



BDH
INDUSTRIES LTD.

Date – 27/08/2019

Ref. No. – BDH/SEC/062/2019-20

BSE Limited
Phiroze Jeejeebhoy Towers,
27th Floor, Dalal Street,
Mumbai 400 001

Subject – Annual Report 2018-19

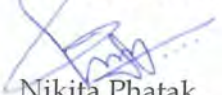
Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith copy of our Annual Report for the financial year ended 31st March, 2019 for your perusal and record.

Kindly note the information on your record.

Thanking You,

Yours Faithfully,
For BDH Industries Limited,


Nikita Phatak
Company Secretary



Encl. – As above



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2015

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

Tel: 61551234, 28870834/1370 • Fax: 91-22-28868349 • Web: www.bdhind.com • Email: bdhind@vsnl.com, info@bdhind.com

CIN : L24100MH1990PLC059299



BDH
Industries Ltd.

Reputation

Quality

Care

Healthcare & Quality of Life - Globally

Annual Report 2018-2019



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2015

Pharmaceutical Company Engaged in *Mankind* Health Care

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

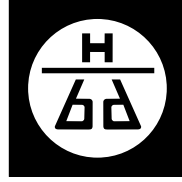


Reputation

Ten Year's Highlights

(₹ In Lakhs)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Total income	3047.45	3842.27	4179.39	4249.07	4434.58	4634.29	4852.39	4587.61	4189.24	5257.66
Domestic Income	1685.68	2279.30	2090.73	2007.81	1333.88	1839.87	1585.74	2550.10	1934.22	2375.51
Export Income	1361.77	1562.97	2088.66	2241.26	3100.70	2794.42	3266.65	2037.51	2255.02	2882.17
Earning before Interest, Depreciation & Tax	256.50	270.02	349.95	403.69	490.12	502.06	587.90	604.88	618.37	788.89
Profit before Tax	79.53	102.66	160.76	248.35	340.48	379.44	481.08	498.47	517.76	654.33
Net Profit after Tax	54.30	77.64	108.60	167.26	229.78	256.97	322.62	333.66	376.48	482.98
Equity Share Capital	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94
Other Equity	1391.14	1424.94	1492.13	1591.08	1718.43	1814.48	1997.12	2329.39	2531.91	2840.20
Net Worth	1985.08	2018.88	2086.07	2185.02	2312.37	2408.42	2591.06	2923.33	3125.85	3434.14
Net Block	1566.47	1611.17	1528.92	1507.29	1475.11	1322.31	1715.20	2293.97	2258.67	2201.68
Dividend (%)	-	5%	6%	10%	12%	17%	20%	20%	22.5%	27.5%
Earnings per share (₹)	0.94	1.35	1.89	2.91	3.99	4.46	5.60	5.80	6.54	8.39



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*
Dr. Dinesh Variar *Independent Director*
Mr. Bhagirath Singh *Independent Director*
Mr. Kairav Trivedi *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 – 400101

REGISTRARS & TRANSFER AGENT : **TSR DARASHAW CONSULTANTS PVT. LTD.**
6-10, Haji Moosa, Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai – 400011

TWENTY NINTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095 on Wednesday 18th September, 2019 at 3.00 p.m.

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of BDH Industries Limited will be held on Wednesday 18th September 2019 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, 2019 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, 2019.
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 re-appoint Ms. Jayashree Nair (DIN 00027467) as Managing Director and in this regard to pass the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (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 Ms. Jayashree Nair (DIN 00027467) as Managing Director of the Company for a further period of three years commencing 1st April 2020 on the terms and conditions including remuneration as approved by the Nomination & Remuneration Committee of the Board and as set out in the draft of the agreement to be entered into between the Company and Ms. 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 manner as may be agreed to, between the Board and Ms. 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.”

5. To re-appoint Mr. S. C. Kachhara (DIN 00019666) as Joint Managing Director and in this regard to pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (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 1st April 2020 on the terms and conditions including remuneration as approved by the Nomination & 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 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.”

6. To re-appoint Dr. Dinesh Variar (DIN – 00019721) as an Independent Director and in this regard pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations), Dr. Dinesh Variar (DIN –00019721), who was appointed as an Independent Director of the Company and being eligible has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for another (second) term of five consecutive years with effect from 1st April 2019 till 31st March 2024.”

7. To re-appoint Mr. Bhagirath Singh (DIN–00155407) as an Independent Director and in this regard pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations), Mr. Bhagirath Singh (DIN –00155407), who was appointed as an Independent Director of the Company and being eligible has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for another (second) term of five consecutive years with effect from 1st April 2019 till 31st March 2024.”



8. To appoint Mr. Kairav Trivedi (DIN – 07893708) as an Independent Director and in this regard pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations), Mr. Kairav Trivedi (DIN – 07893708) who qualifies to be an independent director and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for term of five consecutive years with effect from 1st April 2019 till 31st March 2024.”

9. To ratify the remuneration of the Cost Auditors for the financial year 2019-20 and in this regard to pass the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) and reenactment(s) thereof for the time being in force), M/s. Krishna S. & Associates, Cost Accountants (Firm Registration No. 100939) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records for the financial year 2019-20, be paid remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes.”

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 12th September 2019 to Wednesday 18th September 2019 (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 Thursday 18th September 2019 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 11th September 2019.
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 Statement pursuant to Section 102 of the Companies Act 2013 setting out material facts relating to the business stated under Item no . 4 to item 8 is annexed hereto.
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 duly completed 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 2011-12 till the dividend for the financial year 2017-18, on the website of the Company viz. 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 Consultants Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSR Darashaw Consultants Pvt. Ltd. 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 and Bank details to TSR Darashaw Consultants Pvt. Ltd. for updating the same against their folio.
 - (g) SEBI has notified that securities of listed companies can be transferred only in dematerialised form. In order to avail the

benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

- (h) The Company has transferred the unclaimed dividend declared for the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to section 124(6) of the Companies Act 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years in the name of Investor Education and Protection Fund (IEPF). Members may note that the shares and unclaimed dividend transferred to IEPF Authority can be claimed by filing online application in prescribed form no. IEPF 5 available on www.iepf.gov.in and sending physical copy of same, duly signed to the Company alongwith requisite documents.
- (i) To support the 'Green Initiative' of the Ministry of Corporate Affairs, members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case of shares held in electronic form and with TSR Darashaw Consultants Pvt. Ltd. in case of shares held in physical form so as to enable the Company to send all notices/reports/intimations and other correspondences through emails.
8. Electronic copy of the Notice of the 29th 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 29th 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 29th 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 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 29th 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 17th September 2019.
 - 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 15th September, 2019 (9:00 am) and ends on Tuesday, 17th September, 2019 (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 11th September, 2019, 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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
 - 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'.
 - 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:

- 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.
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at 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?

- 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.
- 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.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format)

Annual Report 2018-2019

- 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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at 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 11th September, 2019.
- 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., 11th September, 2019 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.
- 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 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 29th Annual General Meeting is given at the end of the Notice.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Jayashree Nair

Chairperson & Managing Director

(DIN-00027467)

Mumbai, 29th May 2019

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 – L24100MH1990PLC059299



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item no. 4

Ms. Jayashree Nair was appointed as Managing Director of the Company for a period of three years from 1st April 2017 to 31st March 2020 as per the terms and conditions approved by the members at the 26th Annual General Meeting and continuation of her employment as Managing Director requires approval of members by way of special resolution.

At the meeting of the Board of Directors of the Company held on 29th May, 2019 as recommended by the Nomination & Remuneration Committee, Ms. Jayashree Nair (DIN 00027467) was re-appointed as the Managing Director of the Company for a further period of 3 (three) years with effect from 1st April, 2020. Accordingly, an agreement setting out the terms and conditions of her re-appointment including remuneration payable to her was approved between the Company and Ms. Jayashree Nair, Managing Director. This re-appointment is in compliance with Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and is subject to the approval of the shareholders by way of special resolution at this Annual General Meeting. Ms. Jayashree Nair aged 76 years holds qualification of BSc. (Hons.). She has been at the helm of BDH Industries Limited. Under her leadership, the Company has registered growth in the business, overcome lean phases and emerged stronger. She has in-depth 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. She is also a second generation entrepreneur. She is a director of the Company since inception. She is also Chairperson of the Board of Directors and CEO of the Company. She is also a member of the Stakeholders Relationship Committee and Chairperson of Corporate Social Responsibility Committee of the Board. She holds 12,65,240 equity shares of the Company. Ms. Jayashree Nair is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority. She is not a member of any Committees of the Board in other companies in which she is a director. 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 Reports which are available on the Company's website www.bdhind.com. She is also a Director of the BDH Healthcare Pvt. Ltd. The Nomination & Remuneration Committee has approved the reappointment of Ms. Jayashree Nair as Managing Director for period of three years with effect from 1st April 2020 to 31st March 2023. The Agreement referred to in the resolution at item 7 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Ms. Jayashree Nair upon her re-appointment as the Managing Director. Her rich experience of over 54 years in the pharmaceutical industry is of immense benefit to the Company. In view of this, even though she is of the age of over 70 years, her re-appointment as the Managing Director for a further period of 3 (three) years as provided under this resolution is recommended by the Board of Directors for the approval of the shareholders as a special resolution as provided under Section 196 of the Companies Act, 2013. The abstract of the terms and conditions of her re-appointment as mentioned in the said Agreement are as follows : -

1. Period : 3 years with effect from 1st April 2020 till 31st March 2023
 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 ₹ 6,00,000/- per month with annual increment of ₹ 60,000/- from April 2021 and ₹ 70,000/- from April 2022.
 - 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-imbursment 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 20% of above mentioned Salary. 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.
- All payments made pursuant to this Agreement shall be subject to applicable taxes.
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.

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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 his 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.

PROVIDED that such divulgence or disclosure by the Managing Director to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be contravention of this clause.

Except Ms. Jayashree Nair herself and her daughter Ms. Karthika Nair, Non Executive Directors and their respective relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives are interested or concerned, financially or otherwise, in passing of this resolution

The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying notice for the approval of the members by way of a special resolution.

Item no. 5

Mr. S. C. Kachhara was appointed as Joint Managing Director of the Company for a period of three years from 1st April 2017 to 31st March 2020 as per the terms and conditions approved by the members at the 26th Annual General Meeting and continuation of his employment as Joint Managing Director requires approval of members by way of special resolution.

At the meeting of the Board of Directors of the Company held on 29th May, 2019 as recommended by the Nomination & Remuneration Committee, Mr. S. C. Kachhara (DIN 00019666) was re-appointed as the Joint Managing Director of the Company for a further period of 3 (three) years with effect from 1st April, 2020. Accordingly, an agreement setting out the terms and conditions of his re-appointment including remuneration payable to him was approved between the Company and Mr. S. C. Kachhara, Joint Managing Director. This re-appointment is in compliance with Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and is subject to the approval of the shareholders by way of special resolution at this Annual General Meeting. Mr. S. C. Kachhara aged 64 years is a Commerce Graduate, FCA, LLB. (Gen.) and MIIA (USA). He has over 40 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. His experience comprises in the areas of finance, taxation, international business and overall business activity. He is a director of the Company since inception. He is also CFO of the Company. He is also a member of the Stakeholders Relationship Committee, Audit Committee and Corporate Social Responsibility Committee of the Board. He holds 192658 equity shares of the Company. Mr. S. C. Kachhara is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority. He is not a Director of 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 Reports which are available on the Company's website www.bdhind.com. The Nomination & Remuneration Committee has approved the re-appointment of Mr. S. C. Kachhara as Joint Managing Director for period of three years with effect from 1st April 2020 to 31st March 2023. The Agreement referred to in the resolution at item 5 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. S. C. Kachhara upon his re-appointment as the Joint Managing Director. His vast experience of over 40 years in the pharmaceutical industry is of immense benefit to the Company. In view of this, his re-appointment as the Joint Managing Director for a further period of 3 (three) years as provided under this resolution is recommended by the Board of Directors for the approval of the shareholders as a special resolution as provided under Section 196 of the Companies Act, 2013. The abstract of the terms and conditions of his re-appointment as mentioned in the said Agreement are as follows :-

1. Period : 3 years with effect from 1st April 2020 till 31st March 2023
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 the Board may decide and delegate to him from time to time and subject to any limitation or conditions which may be prescribed by the Companies Act 2013 or the Board or by the Company in General Meeting.
3. Remuneration
 - a. Salary of ₹ 6,00,000/- per month with annual increment of ₹ 60,000/- from April 2021 and ₹ 70,000/- from April 2022.
 - 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-imbursment 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 20% of above mentioned salary. 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.

All payments made pursuant to this Agreement shall be subject to applicable taxes.

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.

PROVIDED that such divulgence or disclosure by the Joint Managing Director to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be contravention of this clause.

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

The Board of Directors accordingly recommends the resolution set out at Item No. 5 of the accompanying notice for the approval of the members by way of a special resolution.

Item no. 6

Pursuant to the provisions of the Companies Act 2013 Dr. Dinesh Variar (DIN-00019721) was appointed as an Independent Director of the Company to hold office for a term of five consecutive years upto 31st March 2019 by the members of the Company in the 24th Annual General Meeting held on 17th September 2014. As per section 149(10) of the Act an Independent Director shall hold office for a term upto five consecutive years but shall be eligible for re-appointment on passing of special resolution by the Company for another (second) term of upto five consecutive years on the Board of the Company. At the meeting of the Board of Directors of the Company held on 26th March 2019 as recommended by the Nomination & Remuneration Committee, Dr. Dinesh Variar (DIN-00019721) was re-appointed as an Independent Director of the Company not liable to retire by rotation for another (second) term of five consecutive years with effect from 1st April 2019 to 31st March 2024 subject to approval of shareholders by special resolution in this Annual General Meeting.

Dr. Dinesh Variar aged 64 years holds qualifications M.B.B.S. (Bom.). He is a member of Audit Committee and Nomination & Remuneration Committee of the Board of Directors. He is connected with the Medical profession for 39 years. He is not a director in any other Company. He does not hold any equity shares in the Company. The Company has received declaration from Dr. Dinesh Variar that he meets the criteria of independence under section 149 of the Companies Act 2013 and Listing Regulations and he is not disqualified to from being appointed as director in terms of section 164 of the Act. The Board considers that his vast medical knowledge and experience would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Dinesh Variar as an Independent Director.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Board of Directors recommend the special resolution in relation to re-appointment of Dr. Dinesh Variar as an Independent

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Director for another (second) term of five consecutive years with effect from 1st April 2019 to 31st March 2024 for the approval by the shareholders of the Company.

Item no. 7

Pursuant to the provisions of the Companies Act 2013 Mr. Bhagirath Singh, (DIN -00155407) was appointed as an Independent Director of the Company to hold office for a term of five consecutive years upto 31st March 2019 by the members of the Company in the 24th Annual General Meeting held on 17th September 2014. As per section 149(10) of the Act an Independent Director shall hold office for a term upto five consecutive years but shall be eligible for re-appointment on passing of special resolution by the Company for another (second) term of upto five consecutive years on the Board of the Company. At the meeting of the Board of Directors of the Company held on 26th March 2019 as recommended by the Nomination & Remuneration Committee, Mr. Bhagirath Singh (DIN -00155407) was re-appointed as an Independent Director of the Company not liable to retire by rotation for another (second) term of five consecutive years with effect from 1st April 2019 to 31st March 2024 subject to approval of shareholders by special resolution in this Annual General Meeting.

Mr. Bhagirath Singh aged 60 years holds qualifications B.Com and FCA. He is a member of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Board of Directors. He has 37 years of experience in the areas of Finance and Taxation. He is a director in Remi Securities Limited, Remi Fans Limited and Shrinkhla Securities Limited. He holds 1000 equity shares in the Company. The Company has received declaration from Mr. Bhagirath Singh that he meets the criteria of independence under section 149 of the Act and Listing Regulations and he is not disqualified to from being appointed as director in terms of section 164 of the Act. The Board considers that his vast knowledge on finance and taxation would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhagirath Singh as an Independent Director.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Board of Directors recommend the special resolution in relation to re-appointment of Mr. Bhagirath Singh as an Independent Director for another (second) term of five consecutive years with effect from 1st April 2019 to 31st March 2024 for the approval by the shareholders of the Company.

Item no. 8

Pursuant to the provisions of the section 149 read with Schedule IV of the Companies Act 2013, the appointment of an independent director requires approval of members. At the meeting of the Board of Directors of the Company held on 26th March 2019 as recommended by the Nomination & Remuneration Committee, Mr. Kairav Trivedi (DIN- 07893708) was appointed as an Independent Director of the Company not liable to retire by rotation for term of five consecutive years with effect from 1st April 2019 to 31st March 2024 subject to approval of shareholders by ordinary resolution in this Annual General Meeting.

Mr. Kairav Trivedi (DIN- 07893708), age 50 years holds the qualifications of M.Com, FCA, FCS, LLB, MBA (JBIMS), F.IOD, MCN and Insolvency Professional with 23 years of experience in senior management in the sectors – Pharma, Automobile, Power Plants, Cement, Dredging, Ports, SEZ, Hospital, Infrastructure etc. He is not a director in any other Company. He does not hold any equity shares in the Company. Mr. Kairav Trivedi is independent of the management and possess appropriate skills, experience and knowledge. Mr. Kairav Trivedi is not disqualified from being appointed as a director in terms of section 164 of the Companies Act 2013 and has given his consent to act as a Director. The Company has received declaration from Mr. Kairav Trivedi that he meets the criteria of independence under section 149 of the Companies Act 2013 and SEBI Listing Regulations. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution. The Board of Directors recommend the ordinary resolution in relation to appointment of Mr. Kairav Trivedi as an Independent Director for term of five consecutive years with effect from 1st April 2019 to 31st March 2024 for the approval by the shareholders of the Company.

Item no. 9

The Board of Directors on the recommendation of the Audit Committee have appointed M/s. Krishna S & Associates, Cost Accountants (Firm Registration No. 100939) as the Cost Auditors of the Company for the financial year 2019-20. A certificate issued by the said firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during normal business hours on all working days, excluding Saturday. As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. The Board has decided the remuneration payable to M/s. Krishna S. & Associates, Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9. The Board of Directors accordingly recommend the ordinary resolution set out at Item No. 9 of the accompanying Notice for the approval of the members.

Statement required to be given in Notice 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. 4 and item no. 5.



- (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. 4 and item no. 5.
- (5) Remuneration proposed : The proposed remuneration of the appointees are mentioned in the Explanatory Statement at item no. 4 and item no. 5.
- (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 : Ms. Jayashree Nair is a relative of Ms. Karthika Nair, Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Ms. 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 so as 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

Sd/-

Jayashree Nair
 Chairperson & Managing Director
 (DIN-00027467)

Mumbai, 29th May 2019

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 – L24100MH1990PLC059299

Route Map for Venue of 29th Annual General Meeting of BDH Industries Limited



DIRECTORS' REPORT

To,
The Members,
BDH Industries Limited

Your Directors have pleasure in presenting 29th Annual Report and Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS :

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2018-19	2017-18
Sales (Net)	5169.12	4107.47
Other Income	88.55	81.77
Total Income	5257.67	4189.24
Profit before Interest and Depreciation	788.89	618.37
Less: Interest	51.79	25.17
Depreciation	82.77	75.44
Profit before tax	654.33	517.76
Less: Provision for Taxation	158.64	127.43
Deferred Taxation	12.70	13.85
Net Profit After Tax	482.99	376.48

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 2018-19 Company achieved Sales (Net) of ₹ 5169.12 Lakhs as compared to ₹ 4107.47 Lakhs in the previous year registering growth of 26% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 618.37 lakhs in previous year to ₹ 788.89 lakhs in 2018-19. The Company earned Net Profit after Tax of ₹ 482.99 lakhs during the year as against ₹ 376.48 lakhs as in previous year, a growth of 28% over previous year. An amount of ₹ 72.45 Lakhs is transferred to the General Reserve from the net profit of the financial year 2018-19.

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 ₹ 2.75/- per equity share of face value ₹ 10/- each (previous year ₹ 2.25/- per share) for the financial year ended on 31st March, 2019. 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 ₹ 191 lakhs.

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

During the year Mr. A. V. Menon, Independent Director aged 86 years completed his term of five years on 31st March 2019 and conveyed his desire of not seeking re-appointment for another term. Accordingly the tenure of Mr. A. V. Menon as a Director of the Company came to an end on 31st March 2019. The Board of Directors appreciated the valuable contribution and acknowledged the significant advises made by Mr. A. V. Menon in the management of the affairs of the Company during his term as a Director of the Company and as Chairman of Audit Committee and Nomination & Remuneration Committee. The Board of Directors wished him happiness and best of health in life. The Board of Directors appointed Mr. Kairav Trivedi as an Independent Director of the Company not liable to retire by rotation with effect from 1st April 2019 upto 31st March 2024, subject to approval of shareholders by ordinary resolution in this Annual General Meeting. Mr. Kairav Trivedi (DIN- 07893708), age 50 years holds the qualifications of M.Com, FCA, FCS, LLB, MBA (JBIMS), F.IOD, MCN and Insolvency Professional with 23 years of experience in senior management in the sectors – Pharma, Automobile, Power Plants, Cement, Dredging, Ports, SEZ, Hospital, Infrastructure etc. The Board of Directors re-appointed Mr. Bhagirath Singh and Dr. Dinesh Variar as Independent Directors of the Company not liable to retire by rotation for another (second) term of five consecutive years with effect from 1st April 2019 to 31st March 2024 subject to approval of shareholders by special resolutions in this Annual General Meeting. 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. Kairav Trivedi, 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 six Board meetings were held, details of which are given in the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS:

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

CONFIRMATION ON INDEPENDENCE OF INDEPENDENT DIRECTORS

The Board of Directors confirm that the independent directors of the Company fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and are independent of the management of the company.

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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the Profit of the Company for the year ended 31st March 2019.
- (c) The Directors have 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 have prepared the annual accounts on a going concern basis and
- (e) The Directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

The Company has complied with the requirements of Corporate Governance. 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 (Bombay Stock Exchange). The listing fee for year 2019-2020 has been paid by the Company.

NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & 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 been 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 26th March 2019 evaluated the performance of the non-independent directors and the

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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.

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:

R&D Centre of the Company is recognized and registered with Department of Science and Industrial Research (DSIR), Ministry of Science & Technology, Government of India. The R&D centre is also approved under section 35 (2AB) of the Income Tax Act 1961 for the purpose of weighted tax deduction. Research & Development being useful for the sustained growth of the Company, investments in R&D are carried out to keep pace with changing domestic and global scenario. 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. 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.

PROJECTS:

- a. The Company has entered into power generation business and installation of two units of wind turbines 0.8 MW each has been completed at Jaisalmer district, Rajasthan. Since Power Purchase Agreement (PPA) is not yet signed by State Government of Rajasthan alternate commercial proposals are being evaluated.
- b. The Company has also entered into agro products business. The plantation of cashew, mango and coconut grafts has been completed. The Company has renewed lease agreement of warehouse at MIDC Kudal.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to good corporate citizenship. As a part of Corporate Social Responsibility, the Company has undertaken activities in the field of education. The CSR Policy of the Company is placed on the website of the Company www.bdhind.com During the year the Company has supported the educational projects undertaken by charitable trusts and municipal schools. Pursuant to the provisions of the Section 135(2) of the Companies Act 2013, the Report on CSR Activities is enclosed as Annexure I of this report.

ANNUAL RETURN:

The Annual Return of the Company as on 31st March 2019 is placed on its website – www.bdhind.com in the Investors Section.



TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNT AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) :

Pursuant to sections 124 and 125 of the Companies Act 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends if not claimed for a consecutive period of 7 years from the date of transfer to unpaid dividend account of the Company are liable to be transferred to the Investor Education and Protection Fund. Further shares in respect of such dividend which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority.

As a proactive measure to safeguard the interest of the shareholders, the Company sends reminders to the shareholders to claim their dividends before transferring the same to IEPF Authority. Notices in this regard are also published in the newspapers, uploaded on BSE website and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are uploaded on the Company's website.

The unclaimed dividend and shares transferred to IEPF during the year 2018-19 are as follows :-

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2010-11	₹ 2,58,922/-	58,154

The Company has also uploaded the details of abovementioned shares on the website of IEPF Authority www.iepf.gov.in. The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Members may note that the shares and unclaimed dividend transferred to IEPF Authority can be claimed by filing online application in prescribed form no. IEPF 5 available on www.iepf.gov.in and sending physical copy of same, duly signed to the Company alongwith requisite documents.

The unpaid/unclaimed dividend for the year 2011-12 onwards will be transferred to IEPF as given below :-

Financial Year	Date of Declaration	Due date for transfer to IEPF
2011-12	28/09/2012	01/11/2019
2012-13	30/08/2013	04/10/2020
2013-14	17/09/2014	20/10/2021
2014-15	28/09/2015	02/11/2022
2015-16	22/09/2016	28/10/2023
2016-17	27/09/2017	02/11/2024
2017-18	25/09/2018	31/10/2025

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. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) are the Statutory Auditors of the Company for a period of 5 years till the conclusion of the Company's 32nd 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. The Statutory Auditors have submitted No Disqualification Certificate for the financial year 2019-20 to the Board of Directors of the Company.

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 2019. 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.

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:

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a

Directors	Ratio to Median Remuneration
Ms. Jayashree Nair	31:1
Mr. S. C. Kachhara	31:1
Mr. A. V. Menon	0.45:1
Dr. Dinesh Variar	0.37:1
Mr. Bhagirath Singh	0.45:1
Ms. Karthika Nair	0.33:1

- b. The percentage increase in remuneration of Ms. Jayashree Nair, Managing Director is 22%, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer is 22% (as approved by members in 26th Annual General Meeting) and Ms. Nikita Phatak, Company Secretary is 26%
- c. The median remuneration of employees increased by 26% in the financial year.
- d. There are 124 permanent employees on the rolls of the Company.
- e. The Company's PAT increased from ₹ 376.48 lakhs to ₹ 482.99 lakhs, an increase of 28% against which the average increase in remuneration is 26% and this increase is aligned with the Company's Remuneration Policy.
- f. The aggregate remuneration of key managerial personnel (KMP) is ₹ 176.48 lakhs, revenue of the Company during the year is ₹ 5257.66 lakhs and the remuneration of KMP is 3.36% of revenue.
- g. The market capitalization of the Company as on 31st March, 2019 was ₹ 42.75 crores and as on 31st March, 2018 it was ₹ 40.27 crores. The PE ratio of the Company as on 31st March, 2019 was 8.84 and as on 31st March, 2018 was 10.70. 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 26% and increase in managerial remuneration is 22% as approved by members at the 26th 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 ended 31st March 2019 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

Sd/-

Jayashree Nair

Chairperson & Managing Director

Mumbai, 29th May 2019

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 : L24100MH1990PLC059299



ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

ANNUAL REPORT ON THE CSR ACTIVITIES

1. A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and project or programs.

The Corporate Social Responsibility (CSR) Policy has been framed by the Company and is placed on the website – www.bdhind.com. Our CSR Policy is aligned to our vision of being a socially responsible corporate citizen.

2. The composition of the CSR Committee :

Ms. Jayashree Nair – Managing Director and Chairperson of the Committee

Mr. S. C. Kachhara – Joint Managing Director

Mr. Bhagirath Singh – Independent Director

Ms. Karthika Nair – Non-Executive Director

3. Average Net Profit of the Company for last three financial years – ₹ 453 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) – ₹ 9.06 lakhs
5. Details of CSR spent during the financial year :
- a) Total amount to be spent for the financial year – ₹ 9.06 lakhs. Amount Spent – ₹ 9.13 lakhs.
- b) Amount unspent, if any – Nil
- c) Manner in which the amount spent during the financial year is detailed below :-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on projects or programs Sub heads : 1. Direct expenditure on Projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
i	Promotion of education including special education, vocational skills and livelihood enhancement projects	Promotion of education including special education, vocational skills and livelihood enhancement projects	Kerala Maharashtra	Budgeted by Charitable trusts	Direct expenditure on Projects or programs	₹ 8 Lakhs	Through Charitable Trust
ii	Promotion of education, vocational skills and livelihood enhancement projects	Promotion of education, vocational skills and livelihood enhancement projects	Maharashtra		Direct expenditure on Projects or programs	₹ 1.13 lakhs	Directly by Company
					TOTAL	₹ 9.13 lakhs	

- i. The CSR objective is implemented through charitable trusts in their programme of helping differently-abled children in spheres of education and vocational training.
- ii. The CSR objective is implemented through direct provision of e-learning station and accessories to municipal school to spread education in better ways and development of school children.
6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.
- The Company has spent more than 2% of the average profit for last three financial years.
7. A responsibility statement of CSR Committee that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the Company.

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The CSR Committee of the Board confirms that it has implemented and monitored the CSR activities in accordance with and in compliance of CSR objectives and CSR Policy of the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Jayashree Nair
Chairperson & Managing Director

Sd/-

S. C. Kachhara
Joint Managing Director

Mumbai, 29th May 2019

Registered Office :

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**ANNEXURE II****Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
BDH Industries Limited
Nair Baug, Akurli Road,
Kandivali (East) Mumbai – 400101

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BDH Industries Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of :-

The Companies Act, 2013 (the Act) and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. (Not applicable to the Company during audit period)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during audit period);

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable to the Company during audit period);

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable to the Company during audit period);

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Laws as are specifically applicable to the Company are as under:-

Drugs and Cosmetics Act, 1940

Narcotic Drugs and Psychotropic Substances Act, 1985

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review, the Company complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of atleast seven days was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda

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were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views (if any), are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period, consent of the members was accorded by way of Special Resolution to the Board under:- Section 13 for partial alteration of the main object clause III (A) 2 of Memorandum of Association of the Company.

For **JHR & Associates**
Company Secretaries

Sd/-
Tejaswi Zope
(Partner)

ACS: 29608, CP: 14839

Place : Thane
Date : 22nd May, 2019

The Members,
BDH Industries Limited
Nair Baug, Akurli Road,
Kandivali (East) Mumbai – 400101

Our Secretarial Audit Report of even date for financial year 2018-19 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JHR & Associates**
Company Secretaries

Sd/-
Tejaswi Zope
(Partner)

ACS: 29608, CP: 14839

Place : Thane
Date : 22nd May, 2019



ANNEXURE III(A)

Policy for Selection of Directors and determining Directors' independence

BDH Industries Limited ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. BDH Industries Limited recognizes the importance of Independent Directors in achieving the effectiveness of the Board. It aims to have an optimum combination of Executive, Non-Executive and Independent Directors. This Policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company. The Nomination & Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

The criteria of independence, as laid down Section 178 of Companies Act, 2013 and Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is as below:

An independent director in relation to a Company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing,

administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business and such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

g. who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Other directorships / committee memberships

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

ANNEXURE III (B)

Remuneration Policy for Directors, Key Managerial Personnel and other employees

BDH Industries Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully. This Policy sets out the guiding principles for the Nomination & Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

The Board, on the recommendation of the Nomination & Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders. The Board, on the recommendation of the Committee shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company. The remuneration structure shall include the following components:-

A) Executive Directors and Key Managerial Personnel

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Performance Incentive

B) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

C) Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined based on performance within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.



ANNEXURE IV

Conservation of energy, technology absorption and foreign exchange earnings and outgo

A. CONSERVATION OF ENERGY :

1. Steps taken or impact on conservation of energy :
 - a. Operational efficiency of chiller plant.
 - b. Replacement of conventional lighting with LED lighting in phased manner.
 - c. Monitored power factor to unity that optimises power utilization.
2. Steps taken by the Company for utilizing alternate sources of energy : The Company is evaluating all possibilities of utilizing alternate sources of energy in its operations, wherever possible, especially solar energy and wind energy.
3. Capital investment on energy conservation equipments: All the necessary capital and revenue expenditures were incurred by the Company on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:
Installation of new HPLC and Spectrophotometer with server for improved automation.
Upgradation of manufacturing facilities is an ongoing process based on quality assessment techniques.
2. Benefits derived as a result of the above efforts:
Improvement in processes and operational efficiencies.
3. Future Plan of Action :
Additional investment in new instrumentation to upgrade and strengthen R&D facility.
4. Expenditure incurred on Research & Development:

(₹ in lakhs)

	2018-2019	2017-2018
a. Capital	3.55	25.23
b. Recurring	78.65	73.85
TOTAL	82.20	99.08
Total R&D Expenditure as a percentage of total revenue	1.59%	2.41%

5. Technology imported during last 3 years
Details of technology imported – HPLC System with server for improved automation
Year of import - 2017
Whether technology has been fully absorbed - Yes

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 2731.96 lakhs as against outgo of ₹ 1700.26 lakhs.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Mumbai, 29th May, 2019

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 : L24100MH1990PLC059299

ANNEXURE V
Form No. AOC - 2

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis :
 - (a) Name(s) of the related party and nature of relationship : Not Applicable.
 - (b) Nature of contracts / arrangements / transactions : None.
 - (c) Duration of the contracts / arrangements / transactions : Not Applicable.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable.
 - (e) Justification for entering into such contracts or arrangements or transactions : Not Applicable.
 - (f) Date(s) of approval by the Board : Not Applicable.
 - (g) Amount paid as advances, if any : None.
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : Not Applicable.
2. Details of material contacts or arrangements or transactions at arm's length basis :
 - (a) Name(s) of the related party and nature of relationship : Not Applicable.
 - (b) Nature of contracts / arrangements / transactions : None.
 - (c) Duration of the contracts / arrangements / transactions : Not Applicable.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable.
 - (e) Date(s) of approval by the Board : Not Applicable.
 - (f) Amount paid as advances, if any : None.

Note – The related party transactions that were entered into during the financial year were non-material and were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Mumbai, 29th May, 2019

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 : L24100MH1990PLC059299



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments – The Pharmaceutical industry is one of the world's fastest growing industries and remains one of the biggest contributors to world economy. The global pharmaceutical industry is now estimated to be over US\$1.3 trillion. Though the pharmaceutical industry is developing at a rapid pace, this growth won't come easily for the industry heavily influenced by healthcare reforms, cost pressure, price and value based healthcare models, economic and political fluidity, public demand for low cost treatment, economic consolidation, increased competition and changing regulatory landscape with increased scrutiny. The increasing urbanization and growing middle income population making drugs available and affordable for more people has also led to this market growth. The prevalence of chronic diseases and emerging markets as well as decreasing cost of generic drugs is acting as most important factor for growth of generic market. Thanks to advances in science and technology, the research based pharmaceutical industry is entering in new era of medicine development and research methods are evolving into innovative treatments widely available and accessible to patients.

Indian pharmaceutical industry is third largest in terms of volume and twelfth largest in terms of value. During the year the government announced several initiatives to increase access to medicines which include expansion of National List of Essential Medicines (NLEM) covering more life saving drugs under price regulation, increasing number of fixed dose combination (FDCs) under regulators scrutiny, focus on generic prescription by doctors, compliance to Uniform Code of Pharmaceutical Marketing Practices (UCPMP) by pharmaceutical companies, expansion of Jan Aushadhi stores to increase generic drug volumes, continued investment in Ayushman Bharat Programme and evolution of e-pharmacies with focus on patient safety.

Outlook – The Indian Pharmaceutical industry is globally respected and is one of the most successful industries in the country. It has contributed significantly to global healthcare by ensuring quality, accessible and affordable medicines around the globe. World class capabilities and favourable global pharmaceutical market condition over many years have ensured that India continues to be one of the most lucrative pharma market in the world. The India pharma industry is expected to outperform the global pharma industry and grow over 10% per annum in next couple of years to a size of about US \$ 55 billion by 2020 thereby emerging as one of the top 10 pharmaceutical market globally by size. Indian pharmaceutical export which was about US \$ 17 billion in 2018 is expected to reach a size of about US \$ 20 billion by 2020. Today India is the largest provider of vaccines and generic drugs in the global market. Increasing per capita income, growing penetration of health insurance, government thrust on improving penetration of modern medicines into rural areas and accelerating access of pharmaceutical products to the poor and low-income sections of population, increased incidence of chronic ailments, changing lifestyle and consumption patterns and improvement in healthcare awareness are the growth enablers for the Indian pharmaceutical industry. The country also has a huge pool of scientists and engineers having capability to steer pharmaceutical industry forward to much greater degree. The cost efficiency also continues to create opportunities for Indian pharmaceutical companies in emerging global economies. With the varied range of medicines available for exports, largest number of approved manufacturing facilities, improvement in medical infrastructure and jump in penetration of health insurance in the country, the long term outlook for Indian pharmaceutical industry remains positive.

Opportunities, Risks and Concerns - Indian pharmaceutical companies are focusing on global generic and API business, R&D activities, contract research and manufacturing alliances. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to Indian manufacturers. The emergence of new viruses and drug resistant infections, spaciality medicines, biological agents, immune therapies etc. has spurred research and development activities recently providing the industry with more products in their drug pipeline with revenue and growth streams. In spite of challenging business environment, intense competition, margin pressures and regulatory interventions, growth is expected with the country's growing economy, persistent health insurance segment and better healthcare facilities. Indian pharmaceutical market is considered to be highly fragmented and consolidation has become an important feature of this industry. The Indian pharmaceutical industry is strengthened by low cost of manufacturing and high process knowledge skills to grab larger share of global pharmaceutical market. India is fast emerging as a preferred pharmaceuticals manufacturing location. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will also provide attractive growth opportunities to Indian generic formulations manufacturers and thus Indian pharmaceutical industry is poised for accelerated growth in coming years. The shift from cost-based pricing to market-based pricing methodology under the new drug policy benefits the consumers.

Poor public healthcare funding and infrastructure, low per capita consumption of medicines, currency fluctuations, regulatory issues, government mandated price controls, inflation and resultant all round increase in input costs are few causes of concern. At the same time downward pressure on pricing by government, focus on prevention than treatment and high R&D pose major challenge to the industry. During the year, there was no change in the nature of Company's business.

Financial Performance and Operations Review - During the financial year under report the Company registered a total income of ₹ 5257.67 lakhs as against ₹ 4189.24 Lakhs registering a growth by 26% over the previous year. Export Sales in the financial year 2018-19 are ₹ 2780.67 lakhs as compared to ₹ 2176.84 lakhs in the financial year 2017-18. The Company achieved Domestic Sales of ₹ 2206.85 lakhs as compared to ₹ 1799.04 lakhs in financial year 2017-18. The operations have resulted in a net profit of ₹ 482.99 lakhs during the year under report as against ₹ 376.48 lakhs registering a growth of 28% over the previous financial year.

Key Financial Ratios –

	31 st March 2019	31 st March 2018
Debtors Coverage Ratio	4.10	5.77
Inventory Turnover Ratio	6.70	6.55
Interest Coverage Ratio	13.64	21.57
Current Ratio	1.43	1.42
Debt Equity Ratio	0.38	0.23
Operating Profit Margin (%)	11.95%	11.23%
Net Profit Margin (%)	9.19%	8.99%
Return on Net worth (%)	14.73%	12.45%

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The increase in sales and improvement in operational performance has resulted in increased profitability, operating profit margin, net profit margin and return on network.

Internal Control Systems and its adequacy - The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and nature of business. The internal control systems provide for well-defined and documented policies, guidelines, authorizations and approval procedures and ensure optimum use and protection of resources and compliance with policies and procedures. The Company has a well defined system of management reporting and periodic review of business to ensure timely decision-making. The Company endeavors to review and update these as an ongoing practice.

Human Resources - The human resource plays a vital role in the growth and success of an organization. The Company recruits, develops and employs suitably qualified, capable and experienced personnel, as per requirement. The Company has maintained cordial and harmonious relations with all employees. The Company deputed employees for training, development workshops and seminars to improve the operational performance of individuals. The Company has Reward and Recognition Programme. The Company has 124 permanent employees as on 31st March, 2019.

Cautionary Statement - Certain Statements in the Management Discussion and Analysis section may be forward looking within the meaning of applicable laws and regulations. Many factors may affect the actual results including competition, price realization, currency fluctuations, regulatory issues, changes in government policies and regulations, tax regimes, economic development within India and countries in which the Company conducts business and other incidental factors.



CORPORATE GOVERNANCE REPORT

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") given below is the report on the Corporate Governance in the Company :-

CORPORATE PHILOSOPHY

Good Corporate Governance leads to long term shareholders value and enhances interest of other stakeholders. Fairness, transparency, accountability and responsibility are the essential elements of Corporate Governance to which your Company continues to remain committed to facilitate effective management and control of business. The Company emphasizes on good Corporate Governance and believes in maintaining ethical conduct in all its activities.

BOARD OF DIRECTORS

The Board of Directors is the apex body vested with powers of governance, control, direction and management of the affairs of the Company. Driven by the principles of Corporate Governance, the Board strives to work in the best interest of the Company and its stakeholders. Your Company believes that an active, independent and participative Board is a pre-requisite to achieve and maintain a desired level of Corporate Governance.

a) Composition

The composition of the Board is in conformity with Regulation 17(1) of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. During the year Mr. A. V. Menon, Independent Director, 86 years completed his term of five years on 31st March 2019 and conveyed his desire of not seeking re-appointment for another term. Accordingly the tenure of Mr. A. V. Menon as a Director of the Company came to an end on 31st March 2019. The Board of Directors re-appointed Dr. Dinesh Variar and Mr. Bhagirath Singh as Independent Directors of the Company not liable to retire by rotation with effect from 1st April 2019 upto 31st March 2024, subject to approval of shareholders by special resolution in this Annual General Meeting. Further the Board of Directors appointed Mr. Kairav Trivedi as an Independent Director of the Company not liable to retire by rotation with effect from 1st April 2019 upto 31st March 2024, subject to approval of shareholders by ordinary resolution in this Annual General Meeting. The present Board of Directors of your Company comprises of a Chairperson & Managing Director; one Joint Managing Director, one Non-Executive Director and three Non-Executive and Independent Directors. Independent Directors have expert knowledge and experience in the fields of finance, taxation, law and medicine. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise. The present composition of the Board is as follows :-

Sr. No.	Name of Directors	DIN	Category
1.	Ms. Jayashree Nair	00027467	Chairperson & Managing Director
2.	Mr. S. C. Kachhara	00019666	Joint Managing Director
3.	Ms. Karthika Nair	00019695	Non-Executive Director
4.	Dr. Dinesh Variar	00019721	Independent Director
5.	Mr. Bhagirath Singh	00155407	Independent Director
6.	Mr. Kairav Trivedi	07893708	Independent Director

Ms. Jayashree Nair, Chairperson & Managing Director and Ms. Karthika Nair, Non-Executive Director are related to each other. None of the other Directors are related to each other.

The Board of Directors comprises of qualified members who possess relevant skills, expertise and competence for the effective functioning of the Company. The Board has identified the following skills/expertise/competencies required to function effectively and skills available with the Board are mapped in below chart :-

Name	General Economics	Corporate Governance	Business Management & Strategy, Leadership	Pharmaceuticals, Science & Technology	Finance, Accounts, Taxation, Risks & Corporate Laws	Manufacturing, Quality, supply chain	Sales & Marketing
Ms. Jayashree Nair	√	√	√	√		√	√
Mr. S. C. Kachhara	√	√	√		√	√	√
Ms. Karthika Nair	√	√	√	√			√
Dr. Dinesh Variar	√	√		√		√	
Mr. Bhagirath Singh	√	√	√		√		
Mr. Kairav Trivedi	√	√	√		√		

b) Board Meetings

During the financial year 2018-19, six Board Meetings were held on 29th May 2018, 10th August 2018, 25th September 2018, 13th November 2018, 14th February 2019 and 26th March 2019.

All necessary information including but not limited to those mentioned in Part A of Schedule II of the SEBI Listing Regulations, are

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placed before the Board of Directors. All operational and statutorily required information was placed before the Board. All significant events were also reported to the Board. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic.

The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company. The Board Meetings are governed by a structured agenda. The Board Meetings are held at regular intervals at registered office of the Company. The Company Secretary in consultation with the Chairperson, drafts and finalizes the agenda of the Board Meeting. The Managing Director, at the Board Meeting keeps the Board apprised of the overall performance of the Company. The following are the details for the year ended 31st March 2019 :-

Sr. No.	Name of Directors	Attendance at		No. of Directorships of other Companies	No. of memberships of Board Sub-Committees
		Board Meetings	Last A.G.M.		
1.	Ms. Jayashree Nair	6	Yes	1	3 [#]
2.	Mr. S. C. Kachhara	6	Yes	-	4
3.	Ms. Karthika Nair	6	Yes	-	3 [#]
4.	Mr. A.V. Menon	6	Yes	1	2 [#]
5.	Dr. Dinesh Variar	5	Yes	-	2
6.	Mr. Bhagirath Singh	6	Yes	3	3

Including Chairmanship of Committee.

Mr. A. V. Menon ceased to be director of the Company after 31st March 2019. The Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee were re-constituted with effect from 1st April 2019. The details of the same are mentioned in Board Committees Section.

c) Remuneration of Directors

- i) The remuneration paid to the Managing Director and Joint Managing Director is within the ceiling as per the resolution approved by the shareholders. Details of fixed component of remuneration paid to the Managing Director and Joint Managing Director for the year ended 31st March, 2019 are given below :-

Name	Position	Salary ₹	Contribution to PF & other Funds ₹	Perquisites ₹
Ms. Jayashree Nair	Managing Director	6000000	720000	900000
Mr. S. C. Kachhara	Joint Managing Director	6000000	720000	900000

There are no performance linked incentives paid to Managing Director and Joint Managing Director.

The appointment of Managing Director and Joint Managing Director is contractual for a period of three years from 1st April 2017 to 31st March 2020 as per agreement dated 23rd March 2017. Either party is entitled to terminate the agreement by giving three months notice in writing to the other party. There is no separate provision for payment of severance fees in the agreements signed by the Company with them. The Company has currently no stock options or other convertible instruments.

- ii) Payments to Non Executive Directors :

The remuneration to Non Executive Directors consists only of sitting fees for attending Board Meetings of the Company. Except sitting fees, no other payment is made to Non- Executive Directors. The details of amount paid as sitting fees to the Non-Executive Directors during the year ended 31st March 2019 are as follows :-

Sr. No.	Name of Director	Sitting Fees paid
1.	Ms. Karthika Nair	₹ 90,000/-
2.	Mr. A.V. Menon	₹ 1,20,000/-
3.	Dr. Dinesh Variar	₹ 1,00,000/-
4.	Mr. Bhagirath Singh	₹ 1,20,000/-

- iii) Details of shareholding of Non Executive Directors :-

Ms. Karthika Nair, Non Executive Director holds 444980 (7.73%) equity shares of ₹ 10/- each of the Company as on 31st March, 2019. Mr. Bhagirath Singh, Independent Director holds 1000 (0.02%) equity shares of ₹ 10/- each of the Company as on 31st March, 2019. The other Non Executive and Independent Directors i.e. Mr. A. V. Menon and Dr. Dinesh Variar do not hold any shares in the Company as on 31st March 2019.



d) Information required on Directors seeking appointment / re-appointment

1. Ms. Jayashree Nair, 76 years, BSc. (Hons.) has been at the helm of BDH Industries Limited since last five decades. She has been the Managing Director of the Company since inception. She holds 1265240 equity shares in the company. She is also a director in BDH Healthcare Private Limited.
 2. Mr. S. C. Kachhara, 64 years, holds qualifications of B.Com., LLB (Gen.), FCA and MIIA (USA) and has 40 years of experience in the pharmaceutical industry. He has been director of the Company since 1990. He holds 192658 equity share in the company. He is not a director in any other company.
 3. Ms. Karthika Nair, 51 years retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are MSc. 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 holds 444980 equity shares of the Company.
 4. Dr. Dinesh Variar, 64 years holds qualifications M.B.B.S. (Bom.). He is a member of Audit Committee and Nomination & Remuneration Committee of the Board of Directors. He is connected with the Medical profession for 39 years. He is a not a director in any other Company. He does not hold any equity shares in the Company.
 5. Mr. Bhagirath Singh, 60 years holds qualifications B.Com and FCA. He has 37 years of experience in the areas of Finance and Taxation. He is a director in Remi Securities Limited, Remi Fans Limited and Shrinkhla Securities Limited. He holds 1000 equity shares in the Company.
 6. Mr. Kairav Trivedi, 50 years holds the qualifications of M.Com, FCA, FCS, LLB, MBA (JBIMS), F.IOD, MCN and Insolvency Professional with 23 years of experience in senior management in the sectors – Pharma, Automobile, Power Plants, Cement, Dredging, Ports, SEZ, Hospital, Infrastructure etc. He is not a director in any other Company. He does not hold any equity shares in the Company.
- e) None of the Directors on the Board hold directorships in more than eight listed companies. Further none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2019 have been made by the Directors.
- f) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013.
- g) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- h) Code of Conduct**
- The Board of Directors of the Company has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chairperson & Managing Director / CEO of the Company is given in this Annual Report.
- The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year, there has been due compliance with the said code for prevention of insider trading.
- i) The Board periodically reviews the compliance reports of all laws applicable to the Company.
- j) The details of the familiarisation programme of the Independent Directors are available on the website of the Company www.bdhind.com.

BOARD COMMITTEES

a) Audit Committee:

The terms of reference of the Audit Committee are aligned with the terms of reference provided under Section 177(4) of the Companies, 2013 and Part C of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Company comprised of Mr. A. V. Menon, Chairman of the Committee, Dr. Dinesh Variar and Mr. Bhagirath Singh upto 31st March, 2019. The Audit Committee has been re-constituted with effect from 1st April 2019 comprising Mr. Bhagirath Singh, Chairman of the Committee, Dr. Dinesh Variar, Mr. Kairav Trivedi and Mr. S. C. Kachhara as required under section 177 of the Companies Act, 2013 read with provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2018-19, four meetings of the Audit Committee were held on 29th May 2018, 10th August 2018, 13th November 2018 and 14th February 2019.

Name of the Members of Audit Committee along with their attendance in the meeting for the year ended 31st March 2019 is given below :-

Sr. No.	Name of Director	Designation	No. of Committee Meetings Attended
1.	Mr. A.V. Menon	Chairman	4
2.	Dr. Dinesh Variar	Member	3
3.	Mr. Bhagirath Singh	Member	4

The Audit Committee meetings were attended by the Audit Committee members as stated above and the Statutory Auditors also attended. The Company Secretary is the Secretary to the Committee. The Audit Committee discussed the Company's accounts before it was placed before the Board of Directors and also overviewed the Company's financial reporting process. The Committee has also reviewed the Company's financial and risk management policies.

b) Nomination & Remuneration Committee:

The terms and reference of the Nomination & Remuneration Committee are aligned with the terms of reference of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination & Remuneration Committee of the Company comprised of Mr. A. V. Menon - Chairman of the Committee, Dr. Dinesh Variar and Mr. Bhagirath Singh upto 31st March 2019. The Nomination & Remuneration Committee has been re-constituted with effect from 1st April 2019 comprising Mr. Bhagirath Singh, Chairman of the Committee, Dr. Dinesh Variar and Mr. Kairav Trivedi all being Independent Directors. The Committee evaluates the performance of Executive Directors and determine and proposes the remuneration payable to Executive Directors. The Committee also recommends to the Board the remuneration payable to Senior Management Personnel. One meeting of the Committee was held during the year duly attended by all members. The Company Secretary acts as a Secretary to the Committee. 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 broad 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.

c) Stakeholders Relationship Committee:

The terms of reference of the Stakeholders Relationship Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee comprised of Ms. Karthika Nair – Chairperson of the Committee, Ms. Jayashree Nair and Mr. S. C. Kachhara upto 31st March 2019. The Stakeholders Relationship Committee has been reconstituted with effect from 1st April 2019 comprising Ms. Karthika Nair – Chairperson of the Committee, Ms. Jayashree Nair, Mr. S. C. Kachhara and Mr. Kairav Trivedi as required under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Two meetings of the Committee were held during the year duly attended by all members. The Committee considers and resolves the grievances of shareholders including complaints related to transfers / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. The Committee reviews the measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by Company for various services being rendered by TSR Darashaw Consultants Pvt. Ltd. and measures taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports / statutory notices by the shareholders of the Company. There were two complaints pending as on 31st March 2018 both which were disposed off by SEBI and two complaints received from shareholders during the year which were resolved within prescribed time. There were no complaints from shareholders which were pending as on 31st March, 2019. Ms. Nikita Phatak, Company Secretary is the Compliance Officer of the Company.

d) Corporate Social Responsibility Committee:

In compliance with the section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, the Corporate Social Responsibility Committee was constituted and comprised of Ms. Jayashree Nair - Chairperson, Mr. S. C. Kachhara, Ms. Karthika Nair and Mr. Bhagirath Singh. One meeting of the Committee was held during the year duly attended by all members. The Committee monitors and reviews the CSR Policy of the company and recommends the amount of expenditure to be incurred on activities as specified in Schedule VII of the Companies Act 2013. The CSR Policy is placed on the website of the Company at www.bdhind.com. The Company Secretary acts as a Secretary to the Committee.

e) Risk Management Committee:

In compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee is constituted and currently comprises Ms. Jayashree Nair - Chairperson, Mr. S. C. Kachhara and Ms. Karthika Nair. One meeting of the Committee was held during the year. The Committee monitors and reviews the risk management plan and reports the same to the Board of Directors. The Company Secretary acts as a Secretary to the Committee.

e) Independent Directors Meeting:

During the year under review, the independent directors met on 26th March, 2019, without the attendance of non-independent directors and members of management, inter-alia to:-

- i) Review the performance of non-independent directors and the Board as a whole;
- ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present at the said meeting.



OTHER DISCLOSURES :

- a) **Disclosures on materially significant related party transactions that may have potential conflict with the interest of listed entity**
There were no material significant transactions during the year that may have any potential conflict with the interest of the Company. Transactions with related parties are disclosed in Notes to the Financial Statements.
- b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by the stock exchange (s) or the board or any statutory authority on any matter related to capital markets during last three years**
None.
- c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee**
The Company has Whistle Blower Policy. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The said policy has been also hosted on the website of the Company i.e. www.bdhind.com.
- d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**
The Company has complied with all the mandatory requirements of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) **Web link where policy for determining 'material' subsidiaries is disclosed**
The Company does not have any subsidiary Company.
- f) **Web link where policy on dealing with related party transactions is disclosed**
The policy on Related Party Transactions is hosted on the website of the Company www.bdhind.com
Weblink - <http://www.bdhind.com/pdf/RelatedPartyTransactionPolicy.pdf>
- g) **Disclosure of commodity price risks and commodity hedging activities**
The Company is engaged in the manufacturing of pharmaceuticals. Since the Company does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.
- h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**
The Company has not raised any funds through preferential allotment or through qualified institutional placement of its shares.
- i) **a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**
The Company has obtained a certificate in this regard from a Company Secretary in practice.
- j) **where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof**
The Board has accepted and acted on all the mandatory recommendations of its committees during the financial year under report.
- k) **total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**
The Company does not have any subsidiary Company. The fees paid by the Company to its Statutory Auditors are stated in the appended Audited Financial Statements of the Company.
- l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
Number of complaints filed during the financial year 2019-20 - Nil
Number of complaints disposed of during the financial year 2019-20 - Nil
Number of complaints pending as at end of the financial year 2019-20 - Nil

MEANS OF COMMUNICATION:

The Company has reported all material information including unaudited quarterly results, half yearly results and audited annual results and press release to the BSE Limited where the Company's securities are listed. The unaudited quarterly results, half yearly results and audited annual results were communicated to the shareholders by way of advertisement in a National daily and in vernacular language newspapers, namely, Free Press Journal and Navshakti. The Annual Report containing inter-alia Audited Annual Accounts, Auditors Report, Corporate Governance Report and Management Discussion and Analysis and other important information is circulated to members and others entitled thereto and also hosted on website of the Company www.bdhind.com. The Company has designated the email id viz., investors@bdhind.com for investors servicing.

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GENERAL BODY MEETINGS

A] Details of Annual General Meeting held in preceding 3 years and Special Resolutions passed thereat :-

A.G.M.	Financial Year	Date of A.G.M.	Time	Location	Details of Special Resolution passed
28 th	2017-2018	25-09-2018	3.00 p.m.	Swagath Bageecha, Bageecha Complex, Marve Road, Malad West, Mumbai – 400 095	Partial alteration in main object clause of Memorandum of Association
27 th	2016-2017	27-09-2017	3.00 p.m.		NIL
26 th	2015-2016	22-09-2016	3.00 p.m.		Re-appointment of Ms. Jayashree Nair as Managing Director and Mr. S. C. Kachhara as Joint Managing Director

B] Postal Ballot

Date of Notice	Proposal	No & % of votes cast in favour	No & % of votes cast in against	Date of passing the resolution
31 st December 2015	Special Resolution under section 13 of the Companies Act 2013 for alteration of object clause of Memorandum of Association of the Company	2824728 (99.59%)	11491 (0.41%)	9 th February 2016

The above special resolution has been passed by requisite majority.

I. Person who conducted the Postal Ballot exercise

Mr. J. H. Ranade, Practising Company Secretary was appointed as Scrutinizer to conduct the postal ballot process in fair and transparent manner.

II. Procedure for Postal Ballot

The Notice, Explanatory Statement alongwith the Postal Ballot Form and self-addressed postage pre-paid envelope, were dispatched to the members to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballots, the Scrutinizer after due verification, submitted his report. Thereafter, the results of the Postal Ballot were declared by the Chairperson. The same were filed with Stock Exchange and hosted on the website of the Company.

III. E-voting facility

E-voting facility was offered to all members to enable them to cast their votes electronically instead of dispatching the Postal Ballot Form by post.

IV. Whether any special resolution is proposed to be conducted through postal ballot

At present there is no proposal to pass any special resolution through postal ballot

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting - Date, time and venue	Wednesday 18 th September 2019 at 3 p.m. Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095
Financial Year	1 st April 2018 to 31 st March 2019
Date of Book Closure	From 12 th September, 2019 to 18 th September, 2019 (both days inclusive)
Dividend Payment Date	Within 30 days of declaration of dividend at the Annual General Meeting
Name and address of Stock Exchange at which the Company's securities are listed and confirmation about payment of annual listing fees	BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001 Listing fees has been paid to the stock exchange for the financial year 2019-20.
Stock Code and ISIN No.	524828 and INE278D01018
Registrar & Share Transfer Agent	TSR Darashaw Consultants Pvt. Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011
Share Transfer System	The Company's shares are traded in the stock exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
Dematerialisation of shares	As on 31-03-2019, 89.02% of the Company's shares representing 51,92,670 shares were held in dematerialised form.
Address for Correspondence / Plant Location	Ms. Nikita Phatak, Company Secretary. BDH Industries Limited, Nair Baug, Akurli Road, Kandivli East, Mumbai – 400101. Tel no. 022-61551234 Email – investors@bdhind.com
CREDIT RATING	During the year CRISIL has re-affirmed the ratings of BBB-/Stable and A3 to the longterm and shortterm bank facilities (fund based / non-fund based) amounting to ₹ 15 crores.



☆ **Financial Calendar (Tentative) :**

Financial Year of the Company	: 01-04-2019 to 31-03-2020
Financial Reporting for -	
Quarter ending June, 2019	: On or before 14 th August, 2019
Quarter ending September, 2019	: On or before 14 th November, 2019
Quarter ending December, 2019	: On or before 14 th February, 2020
Audited Results for year 2019-20	: On or before 30 th May, 2020

☆ **Categories of Shareholders as on 31st March, 2019 :**

Category	No. of shares	% of Shareholding
Promoters, Directors & Relatives	3191888	55.44
Companies/ Bodies Corporate	281436	4.89
General Public	2101553	36.50
NRI's	182423	3.17
TOTAL	5757300	100

☆ **Distribution of shareholding as on 31st March, 2019 :**

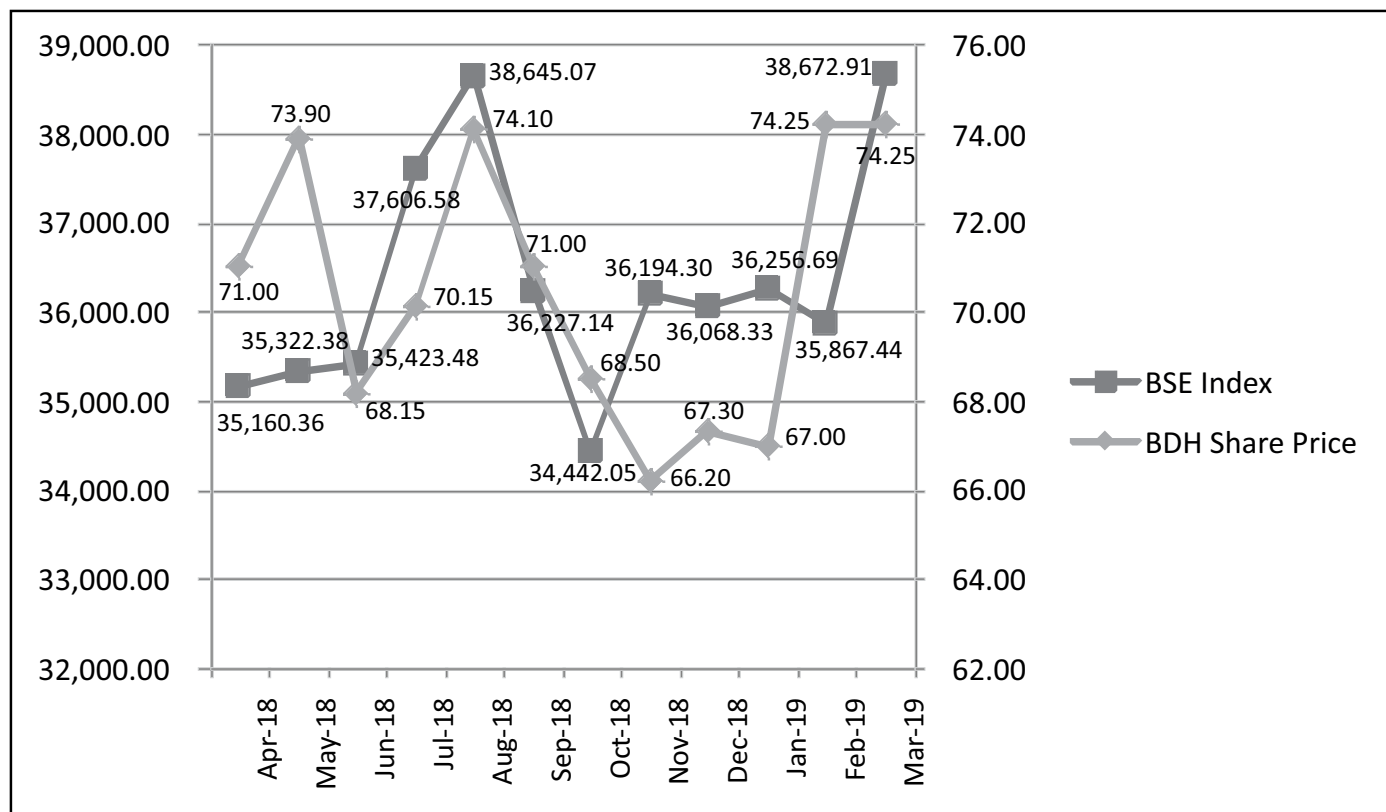
Shareholding of nominal value (in ₹)	Shareholders		Share Amount	
	Number	% to Total	In ₹	% to Total
1	2	3	4	5
Upto 5000	3297	81.47	610360	10.60
5001 – 10000	323	8.08	273881	4.76
10001 – 20000	186	4.65	282325	4.90
20001 – 30000	63	1.58	164162	2.85
30001 – 40000	25	0.63	91732	1.59
40001 – 50000	23	0.58	106568	1.85
50001 – 100000	36	0.90	258629	4.49
100001 and above	45	1.13	3969643	68.95
Total	3998	100.00	5757300	100.00

☆ **Stock Market price data for the year 2018-2019.**

BSE

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2018	76.60	68.05	October, 2018	73.60	63.05
May, 2018	74.55	65.10	November, 2018	75.90	65.50
June, 2018	74.35	66.15	December, 2018	71.00	66.20
July, 2018	72.90	67.15	January, 2019	72.45	63.75
August, 2018	77.95	69.05	February, 2019	76.50	61.75
September, 2018	79.75	66.10	March, 2019	80.45	72.50

Graph of Share Price / BSE Index



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
BDH Industries Limited

We have examined the compliance of the conditions of Corporate Governance by BDH Industries Limited (the Company) for the year ended on March 31, 2019, as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **CLB & Associates**
Chartered Accountants
FRN 124305W

S. Sarupria
Partner
M. No. 035783

Place: Mumbai
Date: 29.05.2019



Declaration under Regulation 26(3) and Schedule V Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
BDH Industries Limited.

It is hereby certified and confirmed in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2019.

Place : Mumbai
Date : 29th May, 2019

Sd/-
Jayashree Nair
Chairperson & Managing Director

CEO / CFO Certification

To,
The Board of Directors,
BDH Industries Limited
Nair Baug, Akurli Road,
Kandivli East, Mumbai 400101

We hereby, certify that :

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. There are no deficiencies in the design or operation of internal control.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For BDH Industries Limited,

Jayashree Nair
Chairperson & Managing Director/CEO

S. C. Kachhara
Joint Managing Director/CFO

Place : Mumbai,
Date : 29th May, 2019

Independent Auditor's Report

To the Members of

BDH INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of BDH INDUSTRIES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis in Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated, if based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS and relevant provisions of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, The Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26(ix)(b) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3 In respect of companies where managerial remuneration is within limit :
With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

For **CLB & Associates**
Chartered Accountants
FR No.: 124305W

S.Sarupria
Partner
M.No. 035783

Place: Mumbai
Date: 29.05.2019

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the members of BDH Industries Limited on the financial statements of the Company for the year ended March 31st, 2019:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit. We report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.
- (b) As explained to us, Property, Plant and Equipments have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii. (a) The Management has conducted physical verification of inventory at reasonable interval.
- (b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, Clause 3(iii) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of Act.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales tax / VAT, Service tax, Goods and Service Tax, Custom Duty, Excise duty and other material statutory dues, as applicable, with the appropriate authorities in India.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Sales tax / VAT, customs duty, Excise duty and Goods and Service Tax were outstanding, at the year end for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods and Service Tax, Customs Duty which have not been deposited on account of any disputes except as given below :

Name of the Statute	Nature of Dues	Amount (in Lakhs)	Financial Year to which the matters pertains	Forum where dispute is pending
Income Tax Act	Income Tax	2.32	1999-2000, 2000-2001, 2001-2002	Appellate Authorities at various stages

- viii. Based on the audit procedures and according to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or bank.
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.



- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. During the year the Company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

For **CLB & Associates**
Chartered Accountants
FR No.: 124305W

S.Sarupria
Partner
M.No. 035783

Place: Mumbai
Date: 29.05.2019

“Annexure B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BDH Industries Limited (“the Company”) as of March 31st, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CLB & Associates**
Chartered Accountants
FR No.: 124305W

S.Sarupria
Partner
M.No. 035783

Place: Mumbai

Date: 29.05.2019

BALANCE SHEET AS AT 31st March, 2019

(₹ in Lakhs)

	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
Assets			
1 Non Current Assets			
Property, Plant and Equipment	1	2,201.68	2,258.67
Other Non Current Assets	2	12.95	9.33
Total Non-Current Assets		2,214.63	2,268.00
2 Current Assets			
Inventories	3	771.00	626.67
Financial Assets			
- Trade Receivables	4	1,259.68	712.16
- Cash and Cash Equivalents	5	1,726.58	1,690.85
Other Current Assets	6	484.86	308.57
Current Tax Assets (Net)	7	117.60	83.41
Total Current Assets		4,359.72	3,421.66
Total Assets		6,574.35	5,689.66
Equity and Liabilities			
1 Equity			
Equity Share Capital	8	593.94	593.94
Other Equity	9	2,840.20	2,531.91
Total Equity		3,434.14	3,125.85
2 Non-Current Liabilities			
Financial Liabilities			
- Borrowings	10	-	20.00
Provisions	11	12.58	63.64
Deferred Tax Liabilities (Net)	12	26.85	17.23
Other Non-Current Liabilities	13	54.53	54.53
Total Non-Current Liabilities		93.96	155.40
3 Current Liabilities			
Financial Liabilities			
- Borrowings	14	1,299.34	732.32
- Trade Payables	15	1,631.21	1,608.25
Provisions	16	9.16	-
Other Current Liabilities	17	106.54	67.84
Total Current Liabilities		3,046.25	2,408.41
Total Equity & Liabilities		6,574.35	5,689.66

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss.

As per our report of even date attached.

For **CLB & Associates**
Chartered Accountants
Firm Registration Number 124305W

JAYASHREE NAIR
Chairperson & Managing Director
DIN : 00027467

For and on Behalf of the Board

S.C. KACHHARA
Joint Managing Director & CFO
DIN : 00019666

KARTHIKA NAIR
Director
DIN : 00019695

S. SARUPRIA
Partner
Membership No.035783

Mumbai, May 29, 2019

NIKITA PHATAK
Company Secretary
ACS-23104



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	2018-19	2017-18
Income			
I. Revenue from operations	18	5,169.12	4,107.47
II. Other Income	19	88.55	81.77
III Total Income		5,257.67	4,189.24
IV Expenses			
Cost of Material Consumed	20	3,156.33	2,590.09
(Increase) / Decrease in stock	21	7.46	(185.83)
Excise Duty		-	6.39
Employee benefits expense	22	676.60	625.21
Finance Cost	23	51.79	25.17
Depreciation & Amortization	24	82.77	75.44
Other Expenses	25	628.39	534.99
Total Expenses		4,603.34	3,671.48
V Profit Before Tax (III-IV)		654.33	517.76
VI Income tax expense			
(1) Current tax		158.64	127.43
(2) Deferred tax		12.70	13.85
VII Profit for the period (V-VI)		482.99	376.48
VIII Other Comprehensive Income			-
a) (i) Items that will not be reclassified subsequently to profit or loss		(11.10)	-
(ii) Income Tax relating to items that will not be reclassified subsequently to profit or loss		3.09	-
Other Comprehensive Income for the year, net of tax		(8.01)	-
IX Total Comprehensive Income		474.98	376.48
Earning per share			
- Basic & Diluted		8.39	6.54

As per our report of even date attached.

For **CLB & Associates**
Chartered Accountants
Firm Registration Number 124305W

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson & Managing Director
DIN : 00027467

S.C. KACHHARA
Joint Managing Director & CFO
DIN : 00019666

KARTHIKA NAIR
Director
DIN : 00019695

S. SARUPRIA
Partner
Membership No.035783

Mumbai, May 29, 2019

NIKITA PHATAK
Company Secretary
ACS-23104

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2019

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extra Ordinary Items	654.33	517.76
Add : (Profit) / Loss on Sale of Tangible Assets	2.82	-
Add : Provision for Gratuity & Leave Encashment	23.26	13.81
	680.41	531.57
<u>Adjustments</u>		
Interest Received	(88.55)	(81.77)
Depreciation	84.15	75.44
Interest Paid	51.79	25.17
Operating Profit Before Working Capital Changes	727.80	550.41
<u>Adjustments</u>		
(Increase)/Decrease Trade and Other Receivables	(848.40)	(174.49)
(Increase)/Decrease Inventories	(144.33)	(340.37)
Increase/ (Decrease) Trade Payables	61.67	77.28
Cash Generated from the Operations	(203.26)	112.83
Direct Tax Paid	(158.64)	(127.43)
Cash Flow Before Extra Ordinary Items	(361.90)	(14.60)
Extra Ordinary Items	-	-
Net Cash flow from Operating Activities	(361.90)	(14.60)
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Interest Received	88.55	81.77
Purchase of Fixed Assets	(37.82)	(41.53)
Sale of Fixed Assets	7.84	-
Net Cash Flow from Investment Activities	58.57	40.24
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(51.79)	(25.17)
Proceeds from Borrowings -Short Term	567.02	(25.92)
Proceeds from Borrowings -Long Term	(20.00)	(64.49)
Dividend Paid (Includes Dividend Distribution Tax)	(156.17)	(138.59)
	339.06	(254.16)
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)	35.73	(228.52)
Cash and Cash Equivalents Opening Balance	1,690.85	1,919.37
Cash and Cash Equivalents Closing Balance	1,726.58	1,690.85

Significant Accounting Policies and Notes form part of the Financial Statements

Notes

Figures in brackets reflect cash outflows.

As per our report of even date attached.

For **CLB & Associates**
Chartered Accountants
Firm Registration Number 124305W

JAYASHREE NAIR
Chairperson & Managing Director
DIN : 00027467

For and on Behalf of the Board

S.C. KACHHARA
Joint Managing Director & CFO
DIN : 00019666

KARTHIKA NAIR
Director
DIN : 00019695

S. SARUPRIA
Partner
Membership No.035783

Mumbai, May 29, 2019

NIKITA PHATAK
Company Secretary
ACS-23104



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2019

Equity Share Capital

Equity Share Capital of face value of ₹ 10/- each	No. of Shares	₹ in Lakhs
Balance as at 31st March, 2018	57,57,300	575.73
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2019	57,57,300	575.73

Other Equity

(₹ in Lakhs)

Particulars	Capital Reserve	Securities Premium	Revaluation Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as on 31st March, 2017	121.79	409.32	140.43	213.82	1,444.03	-	2,329.39
Profit for the period	-	-	-	-	376.48	-	376.48
Gratuity for previous years	-	-	-	-	(43.58)	-	(43.58)
Deferred Tax Asset	-	-	-	-	9.59	-	9.59
Dividend paid during the year	-	-	-	-	(115.15)	-	(115.15)
Tax on Dividend paid during the year	-	-	-	-	(23.44)	-	(23.44)
Transfer to General Reserves	-	-	-	-	(56.47)	-	(56.47)
Transfer from Retained Earnings	-	-	-	56.47	-	-	56.47
Written off During the year	-	-	(1.39)	-	-	-	(1.39)
Balance as on 31st March, 2018	121.79	409.32	139.04	270.29	1,591.46	-	2,531.91
Profit for the period	-	-	-	-	482.99	-	482.99
Dividend paid during the year	-	-	-	-	(129.54)	-	(129.54)
Tax on Dividend paid during the year	-	-	-	-	(26.63)	-	(26.63)
Transfer to General Reserves	-	-	-	-	(72.45)	-	(72.45)
Transfer from Retained Earnings	-	-	-	72.45	-	-	72.45
Other Comprehensive Income for the Year	-	-	-	-	(8.01)	-	(8.01)
CSR Expenses	-	-	-	-	(9.13)	-	(9.13)
Written off During the year	-	-	(1.39)	-	-	-	(1.39)
Balance as on 31st March, 2019	121.79	409.32	137.65	342.74	1,828.70	-	2,840.20

As per our report of even date attached.

For **CLB & Associates**
Chartered Accountants
Firm Registration Number 124305W

JAYASHREE NAIR
Chairperson & Managing Director
DIN : 00027467

For and on Behalf of the Board

S.C. KACHHARA
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Director
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S. SARUPRIA
Partner
Membership No.035783

Mumbai, May 29, 2019

NIKITA PHATAK
Company Secretary
ACS-23104

Notes to Financial Statements for the Year Ended 31st March, 2019

A) CORPORATE INFORMATION

BDH INDUSTRIES LIMITED (CIN L24100MH1990PLC059299) is a public limited company, incorporated in 1990 under the Companies Act, 1956 having its registered office in Mumbai. The company is engaged in manufacturing of therapeutic formulations covering wide range of pharmaceuticals. Its shares are listed on the Bombay Stock Exchange. The company caters to both domestic as well as international market.

Authorisation of Standalone Financial Statements

The Standalone financial statements were authorised for issue in accordance with a resolution of the Director on May 29, 2019

B) BASIS OF PREPARATION

a) Statement of Compliance

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on historical cost basis, except for the following :

- i) certain financial assets and liabilities are measured at fair value; and
- ii) defined benefit plans - plan assets measured at fair value

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of Judgments, Estimates and Assumption

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

ii) Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii) Useful lives of Property, Plant and Equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iv) Impairment of Property, Plant and Equipment

For property, plant and equipment, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v) Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.



Notes to Financial Statements for the Year Ended 31st March, 2019

vi) Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

c) SIGNIFICANT ACCOUNTING POLICIES

I) Current and non-current classification

"The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

II) Property, Plant and Equipment

- i) Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price.
- ii) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the Property, Plant and Equipment of the project proportionately on capitalisation.
- iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- iv) The residual useful life of Property, Plant & Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.
- v) Depreciation on all assets of the Company is charged on Straight Line Method over the useful life of the assets mentioned in Schedule II to the Companies Act, 2013.
- vi) No Depreciation is provided on Windmills

The above asset is yet to be put to use for commercial purposes.

III) IMPAIRMENT LOSS

On an annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is higher of an asset's net selling price and value in use. Value is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

IV) INVENTORIES

i) RAW MATERIAL

Raw Materials are valued at lower of cost or net realizable value. Cost is determined on First In First Out basis.

ii) PACKING MATERIAL

Packing Materials are valued at lower of cost or net realizable value. Cost is determined on First In First Out basis.

Notes to Financial Statements for the Year Ended 31st March, 2019

iii) WORK IN PROCESS

Work in Process are valued at cost. The cost of Stock-in-process comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to its present location and condition.

iv) FINISHED GOODS

Finished Goods are valued at lower of cost or net realizable value. The cost of Finished Goods comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to its present location and condition. Net realisable value is the estimate of the selling price in ordinary course of business as applicable.

V) EMPLOYEE BENEFITS

i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences, ex-gratia, leave encashment and leave travel allowance is recognised in the period in which the employees renders related services.

ii) Long Term Employee Benefits

1 Defined Contribution Plan

The Company's contribution to Provident Fund Scheme, Employee's State Insurance Scheme are considered as defined contribution plans and are recognised as an expense to the statement of profit and loss, based on the amount of contribution required to be made and when services are rendered by employees.

2 Defined Benefit Plan

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed at each balance sheet date using the Projected Unit Credit Method.

The Company contributes ascertained liabilities to the BDH Industries Limited Employees' Group Gratuity Cash Accumulation Scheme (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the statement of profit and loss.

3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

4 Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia, bonus and performance incentive are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



Notes to Financial Statements for the Year Ended 31st March, 2019

VI) FOREIGN CURRENCY TRANSACTIONS

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement/negotiation during year is recognised in the Statement of Profit and Loss. Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the Statement of Profit and Loss.

VII) REVENUE RECOGNITION

- i) The Company derives revenues primarily from sale of products and services.
- ii) Revenue from sale of product is recognized on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally after dispatch of goods and the Company presents revenues net of indirect taxes in its statement of profit and loss.
- iii) Revenue from service is recognised as and when services are rendered and related costs are incurred.
- iv) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- v) In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. All other export incentives are grouped under other operating revenue.

VIII) RESEARCH & DEVELOPMENT

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant and equipment.

IX) TAXATION

i) CURRENT TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) DEFERRED TAX

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

X) CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents includes Cash in hand, deposits with bank and interest accrued thereon.

XI) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision

A Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to Financial Statements for the Year Ended 31st March, 2019

XII) EARNING PER SHARE

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XIII) DIVIDEND

Dividend distribution (including Dividend Distribution Tax thereon) to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

Note No. 1 :

PROPERTY, PLANT AND EQUIPMENT

Current Year

(₹ in Lakhs)

Particulars	Gross Block				Depreciation			Net Block		
	As at 1 st April 2018	Additions	Disposals / Adjustments	As at 31 st March, 2019	As at 1 st April 2018	For the Year	Disposals / Adjustments	As at 31 st March, 2019	As at 31 st March, 2019	As at 31 st March, 2018
Land	601.80	-	-	601.80	-	-	-	-	601.80	601.80
Leasehold Land (Waluj)	10.65	-	10.65	-	-	-	-	-	-	10.65
Leasehold Land (Kudal)	8.19	-	-	8.19	-	-	-	-	8.19	8.19
Building (Kudal)	177.12	-	-	177.12	-	5.61	-	5.61	171.51	177.12
Shed at Umbergaon	6.53	-	-	6.53	-	-	-	-	6.53	6.53
Building	439.82	-	-	439.82	264.95	13.09	-	278.04	161.78	174.87
Plant & Machinery	826.44	26.41	-	852.85	563.31	34.52	-	597.83	255.02	263.13
Laboratory Apparatus	140.86	3.56	-	144.41	59.82	5.44	-	65.26	79.15	81.03
Air Conditioners	198.60	5.29	-	203.89	149.36	7.24	-	156.60	47.29	49.24
Motor Car	56.15	-	-	56.15	26.70	6.34	-	33.04	23.11	29.45
Furniture & Fixtures	39.15	-	-	39.15	37.97	0.30	-	38.27	0.88	1.17
Electrical Installation	150.21	-	-	150.21	129.26	3.24	-	132.50	17.71	20.95
Office Equipments	21.55	-	-	21.55	16.02	0.54	-	16.56	4.99	5.53
Computer	74.99	2.56	-	77.55	58.02	7.84	-	65.86	11.69	16.97
Windmill	812.04	-	-	812.04	-	-	-	-	812.04	812.04
	3,564.10	37.82	10.65	3,591.26	1,305.42	84.16	-	1,389.57	2,201.68	2,258.67

Note No. 2 :

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Prepaid Expenses	12.95	9.33
Total	12.95	9.33

Note No. 3 :

INVENTORIES

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Raw Material	404.79	250.59
II Packing Material	127.25	129.65
III Semi-Finished Goods	126.36	140.60
IV Finished Goods	112.60	105.82
Total	771.00	626.67

Note No. 4 :



Notes to Financial Statements for the Year Ended 31st March, 2019

FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Considered Good	1,259.68	712.16
Total	1,259.68	712.16

Note No. 5 :

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Balances with Banks		
- Current Accounts	17.68	31.70
- Unpaid Equity Dividend Accounts	52.06	43.75
II Fixed Deposits with Bank	1,656.82	1,615.39
III Cash in Hand	0.02	0.01
Total	1,726.58	1,690.85

Note No. 6 :

OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I. Security Deposits		
Unsecured, Considered Good	34.96	32.93
II. Advance Given to Suppliers		
Unsecured, Considered Good	18.68	10.56
III. Balances with Government Authorities		
Balances in GST Records	237.83	206.05
IV. Duties and Taxes Refundable	185.90	53.96
V. Prepaid Expenses	2.53	4.32
VI. Others	4.96	0.75
TOTAL	484.86	308.57

Note No. 7 :

CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Income Tax Paid	117.60	83.41
(Net of Provisions)	.	.
Total	117.60	83.41

Notes to Financial Statements for the Year Ended 31st March, 2019

Note No. 8 :
SHARE CAPITAL

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I. Authorised		
75,00,000 Equity Shares of ₹ 10 each	750.00	750.00
II. Issued		
61,21,500 Equity Shares of ₹ 10 each	593.94	593.94
(57,57,300 Equity Shares of ₹ 10 each and 3,64,200 Equity Shares of ₹ 10 each, ₹ 5 paid up)		
III. Subscribed and Paid Up		
57,57,300 Equity Shares of ₹ 10 each	575.73	575.73
Add : Forfeited Shares		
3,64,200 Equity Shares of ₹ 10 each, paid up to the extent of ₹ 5 each	18.21	18.21
TOTAL	593.94	593.94

a) Reconciliation of the Number of Shares

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	Amt. in ₹	No. of Shares	Amt. in ₹
Balance at the beginning of the year	57,57,300	5,75,73,000	57,57,300	5,75,73,000
Issued during the year	-	-	-	-
Balance at the end of the period	57,57,300	5,75,73,000	57,57,300	5,75,73,000

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back in the 5 years immediately preceding the balance sheet date.

b) Shares in the company held by each shareholder holding more than 5% shares :

Sr. No.	Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
		No. of Shares	% of Holding	No. of Shares	% of Holding
i.	Jayashree Nair	12,65,240	21.98%	12,65,240	21.98%
ii.	Laxmi Nair	4,64,380	8.07%	4,64,380	8.07%
iii.	Karthika Nair	4,44,980	7.73%	4,44,980	7.73%
iv.	Padma Kaimal	3,32,120	5.77%	3,32,120	5.77%

c) Terms and Rights attached to Equity Shares :

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.



Notes to Financial Statements for the Year Ended 31st March, 2019

Note No. 9 : OTHER EQUITY

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Capital Reserve	121.79	121.79
II Securities Premium Account	409.32	409.32
III Revaluation Reserve	137.65	139.04
IV General Reserve	342.74	270.29
V Retained Earnings	1,828.70	1,591.47
Total	2,840.20	2,531.91

Note No. 10 : NON-CURRENT FINANCIAL LIABILITIES BORROWINGS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Term Loan from Bank	-	20.00
Total	-	20.00

Term Loan (Demand Loan) from Bank is secured by Fixed Deposits with Bank.

Note No. 11 : NON-CURRENT PROVISIONS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Provision for Gratuity	-	63.64
II Provision for Leave Encashment	12.58	-
Total	12.58	63.64

Note No. 12 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Deferred Tax Liabilities on account of : - Depreciation on Fixed Assets	32.90	36.08
II Deferred Tax Assets on account of : - Provision for Leave Encashment - Provision for Gratuity	(3.84) (2.21)	- (18.85)
Total	26.85	17.23

Note No. 13 : OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Other Payables	54.53	54.53
Total	54.53	54.53

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Notes to Financial Statements for the Year Ended 31st March, 2019

Note No. 14 :

FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I. Secured		
Loans Repayable on Demand from Banks		
- FBC / EBP / EBD	606.52	234.45
- Overdraft	(0.01)	(0.28)
- Packing Credit & Cash Credit	692.83	484.34
Sub-Total	1,299.34	718.51
II. Unsecured		
Loans and Advances from Related Parties		
- Loans from Directors	-	13.81
Sub-Total	-	13.81
TOTAL	1,299.34	732.32

Notes

- i) FBC / EBP / EBD is secured by Export Bills Sent for Collections / Purchased and Discounted.
- ii) Letter of Credit is secured by goods purchased thereunder.
- iii) Overdraft is secured by Book Debts of the company.
- iv) Packing Credit and Cash Credit is secured by Hypothecation of Stock

Note No. 15 :

FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I Trade Payables for Goods and Services		
- Outstanding dues of MSME	18.67	53.18
- Others	1,612.54	1,555.07
Total	1,631.21	1,608.25

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No. 16 :

CURRENT PROVISIONS

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I. Provision for Gratuity	7.93	-
II. Provision for Leave Encashment	1.23	-
TOTAL	9.16	-



Notes to Financial Statements for the Year Ended 31st March, 2019

Note No. 17 :

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 st March, 2019	As at 31 st March, 2018
I. Unpaid Dividend	52.06	43.75
II. Duties & Taxes	7.25	8.67
III. Advance Received from Customers	37.06	7.25
IV. Deposits	10.17	8.17
TOTAL	106.54	67.84

Unpaid Dividend does not include any amount to be credited to Investor Education and Protection Fund.

Note No. 18 :

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2018-19	2017-18
<u>Sale of products</u>		
- Domestic	2,206.85	1,799.04
- Exports	2,780.67	2,176.84
	4,987.52	3,975.88
<u>Sale of services</u>		
- Job Work Receipts	49.26	39.33
Other Operating Revenues		
Export Incentives	101.50	78.18
Other Operating Income	30.84	14.08
	132.34	92.26
Total	5,169.12	4,107.47

Note No. 19 :

OTHER INCOME

(₹ in Lakhs)

Particulars	2018-19	2017-18
Other Income		
Finance Income		
Interest on Bank Deposits (Net)	87.13	80.86
Interest on Other Deposits	1.42	0.91
Total	88.55	81.77

Notes to Financial Statements for the Year Ended 31st March, 2019

Note No. 20 :

COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	2018-19	2017-18
Raw Materials Consumed		
Opening Stock	250.59	110.16
Add : Purchases		
- Indigenous	1,164.98	921.23
- Imported	1,652.63	1,423.65
	3,068.19	2,455.04
Less : Closing Stock	404.79	250.59
	2,663.40	2,204.45
Packing Materials Consumed		
Opening Stock	129.66	115.54
Add : Purchases	490.52	399.75
Less : Closing Stock	127.25	129.65
	492.93	385.64
Total	3,156.33	2,590.09

Note No. 21 :

CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	2018-19	2017-18
Work in Progress		
Opening	140.60	15.44
Less : Closing	126.36	140.60
	14.24	(125.16)
Finished Goods		
Opening	105.82	45.15
Less : Closing	112.60	105.82
	(6.78)	(60.67)
Total	7.46	(185.83)

Note No. 22 :

EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	2018-19	2017-18
Salaries, Bonus and others	570.63	521.71
Contribution to Provident and Other Funds	47.75	55.46
Staff Welfare Expenses	58.22	48.04
Total	676.60	625.21



Notes to Financial Statements for the Year Ended 31st March, 2019

Note No. 23 :

FINANCE COSTS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Finance Costs:		
- Bank Charges & Interest (Net)	51.79	25.17
Total	51.79	25.17

Note No. 24 :

DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

Particulars	2018-19	2017-18
Depreciation on Tangible Assets	82.77	75.44
Total	82.77	75.44

Note No. 25 :

OTHER EXPENSES

(₹ in Lakhs)

Particulars	2018-19	2017-18
Power, Fuel & Water Charges	213.33	207.12
Repairs and Maintenance	61.60	61.43
Rates & Taxes	14.21	20.29
Insurance	12.89	9.87
Research, Development & Laboratory Expenses	29.45	30.36
Export General Expenses	28.83	39.18
Freight & Transport Charges	68.16	27.88
Commission	128.12	65.85
Conveyance & Motor Car Expenses	4.67	5.54
Legal & Professional Charges	22.25	23.33
Postage & Telephone Expenses	6.28	5.68
Books, Stationary & Subscription	8.45	10.82
Rent	0.60	0.60
Sales Tax	-	6.59
Travelling Expenses	3.24	1.96
Share Listing Fees	2.50	2.50
Sitting Fees	4.40	3.50
General Expenses	16.54	9.77
Auditors Remuneration	2.85	2.72
	628.39	534.99

Details of :

Repairs and Maintenance

- Repairs to Building	15.08	24.72		
- Repairs to Machineries	35.95	27.98		
- Repairs - others	10.57	61.60	8.73	61.43
Auditors Remuneration				
- Statutory Audit Fees	2.75		2.50	
- Certification Fees	0.10	2.85	0.22	2.72

Notes to Financial Statements for the Year Ended 31st March, 2019

Total expenditure on R & D is included in respective heads of accounts as under:

	(₹ in Lakhs)	
Particulars	2018-19	2017-18
- Cost of materials consumed	10.51	13.28
- Employee benefits expenses	54.24	45.46
- Other expenses	13.90	15.12
Total	78.65	73.86

Current and Deferred Tax

	(₹ in Lakhs)	
Particulars	2018-19	2017-18
Current tax	158.64	127.43
Deferred Tax Liability	(3.18)	(2.74)
Deferred Tax Asset	15.89	16.59
Total	171.35	141.28

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	(₹ in Lakhs)	
Particulars	2018-19	2017-18
Profit before tax	654.33	517.76
Enacted Tax Rates in India	27.82%	27.5525%
Computed Tax Expenses	182.03	142.65
Tax Effect of :		
Additional deduction on Research and Development Expenses	(10.69)	(1.37)
Tax Expenses recognised in Statement of Profit and Loss (A)	171.35	141.28
Reversal of Deferred Tax Liability on account of Depreciation	3.18	2.74
Incremental / (Reversal) of Deferred Tax Asset on account of Gratuity	(15.89)	(16.59)
Deferred Tax (Net) (B)	(12.71)	(13.85)
Current Tax Provision	158.64	127.43

Note No. 26 :

NOTES ON ACCOUNTS

i) Disclosure as required by Ind AS 108 “Segment Reporting” of the Companies (Indian Accounting Standards) Rules, 2015

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance. In accordance with Ind AS “Operating Segment”, the Company has only one reportable operating segment i.e. Pharmaceuticals.

ii) Disclosure in accordance with Ind AS – 19 “Employee Benefits”, of the Companies (Indian Accounting Standards) Rules, 2015.

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company makes annual contributions to BDH Industries Limited Employees’ Group Gratuity Cash Accumulation Scheme of LIC, a funded defined benefit plan for qualifying employees.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet.



Notes to Financial Statements for the Year Ended 31st March, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
Expenses recognised in Statement of Profit & Loss		
Current Service Cost	6.46	13.81
Interest Expenses	8.03	-
Expected return on plan assets	(7.98)	(2.44)
Total	6.51	11.37
Expense recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate	8.87	-
Actuarial (gain)/loss due to experience on DBO	(1.71)	-
Total	7.16	-
Present value of funded defined benefit obligation	108.37	128.64
Fair value of plan assets	(100.44)	(65.00)
Funded status	7.93	63.64
Net defined benefit (asset)	7.93	63.64
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	128.64	79.45
Current service cost	6.46	13.81
Past Service Cost	(2.98)	43.58
Interest cost	9.19	-
Actuarial (gain)/loss	(3.22)	-
Benefits paid	(29.72)	(8.20)
Present value of defined benefit obligation at the end of the year	108.37	128.64
Movements in fair value of the plan assets are as follows :		
Opening fair value of plan assets	64.87	-
Expected returns on plan assets	6.28	2.44
Remeasurement (gains)/losses:	1.12	(2.57)
Actuarial (gain)/loss on plan assets	(7.16)	-
Contribution from Employer	65.06	65.00
Benefits paid	(29.73)	-
Closing fair value of the plan asset	100.44	64.87
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (gain)/loss arising from experience adjustments	8.87	-
Actuarial (gain)/loss on plan assets	(1.71)	-
Total actuarial (gain)/loss included in OCI	7.16	-

The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follows :

Particulars	2018-19	2017-18
Financial Assumption		
Discount Rate	7.50%	7.60%
Salary Increase Rate	4%	4%
Demographic Assumptions		
Mortality Rate	IALM (2012-14)	IALM (2012-14)
	Ultimate	Ultimate
Withdrawal Rate	1% to 3%	1% to 3%
Retirement Age	60 Years	60 Years

Notes to Financial Statements for the Year Ended 31st March, 2019

iii) Disclosure as required by Ind AS 24 “Related Parties” of the Companies (Indian Accounting Standards) Rules, 2015

a) Directors and Key Management Personnels

Ms. Jayashree Nair (Chairperson and Managing Director)

Mr. S.C.Kachhara (Joint Managing Director / CFO)

Ms. Karthika Nair (Non-Executive Director)

Mr. Bhagirath Singh (Independent Director)

Mr. A. V. Menon (Independent Director)

Dr. Dinesh Variar (Independent Director)

Ms. Nikita Phatak (Company Secretary)

b) Relatives of Directors and Key Management Personnels

Name of Related Party

Mr. G.L.Kachhara

Mr. Ankit Kachhara

Karthika Nair Smarak Samithi

iv) Details of Transactions relating to persons referred to in A, B & C above

(₹ in Lakhs)

	2018-19	2017-18
Remuneration		
i) Ms. Jayashree Nair	69.00	62.10
ii) Mr. S.C.Kachhara	69.00	62.10
iii) Ms. Nikita Phatak	8.89	7.60
iv) Mr. Ankit Kachhara	16.27	13.91
Provident Fund		
i) Ms. Jayashree Nair	14.40	12.96
ii) Mr. S.C.Kachhara	14.40	12.96
iii) Ms. Nikita Phatak	0.52	0.43
iv) Mr. Ankit Kachhara	0.99	0.88
Sitting Fees		
i) Ms. Karthika Nair	0.90	0.60
ii) Mr. Bhagirath Singh	1.30	1.00
iii) Mr. A. V. Menon	1.20	1.00
iv) Dr. Dinesh Variar	1.00	0.90
Professional Fees Expenses		
i) Mr. G.L.Kachhara	2.10	1.75
Rent Expenses		
i) Karthika Nair Smarak Samithi	0.60	0.60
CSR Expenses		
i) Karthika Nair Smarak Samithi	6.00	0.00



Notes to Financial Statements for the Year Ended 31st March, 2019

v) CSR Expenditure

- a) Gross amount required to be spent by the Company during the year ₹ 9.06 Lakhs
 b) Amount spent by the company during the year is as follows :

(₹ in Lakhs)

	2018-19	2017-18
i) Promotion of Education including Special Education, Vocational Skills and Livelihood Enhancement Projects	9.13	-
	9.13	-

vi) Disclosure as required by Ind AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules, 2015

Earning Per Share is calculated by dividing the profit after tax by the number of equity shares.

(₹ in Lakhs)

	2018-19	2017-18
Profit after Tax (₹ in Lakhs)	482.99	376.48
No. of Shares	57,57,300	57,57,300
Basic EPS (₹)	8.39	6.54
Diluted EPS (₹)	8.39	6.54
Nominal Value per Share (₹)	10/-	10/-

vii) Research and Development Expenditure

(₹ in Lakhs)

	2018-19	2017-18
Capital Expenditure	3.56	25.23
Revenue Expenditure	78.65	73.85

viii) DIVIDEND

The Board of Directors at its meeting held on May 29, 2019 has recommended a dividend of ₹ 2.75 per equity share for the year ended March 31, 2019. The declaration and payment of dividend is subject to the approval of the shareholders in the Annual General Meeting.

₹ in Lakhs

Proposed Dividend	158.33
Corporate Dividend Tax	32.54

ix) Contingent liabilities not provided for :

(₹ in Lakhs)

	2018-19	2017-18
a) Bank Guarantees	50.48	92.57
b) Appeals filed in respect of disputed demands by government authorities against the company		
- Income Tax	2.32	18.84

x) Capital Management

For the purpose of the Company's capital management, capital includes paid-up equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholders value.

Notes to Financial Statements for the Year Ended 31st March, 2019

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a gearing ratio, which is net debt divided by its total capital. The Company includes within its net debt the interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

(₹ in Lakhs)

	2018-19	2017-18
Borrowings	1,299.34	752.32
Trade payables	1,631.21	1,608.24
Other payables	161.07	122.37
Less: Cash and cash Equivalents (C&CE)	1,726.58	1,690.85
Net debt	1,365.04	792.08
Total Equity	2,214.63	2,268.01
Capital and net debt gearing ratio	61.64%	34.92%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lending institutions to immediately call back the loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2019 and March 31, 2018.

- xi) Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.

As per our report of even date attached.

For **CLB & Associates**
Chartered Accountants
Firm Registration Number 124305W

JAYASHREE NAIR
Chairperson & Managing Director
DIN : 00027467

For and on Behalf of the Board

S.C. KACHHARA
Joint Managing Director & CFO
DIN : 00019666

KARTHIKA NAIR
Director
DIN : 00019695

S. SARUPRIA
Partner
Membership No.035783

Mumbai, May 29, 2019

NIKITA PHATAK
Company Secretary
ACS-23104

NOTES

BDH : Commitment

- **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**

Health Care



Mankind



Worldwide

BDH : Product Range

- Analgesic/Antipyretic
- Acaricide
- Antiprotozoal
- Antiseptics
- Anti-Tuberculosis
- Antiasthmatics / Broncodilators
- Anticancer
- Antidiabetics
- Antifungal
- Antispasmodics

- Antiviral
- Anxiolytic / Antidepressants Sedative
- NSAID
- Narcotic-Analgesic
- Trichological
- Antacids
- Anthelmintics
- Anti-Glaucoma
- Anti-Psychotics
- Anti-Allergics

- Antibacterial
- Anticonvulsants
- Anti-Emetics
- Antimalarial
- Antiulcer
- Corticosteroids
- Cardiovascular
- Diuretics
- Vitamins & Minerals
- Skin Protective



BDH
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