Company alongwith the proposed draft amendment is available for inspection by the members of the Company at its registered office during normal business hours on all working days except Saturdays till the date of Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the proposed resolution.

The Board of Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

**Route Map for Venue of 28th Annual General Meeting of BDH Industries Limited**







## DIRECTORS' REPORT

To,  
The Members,  
BDH Industries Limited

Your Directors have pleasure in presenting 28th Annual Report and Audited Financial Statements for the year ended 31st March, 2018.

### FINANCIAL RESULTS :

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sales (Gross)	4113.86	4463.21
Sales (Net)	4107.47	4367.64
Other Income	81.77	124.40
Total Income	4189.24	4492.04
Profit before Interest and Depreciation	635.60	604.90
Less : Interest	25.17	34.76
Depreciation	75.44	71.66
Profit before tax	517.76	498.48
Less : Provision for Taxation	127.43	172.82
Deferred Taxation	13.85	(8.00)
Net Profit After Tax	376.48	333.66

The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

### REVIEW OF OPERATIONS :

During the year 2017-18 Company achieved Sales (Net) of ₹ 4107.47 Lakhs as compared to ₹ 4367.64 Lakhs in the previous year registering decline by 6% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 604.88 lakhs in previous year to ₹ 635.60 lakhs in 2017-18. The Company earned Net Profit after Tax of ₹ 376.48 lakhs during the year as against ₹ 333.66 lakhs as in previous year, a growth of 13% over previous year. An amount of ₹ 56.47 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 ₹ 2.25/- per equity share of ₹ 10/- each (previous year ₹ 2/- per share) for the financial year ended on 31st March, 2018. 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 ₹ 156 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. 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 offers 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.

# Annual Report 2017-2018

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## **DECLARATION BY INDEPENDENT DIRECTORS:**

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

## **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 2018 and of the Profit of the Company for the year ended 31st March 2018.
- (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 2018-2019 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](http://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](http://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](http://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 7th February 2018 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 Joint Managing 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.