



BDH
Industries Ltd.

Reputation

Quality

Care

Health Care World wide...

Twenty Fourth Annual Report 2013-2014



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2008

Pharmaceutical Company engaged in Health Care World wide

BDH : Quality Policy

**Our Vision is
to care for Health and Quality of Life
for Mankind-Globally.**

**We are committed to
provide safe, effective and Quality Medicines
at economical price and also to
percolate value added services to
the patients through our network worldwide.**

**We shall strive this
by enhancing quality and efficacy of medicines
through continual improvement in our
design, manufacturing and processes.**

Care



Quality

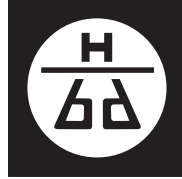


Reputation

BDH : Commitment

*Health Care * Mankind * Worldwide*

- **Wide Range of Products in several Therapeutical Applications**
- **Products at Economical Rates with value Added Services**
- **Assist MOH / DHS at Affordable Rates : ROW Market**
- **Strengthen International NGOs at Reasonable Rates**
- **Global Reach - Exporting to more than 30 countries**



BDH INDUSTRIES LIMITED

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

TWENTY FOURTH ANNUAL GENERAL MEETING at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai - 400 095 on Wednesday, 17th September, 2014 at 3.00 p.m.

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Wednesday, 17th September, 2014 at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095 at 3.00 p.m., to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Mr. S. C. Kachhara (DIN 00019666), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Karthika Nair (DIN 00019695), who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

6. Appointment of Mr. A. V. Menon as Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of the section 149,152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. A.V. Menon (DIN 00019770), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment and not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for five consecutive years up to 31st March, 2019."

7. Appointment of Dr. Dinesh Variar as Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of the section 149,152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Dinesh Variar (DIN 00019721), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment and not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for five consecutive years up to 31st March, 2019."

8. Appointment of Mr. Bhagirath Singh Sihag as Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of the section 149,152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Bhagirath Singh Sihag (DIN 00155407), a non-executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment and not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for five consecutive years up to 31st March, 2019."

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 28th May, 2014

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy



shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 11th September, 2014 to Wednesday, 17th September, 2014 (both days inclusive).
3. The dividend if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on 17th September, 2014 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 10th September 2014.
4. Re-appointment of retiring directors –
 - a.) Mr. S. C. Kachhara, (DIN – 00019666) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His qualifications are B.Com, LL.b. (Gen.), FCA and MIIA (USA). He is associated with the Company since 36 years and has been Director of the Company since 1990. His experience comprises in the areas of finance, taxation, international business and overall business activities. He is not Director of any other Company.
 - b.) Mrs. Karthika Nair, (DIN – 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are M.Sc and M.M.S. in Marketing from University of Mumbai. She is associated with the Company since 15 years and has been Director of the Company since 1999. She is not Director of any other Company.
5. Members are requested to:
 - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
 - (d) encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 1956 / Companies Act, 2013.
6. The Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
7. Your Company is concerned about the environment. Towards this end, the Company supports the 'Green Initiative' of Ministry of Corporate Affairs under which service of Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this initiative of Government, members who would like to receive Annual Report in electronic mode are requested to do so by registering their e-mail addresses with Company's Registrar and Share Transfer Agent, mentioning their folio number and e-mail address to which Annual Report can be sent.
8. 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, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting system provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants]:
 - (a) Open email and open PDF file viz; "BDH Industries e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (c) Click on Shareholder – Login
 - (d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
 - (e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (f) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (g) Select "EVEN" (E-Voting Event Number) of BDH Industries Limited
 - (h) Now you are ready for e-voting as Cast Vote page opens.
 - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (l) Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@bdhind.com with a copy marked to evoting@nsdl.co.in.

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or who request physical copy of notice]:
- (a) Initial password will be provided by the Company :
- EVEN (E-Voting Event Number)_USER ID_PASSWORD/PIN
- (b) Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- II. 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 downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password / PIN for casting your vote.
- IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Thursday, 11th September, 2014 (9:00 am) and ends on Saturday, 13th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. 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 13th September, 2014. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. As the voting would be through electronic means, the Members who do not have access to e-voting, may send their assent or dissent in writing on the Ballot Form enclosed with the Annual Report. You are required to complete and sign the Ballot Form and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company - Mr. Sunil Bhandari, Practicing Chartered Accountant, Scrutinizer, BDH Industries Limited, Nair Baug, Akurli Road, Kandivli (East), Mumbai – 400 101 not later than Saturday, 13th September, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
- A Member can opt for only one mode of voting, i.e. 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.
- VII. Mr. Sunil Bhandari (Membership No. 037388), Practicing Chartered Accountant has been appointed as the Scrutinizer to scrutinize the e-voting process (including ballot form received from the members who do not have access to the e-voting facility) in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and send it to the Chairperson of the Company.
- IX. The Results shall be declared at or after the Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bdhind.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and also communicated to the Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE)

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 28th May, 2014

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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



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

ITEM NO.6 to 8

Appointment of Independent Directors

Section 149 of the Companies Act 2013(Act) require all listed public companies to have at least one-third of the total number of directors as Independent Directors. Your Company complies with this requirement.

Sub-section (10) of section 149 of the Act further provides that Independent Directors are required to hold office for a term up to five consecutive years on the Board of a company and can be re-appointed thereafter subject to the limit under sub-section (11) of section 149 of the Act which provides that they shall not hold office for more than two consecutive terms.

The amended clause 49 of the Listing Agreement with the Stock Exchanges also stipulates similar conditions with regard to initial tenure for appointment of Independent Directors for a term up to five consecutive years.

Further, in terms of sub-section (13) of section 149 read with Explanation to sub-section (6) of section 152 of the Act, Independent Directors are not liable to retire by rotation.

The following Directors on the Board of your Company qualify as Independent Directors under section 149 of the Act and clause 49 of the Listing Agreement :

1. Mr. A. V. Menon (DIN 00019770)
2. Dr. Dinesh Variar (DIN 00019721)
3. Mr. Bhagirath Singh Sihag (DIN 00155407)

These Directors were duly appointed under the Companies Act 1956 as Directors liable to retire by rotation. In order to give effect to the aforesaid provisions of the Act, it is proposed that these Directors be appointed as Independent Directors under section 149 of the Act read with the amended clause 49 of the Listing Agreement, to hold office for five consecutive years, for a term upto March 31, 2019.

None of the afore named Directors are disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has received declarations from all the above Directors that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, they fulfill the conditions for their appointment as Independent Directors as specified in the Act and the Listing Agreement. They are independent of the management.

Brief resumes of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors interse as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view their expertise, knowledge and experience, it will be in the interest of the Company that these Directors are appointed as Independent Directors.

Copy of the draft letter for appointment of these Directors as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except for the respective Directors / their relatives who may be deemed to be interested in the respective resolutions at item nos. 6 to 8 of the Notice as it concerns their appointment as Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the respective resolutions set out at Item Nos. 6 to 8 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6 to 8 of the Notice for approval by the shareholders.

DIRECTORS' REPORT

To,
THE MEMBERS,
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Twenty Fourth Annual Report together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS :

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
Sales (Gross)	4310.17	4172.59
Sales (Net)	4263.59	4053.33
Other Income	124.42	76.48
Total Income	4388.01	4129.81
Profit before Interest and Depreciation	490.12	403.69
Less : Interest	73.95	82.88
Depreciation	75.69	72.46
Profit before Tax	340.48	248.35
Less : Provision for Taxation	115.19	80.66
Deferred Taxation	(4.49)	0.43
Net Profit After Tax	229.78	167.26
Add : Surplus Brought Forward from the previous year	871.62	779.63
Balance available for Appropriation	1101.40	946.89
Less : Transfer to General Reserve	34.47	8.36
Less : Provision for Dividend	69.09	57.57
Less : Tax on Dividend	11.74	9.34
Less : Provision for Retirement Benefit	20.21	----
Balance carried forward to Balance Sheet	965.89	871.62

REVIEW OF OPERATIONS :

During the year 2013-14 Company achieved Sales (Net) of ₹ 4263.59 Lakhs as compared to ₹ 4053.33 Lakhs in the previous year registering growth by 5% over previous year.

The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 403.69 lakhs in previous year to ₹ 490.12 lakhs in 2013-14. The Company earned Net Profit of ₹ 229.78 lakhs during the year as against ₹ 167.26 lakhs as in previous year thereby showing growth of 37% in Net Profit after Tax.

After adding the surplus brought forward from previous year of ₹ 871.62 lakhs,

₹ 965.89 lakhs is carried to the Balance Sheet as surplus in Statement of Profit & Loss.

DIVIDEND :

Your Directors are pleased to recommend dividend of ₹ 1.20/- per equity share of ₹ 10/- each (previous year ₹ 1/- per share) for financial year ended 31st March, 2014. 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 ₹ 80.83 lakhs. The dividend is tax free in the hands of shareholders.

SHARE LISTING :

The Equity shares of the Company are listed on Bombay Stock Exchange. The Listing fee for year 2014-2015 has been paid by the Company.

FUTURE PROSPECTS :

Your Company is accredited with WHO GMP Certificate which is renewed for two years as per WHO Guidelines. ISO 9001-2008 Certificate from SGS United Kingdom Limited has been renewed for three years.



The implementation of technology in production process has improved the operations of the Company. The modern technology speeds up the manufacturing processes, increases the production capacity thereby reducing the cost and also complies with guidelines relating to Current Good Manufacturing Practices. The introduction of shrink packaging has reduced the cost of packaging material.

We have been registering products with various countries. Also there are visits by various MOH (Ministry of Health) of various Governments as well as customers. Our manufacturing facilities are monitored and approved by regulatory authorities.

Pharma business has detailed procedure for registration and it takes nearly 6 months to 24 months for completing the registration and beginning of business. The gestation period is high due to various stages of operation by every country in their own way.

The medicines are marketed at the lowest prices in the world at the same time high standard is maintained. Being in pharma sector, inspite of limitations the future growth in business is expected in Domestic as well as Export markets.

FIXED DEPOSIT :

The Company has not invited / accepted any deposits from the Public within the meaning of Section 58AA of the Companies Act, 1956 during the year under review.

CONSERVATION OF ENERGY AND TECHNOLOGY UPGRADATION:

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 particulars of energy conservation, technology absorption and foreign exchange earnings and outgo are appended hereto as Annexure I and forms part of the Annual Report.

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATION :

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

PERSONNEL :

None of the Directors/Executives/Employees are drawing remuneration / salaries in excess of ₹ 60,00,000/- p.a. or ₹ 5,00,000/- per month if employed for the part of the year and thus no separate disclosure is required to be made under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

COST AUDIT :

Pursuant to the provisions of the section 233B of the Companies Act 1956 and with prior approval of Central Government, Krishna S & Associates, Cost Accountants were appointed as the Cost Auditors to conduct audit of cost records of Company for financial year ended 2013-14. The Cost Audit Report for the financial year 2012-13 which was due to be filed with the Ministry of Corporate Affairs was filed on 28th September 2013.

ENVIRONMENT, HEALTH & SAFETY :

Our manufacturing facility has achieved ISO 9001:2008 certification and complies with applicable environmental regulations. The Company conducts medical check-up programs for employees. The Company also conducts Basic First Aid Course and Fire Safety Sessions for employees.

RESEARCH AND DEVELOPMENT :

The in-house R&D constantly monitors the manufacturing process to improve yields and quality making it eco friendly and cost effective. We also improve upon packaging and make products more patient friendly. We also strengthen our need for R&D by taking co-operation from various research institutes.

BOARD OF DIRECTORS :

Mr. S. C. Kachhara and Mrs. Karthika Nair retire by rotation at the forthcoming Annual General Meeting, being eligible and offer themselves for re-appointment. Accordingly, the Board recommends their re-appointment.

Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag are being re-appointed as Independent Directors for a period of five years till 31st March 2019 under the provisions of section 149 of the Companies Act, 2013.

A brief note on the Directors retiring by rotation and eligible for re-appointment as well as Independent Directors being appointed is furnished in the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(AA) of the Companies Act, 1956, the Directors confirm that :

In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.

Such accounting policies have been selected and consistently applied and judgements and estimates have been made 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 2014 and of the profit of the Company for the year ended 31st March 2014.

24th Annual Report 2013-2014

To the best of knowledge and information, proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

As per the listing agreement with the stock exchange, 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 report.

AUDITORS AND AUDITORS' REPORT :

M/s. L. J. Kothari & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment. The Auditors Report read with the notes to accounts are self-explanatory.

APPRECIATION :

The Board of Directors thank Central Bank of India, Food & Drugs Control Administration, Director General of Foreign Trade and Statutory authorities for their support and co-operation to the Company.

Your Directors place on record their appreciation of the contribution made by all the employees and finally thank all the shareholders of the Company for their continued confidence and trust placed by them with the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 28th May, 2014

Jayashree Nair
Chairperson & Managing Director

Registered Office :

Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101
Tel. No. :022-61551234 • Fax No. :022-28868349
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CIN – L24230MH1990PLC059299



ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies
(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 :

I. CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION :

Particulars	2013-2014	2012-2013
1. Electricity		
a. Purchased		
Units (in kwh)	1506672	1434085
Total Amount (in ₹)	15437434	11079059
Average Rate/Unit (₹)	10.25	7.73
b. Own Generation		
Through Diesel Generators	—	—
Through Steam Turbine/Generators	—	—
2. Coal (specify quality and where used)	—	—
3. Furnace Oil	—	—
4. Others		
L.D. Oil		
Quantity (Litres)	57000	67750
Total Cost (₹)	3795189	4015687
Average Rate/Unit (₹ per litre)	66.58	59.27

B. CONSUMPTION PER K.G. OF PRODUCTION :

Since the company is manufacturing several varieties of formulations in different batches and pack size, it is not practical to apportion the electricity consumption and cost thereof to each unit of Production.

II. TECHNOLOGY ABSORPTION

1. Research & Development :

- i) Specific areas in which R & D carried out by the Company :

The focus of Company's R&D efforts was on the following areas :

Improvement of existing production processes and development of Products and Processes in the areas of Dermatology, Trichology and Rheumatoid Arthritis formulations.

- ii) Benefits derived as a result of the above R & D :

R&D efforts have helped bring out an improvement in processes and operating efficiencies. New products are in process of development and shall be added to strengthen the existing range.

- iii) Future Plan of Action :

Upgradation of the production process by implementation of latest technology and to Work on additional products in NSAID products. Also modify/design new products and improve drug delivery system on various products.

- iv) Expenditure on R & D :

	(₹ in lakhs)	
	2013-2014	2012-2013
a. Capital	12.70	3.11
b. Recurring	14.08	15.20
TOTAL	26.78	18.31
Total R & D Expenditure as a percentage of total revenue	0.62%	0.44%

2. Technology Absorption, Adaptation and Innovation :

- Efforts in brief made towards Technology Absorption, Adaptation and Innovations :
Updated manufacturing facilities as per WHO norms and Quality assessment techniques are being used.
- Benefits derived as a result of the above efforts :
Improvement in operating efficiencies, Product Profile, quality and cost effective modifications.
- Technology imported during the last 5 years :
No technology has been imported.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 3006.46 lakhs as against outgo of ₹ 604.22 lakhs.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.

Date : 28th May, 2014

Registered Office :

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

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, given below is a 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. The Company is in compliance with the requirements of Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS

The Board of Directors is at the core of the Corporate Governance practices. Your Company believes that an active, independent and participative Board is a pre-requisite to achieve and maintain a desired level of Corporate Governance. The Board members possess adequate experience, expertise and requisite management skills.

a) Composition

The composition of the Board of Directors of the Company is in conformity with the Clause 49 of the Listing Agreement. The present Board of Directors of your Company comprises of a Chairperson and Managing Director; one Executive Director, one Non-Executive Director and three Non-Executive Director and Independent Directors. Independent Directors have expert knowledge 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	Designation / Category
1.	Mrs. Jayashree Nair	00027467	Chairperson & Managing Director
2.	Mr. S. C. Kachhara	00019666	Executive Director
3.	Mrs. Karthika Nair	00019695	Non-Executive Director
4.	Mr. A. V. Menon	00019770	Independent Director
5.	Dr. Dinesh Variar	00019721	Independent Director
6.	Mr. Bhagirath Singh Sihag	00155407	Independent Director

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

b) Board Meetings

During the financial year 2013-14, Five Board Meetings were held on 30th May 2013, 9th August 2013, 30th August 2013, 14th November 2013 and 14th February 2014.

All operational and statutorily required information was placed before the Board. All significant events were also reported to the Board.

At Board Meeting following the Audit Committee meeting, Company Secretary makes a report confirming statutory compliances for the said quarter of Listing Agreement. Also, at such meetings Managing Director confirms to the Board of all the statutory compliances.

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. All Agenda items are backed by relevant details and comprehensive background information are circulated to all the Directors, well in advance of the date of the Board Meeting to enable the Board of Directors to take appropriate decisions. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings. The Managing Director, at the Board Meeting keeps the Board apprised of the overall performance of the Company.

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.	Mrs. Jayashree Nair	5	Yes	—	2 #
2.	Mr. S. C. Kachhara	5	Yes	—	2
3.	Mrs. Karthika Nair	5	Yes	—	2 #
4.	Mr. A.V. Menon	3	Yes	—	2 #
5.	Dr. Dinesh Variar	4	Yes	—	2
6.	Mr. Bhagirath Singh Sihag	5	Yes	3	2

* Only Indian Public Limited companies have been considered.

Including Chairmanship of Committee.



c) Remuneration of Directors

- i) The remuneration paid to the Chairperson & Managing Director and Executive Director is within the ceiling as per the resolution approved by the shareholders. Details of remuneration paid to the Chairperson & Managing Director and Executive Director for the year ended 31st March, 2014 are given below :-

Name	Position	Salary ₹	Contribution to PF & other Funds ₹	Perquisites ₹
Mrs. Jayashree Nair	Chairperson & Managing Director	2160000	363046	324000
Mr. S. C. Kachhara	Executive Director	2160000	363046	324000

- 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 2013-14 are as follows :-

Sr. No.	Name of Director	Sitting Fees paid
1.	Mrs. Karthika Nair	₹ 38890/-
2.	Mr. A.V. Menon	₹ 23334/-
3.	Dr. Dinesh Variar	₹ 31112/-
4.	Mr. Bhagirath Singh Sihag	₹ 38890/-

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

Mrs. Karthika Nair, Non Executive Director holds 448980 (7.80%) equity shares of ₹ 10/- each of the Company as on 31st March, 2014. Mr. Bhagirath Singh Sihag, Non Executive and Independent Director holds 5000 (0.09%) equity shares of ₹ 10/- each of the Company as on 31st March, 2014. 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.

d) Information required under clause 49IVG of the Listing Agreement on Directors seeking appointment / re-appointment

Mr. S. C. Kachhara (DIN 00019666) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His qualifications are B.Com, LL.b. (Gen.), FCA and MIIA (USA). He is associated with the Company since 36 years and has been Director of the Company since 1990. His experience comprises in the areas of finance, taxation, international business and overall business activities. He is not Director of any other Company.

Mrs. Karthika Nair (DIN 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are M.Sc and M.M.S. in Marketing from University of Mumbai. She is associated with the Company since 15 years and has been Director of the Company since 1999. She is not Director of any other Company.

Mr. A.V. Menon (DIN 00019770) is a non-executive independent director of the Company since 2005. His qualifications include B.A. (Hons.), M.A. and L.L.B. Mr. A. V. Menon is an Advocate of High Court. He is also the Chairman of Audit Committee and Remuneration Committee of the Board of Directors. He has professional experience of nearly 57 years in the Legal field. His vast legal knowledge and rich experience will be of immense benefit to the Company. He is not Director of any other Company.

Dr. Dinesh Variar (DIN 00019721) is a non-executive independent director of the Company since 2005. His qualifications include M.B.B.S. (Bom.). He is connected with the Medical profession for 35 years. His vast medical knowledge and experience will be of immense benefit to the Company. He is not Director of any other Company.

Mr. Bhagirath Singh Sihag (DIN 00155407) is a non-executive independent director of the Company since 2005. His qualification include B.Com and F.C.A. He has 33 years of experience in the areas of Finance and Taxation. His vast knowledge on finance and taxation and experience will be of immense benefit to the Company. He is Director in Remi Securities Limited, Remi Fans Limited and Shrinkala Securities Limited.

e) 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.

BOARD COMMITTEES

a) Audit Committee

The Audit Committee of the Company currently comprises of Mr. A. V. Menon, Chairman of the Committee, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag, all being Independent Directors as required under Section 292A of the Companies Act, 1956 / section 177 of the Companies Act 2013 read with provisions of Clause 49 of the Listing Agreement with the Stock Exchange.

During the financial year 2013-14, four meetings of the Audit Committee were held on 30th May 2013, 9th August 2013, 14th November 2013 and 14th February 2014.

Name of the Members of Audit Committee along with their attendance in the meeting is given below :-

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

The Remuneration Committee of the Company currently comprises of Mr. A. V. Menon, Chairman of the Committee, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag, all being Independent Directors. The Committee evaluates the performance of Executive Directors and determine and proposes the remuneration payable to Executive Directors. One meeting of the Committee was held during the year. The Company Secretary acts as a Secretary to the Committee.

c) Shareholders / Investors Grievance Committee:

The Shareholders/ Investors Grievance Committee presently comprises of Mrs. Karthika Nair, Chairperson, Mrs. Jayashree Nair and Mr. S. C. Kachhara. The Committee primarily focuses its attention to the shareholders / investors complaints received by the Company and its timely resolution. The Company Secretary acts as a Secretary to the Committee.

Meetings of the Shareholders/ Investors Grievance Committee were held during the year 2013-2014 to review the complaints received from the investors/shareholders. There has been no complaint from any investor/shareholder, which has not been redressed. There are no complaints from shareholders, which were pending as on 31st March, 2014.

d) Share Transfer Committee

The Share Transfer Committee currently comprises Mrs. Jayashree Nair - Chairperson, Mr. S. C. Kachhara and Mrs. Karthika Nair. The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring of transfers, transmission, dematerialization, rematerialisation, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company. The Company Secretary acts as a Secretary to the Committee. Meetings of the Share Transfer Committee were held during the year 2013-2014 to ensure the regular process transfer / transmission and dematerialization of shares.

DISCLOSURES:

a) Related Party Transactions

Transactions with related parties are disclosed in Notes to the Financial Statements. There were no material significant transactions with the directors or the management or subsidiaries or relatives that have any potential conflict with the interest of the Company.

b) Statutory Compliances, penalties, strictures

No penalties, strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

c) Subsidiary Company

The Company does not have any Subsidiary company.

d) Management Discussion & Analysis Report

The Management Discussion & Analysis Report is a part of the Annual Report.

e) CEO/CFO Certification

The Managing Director/CEO and the Executive Director/CFO have certified to the Board as per the requirement of Clause 49 of the Listing Agreement. The CEO / CFO Certification forms part of the Annual Report.



f) Whistle Blower Policy

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.

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 Bombay Stock Exchange 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. The Company has designated the email id viz., investor.bdh@mtnl.net.in for investor servicing. The website of the Company is www.bdhind.com.

GENERAL BODY MEETINGS

The Twenty Fourth Annual General Meeting of Company for the financial year 2013-14 shall be held on Wednesday, 17th September, 2014 at 3.00 p.m. at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095.

The last three Annual General Meetings were held as under :-

A.G.M.	Financial Year	Date of A.G.M.	Time	Location
23rd	2012-2013	30-08-2013	3.00 p.m.	Swagath Bageecha, Bageecha Complex, Marve Road, Malad West, Mumbai - 400 095
22nd	2011-2012	28-09-2012	3.00 p.m.	
21st	2010-2011	28-09-2011	3.00 p.m.	

No Extra-ordinary General Meeting was held in the last three financial years.

GENERAL SHAREHOLDERS INFORMATION

Day, date, time and venue of 24th A.G.M.	Wednesday, 17th September, 2014 at 3.00 p.m. Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai - 400 095.
Date of Book Closure	From 11th September, 2014 to 17th September, 2014 (both days inclusive)
Listing on Stock Exchanges	Bombay Stock Exchange (BSE)
ISIN No.	INE278D01018
BSE Stock Code	524828
Corporate Identity Number	L24230MH1990PLC059299
Registered Office / Address for Correspondence	Nair Baug, Akurli Road, Kandivli East, Mumbai - 400101
Registrar & Share Transfer Agent	TSR Darashaw Pvt. Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011
Compliance Officer	Ms. Nikita Phatak Nair Baug, Akurli Road, Kandivli East, Mumbai – 400101
Share Transfer System	The Company's shares are traded in the stock exchanges 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.
Dividend Payment Date	On or after 17th September, 2014
Dematerialisation of shares	As on 31-03-2014, 83.13% of the Company's shares representing 5089070 shares were held in dematerialised form.
Plant Location	Nair Baug, Akurli Road, Kandivli East, Mumbai – 400101

* **Financial Calendar (Tentative) :**

Financial Year of the Company : 01-04-2014 to 31-03-2015

Financial Reporting for:

Quarter ending June, 2014 : On or before 14th August, 2014

Quarter ending September, 2014 : On or before 14th November, 2014

Quarter ending December, 2014 : On or before 14th February, 2015

Audited Results for year 2014-15 : On or before 30th May, 2015

24th Annual Report 2013-2014

* **Categories of Shareholders as on 31st March, 2014 :**

Category	No. of shares	% of Shareholding
Directors, Relatives & Promoters	3191192	55.43
Companies/ Bodies Corporate	207568	3.61
General Public	2319518	40.29
NRI's	39022	0.67
TOTAL	5757300	100.00

* **Distribution of shareholding as on 31st March, 2014 :**

Shareholding of nominal value (in ₹)	Shareholders		Share Amount	
	Number	% to Total	In ₹	% to Total
1	2	3	4	5
Upto 5000	3188	82.42	6719100	11.67
5001 – 10000	331	8.56	2824370	4.91
10001 – 20000	168	4.34	2593140	4.50
20001 – 30000	57	1.47	1484470	2.58
30001 – 40000	23	0.59	833630	1.45
40001 – 50000	29	0.75	1362400	2.37
50001 – 100000	30	0.78	2268530	3.94
100001 and above	42	1.09	39487360	68.59
Total	3868	100.00	57573000	100.00

* **Stock Market price data for the year 2013-2014.**

Bombay Stock Exchange (BSE)					
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2013	19.99	12.53	October, 2013	20.25	16.35
May, 2013	17.90	15.40	November, 2013	19.75	15.65
June, 2013	16.55	15.65	December, 2013	20.40	17.60
July, 2013	19.70	15.70	January, 2014	27.55	19.55
August, 2013	19.65	16.30	February, 2014	25.70	19.10
September, 2013	18.45	14.90	March, 2014	22.90	18.45

Certification under Clause 49 (I)(D) of the Listing Agreement

All the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct of BDH Industries Limited for the financial year ended 31st March, 2014.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Place : Mumbai
Date : 28th May, 2014



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Status

The global pharmaceutical industry is estimated to have reached the size of US\$975 billion. Japan and Europe constitute about 75% of the global pharmaceutical market and are growing at slower rate as compared to developing markets of Asia, Africa, Australia and Latin America which are termed as 'pharmerging' markets, driving the overall growth of the global pharmaceutical industry. Indian pharmaceutical industry has carved out a significant global share by leveraging inherent strengths and enhancing regulatory and technical maturity.

Pharmaceutical industry plays vital role in the economic development of the nation. Pharmaceutical market of India is growing at a rate of 10%-12% per annum driven by improved per capita income, increased access and rising awareness of modern medicines and strengthening of healthcare infrastructure. However it also experiences a challenging business environment due to regulatory controls on products, requirement of continuous improvement in manufacturing facilities and price control regime. The growth momentum would increase if the right enabling policy and governance framework is put in place.

India is recognized as one of the leading players with large number of drug master files and dossier registrations for Active Pharmaceutical Ingredients (APIs) and formulations with manufacturing facilities approved by regulatory authorities of the various countries. The growth of the Indian Pharmaceutical market is driven by the increase in disposable income of urban middle class households, expansion of medical infrastructure, greater penetration of health insurance and rising relevance of chronic diseases. Rural markets and aggressive market penetration driven by companies are also emerging as drivers of growth. The Indian population's disease profile is steadily shifting towards chronic ailments due to rapid urbanization and sedentary lifestyle. Prominent therapeutic areas that are expected to grow as a result of increase in lifestyle disorders are Cardiovascular, Neuropsychiatry, Oncology and Diabetes. The increased focus on reducing healthcare costs in developed markets, has also generated sales opportunities for Indian drug manufacturers with approved facilities and sound knowledge of patent and regulatory issues. Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

Outlook on Opportunities

The business environment remains challenging due to intense competition, margin pressures and regulatory interventions. These features pose many challenges and opportunities to companies operating in this environment. Among emerging markets strong growth is forecasted for China, India, Brazil and Russia. The fundamentals driving healthcare demand backed by economic growth combined with advent of new treatments, healthcare infrastructure, rising awareness and access of modern medicines will continue to push up the global pharmaceutical sales in coming years. The developed markets like US, UK and Japan are growing at a slower rate mainly due to loss of exclusivity, lesser new products approvals and price erosions due to generics competition. The dynamic and high potential emerging pharmaceutical markets offer tremendous opportunities for drug manufacturers. India is fast emerging as a preferred pharmaceuticals manufacturing location. The Indian pharmaceutical industry is strengthened by low cost of manufacturing and high process knowledge skills to grab larger share of global pharmaceutical market.

Our Company is registered with the Pharmaceutical Export Promotion Council (PHARMEXCIL), Govt. of India and is engaged in participation in events and conferences in India and internationally. Our Company has multi product manufacturing capabilities with an established market presence and a reasonable number of the Company's products are registered in overseas countries, enabling the Company to export the same to a wider geographical market.

Outlook on Risks, Concerns & Threats

The Indian pharmaceutical industry continues to remain under price control regime. One of the key issues facing the Indian pharmaceutical industry is the Drug Price Control Order (DPCO). The DPCO 2013 has brought 348 medicines in the National List of Essential Medicines (NLEM) under price control. 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, inflation and resultant all round increase in input costs are few causes of concern. The new government is expected to make renewed efforts to rein in inflation which would have a follow-on impact on the pharma market.

Indian pharmaceutical industry is fairly fragmented and prices of medicines are among lowest in the world. There are multiple producers of the same drug and intense competition ensures that the prices remain at reasonable levels. The adoption of intellectual property rights has encouraged innovation. The challenges ahead for the Indian pharmaceutical industry lie in not only increasing the sales in existing areas, but the development of new products. Indian companies are focusing on generic and API business, R&D activities and contract research and manufacturing alliances. Maintaining a profitable product pipeline, keeping in view the manufacturing complexities and competitive pressures, remains a challenge. Our proactive approach has been instrumental in overcoming the threats and maintain a steady growth despite the lethargic economic conditions.

Performance Review

During the financial year 2013-14, Export Sales increased to ₹ 3051.74 lakhs as compared to ₹ 2205.17 lakhs in the financial year 2012-13. The Company achieved Domestic Sales of ₹ 1202.11 lakhs as compared to ₹ 1924.77 lakhs in financial year 2012-13. The profit after tax in financial year 2013-14 improved to ₹ 229.78 lakhs as compared to ₹ 167.27 lakhs in financial year 2012-13.

Internal Control Systems & 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 policies, guidelines, authorizations and approval procedures and ensure

optimum use and protection of resources and compliance with the 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 an important and vital role in the growth and success of an organization. The Company recruits, develops and employs suitably qualified, capable and experienced persons, as per requirement. The Company has maintained cordial and harmonious relations with all employees. The Company has Reward and Recognition Programme.

CEO / CFO Certification

To,

The Board of Directors,
BDH Industries Limited
Nair Baug, Akurli Road,
Kandivli East, Mumbai 400 101

We hereby certify that :

- (a) The financial statements and the cash flow statement for the year ended 31st March, 2014 have been reviewed 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
Executive Director/CFO

Place : Mumbai,
Date : 28th May, 2014



INDEPENDENT AUDITORS' REPORT

To
The members of
BDH INDUSTRIES LIMITED

Report on Financial Statements

We have audited the accompanying Financial Statements of BDH Industries Limited ("the Company"), which comprises of Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated September 13th, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and General Circular No.08/2014 dated April 4, 2014 with respect to the Financial Statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 principles generally accepted in India :

- (a) In the case of Balance Sheet, of the State of affairs of the Company as at March 31, 2014;
- (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Companies Act, 1956 we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. 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.
 - iii. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013.
 - v. On the basis of the written representation received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2014 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **L. J. KOTHARI & CO.**
Chartered Accountants
Firm Registration No.105313W

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 28, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Refer to in our report of even date)

On the basis of such checks as were considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

I. In respect of Fixed Assets

- (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals during the year. No discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.

II. In respect of Inventories

- (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of the verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories 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. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in the books of account.

III. In respect of Loans

- (a) The rate of interest and other terms and conditions of unsecured loans continued by the company from its directors are prima facie not prejudicial to the interest of the company.
- (b) The Company has neither taken nor given any loans, secured or unsecured, during the year from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) The Company is regular in repaying the principal amounts as stipulated wherever applicable.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanation given to us during the course of audit, no major weakness has been noticed in these internal control systems.

V. In respect of transaction covered under section 301 of the Companies Act, 1956:

- (a) In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transaction of sale of goods made in pursuance of Contract or arrangement entered in the Register maintained u/s 301 of the Companies Act, 1956 as exceeding the value of R 5,00,000/- (Rupees Five Lacs only) or made in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.

VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

VIII. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of its products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

IX. In respect of Statutory Dues:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund Employees' State Insurance, Income Tax, Wealth Tax, service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Cess were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable,



- (c) According to the information and explanations given to us, the dues in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (₹ In Lakhs)	Financial years to which the matter pertains	Forum where dispute is pending
Income Tax Act	Income Tax	19.08	1997-1998, 1999-2000, 2001-02	Appellate Authorities at various stages

- X. The Company has no accumulated losses. The company has not incurred any cash loss during the year covered by our audit and the immediately preceding financial year.
- XI. In our opinion, the Company has not defaulted in repayment of dues to a financial institution or bank.
- XII. In our opinion, the Company has not granted any loans on the basis of security by way of pledge of shares, debentures or other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. In our opinion, the company is not dealing in or trading in shares, securities, debentures or other investments. Therefore the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XV. In our opinion, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The Company has not availed any term loan during the year.
- XVII. On the basis of overall examination of Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been utilized for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- XVIII. The Company has not made any preferential allotment of shares during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not made any public issue during the year therefore the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **L. J. KOTHARI & CO.**
Chartered Accountants
Firm Registration No.105313W

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 28, 2014

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

BDH INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by BDH Industries Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges of India.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, 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 and representation made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' Grievance Committee.

We further 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 **L. J. KOTHARI & CO.**
Chartered Accountants
Firm Registration No.105313W

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 28, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lakhs)

	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
I. Shareholder's Funds			
a) Share Capital	1	593.94	593.94
b) Reserves and Surplus	2	1,718.43	1,591.08
		2,312.37	2,185.02
II. Non-Current Liabilities			
a) Deferred Tax Liabilities (Net)	3	64.49	68.98
b) Long Term Provisions	4	55.08	49.54
		119.56	118.52
III. Non-Current Liabilities			
a) Short Term Borrowings	5	1,132.39	776.18
b) Trade Payables	6	1,046.56	930.87
c) Other Current Liabilities	7	107.84	90.67
d) Short Term Provisions	8	101.04	66.91
		2,387.83	1,864.64
		4,819.76	4,168.18
ASSETS			
I. Non-Current Assets			
a) Fixed Assets	9		
– Tangible Assets		1,468.98	1,507.30
– Capital Work in Progress		6.13	–
		1,475.11	1,507.30
II. Current Assets			
a) Inventories	10	474.38	378.69
b) Trade Receivables	11	790.35	878.75
c) Cash and Cash Equivalents	12	1,817.25	1,186.37
d) Short Term Loans and Advances	13	262.68	217.08
		3,344.65	2,660.89
		4,819.76	4,168.18
Significant Accounting Policies and Notes form part of the Financial Statements	21		

As per our report of even date attached.

For **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
Chartered Accountants

L.J. KOTHARI
Proprietor
Membership No.030917

Mumbai, May 28, 2014

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

NIKITA PHATAK
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Lakhs)

	Note No.	2013-2014	2012-2013
I. Revenue from operations (Gross)	14	4,310.17	4,172.59
Less : Excise Duty		46.58	119.26
Revenue from operations (Net)		4,263.59	4,053.33
II. Other income	15	124.42	76.48
III. Total Revenue (I + II)		4,388.01	4,129.81
IV. Expenses:			
Cost of materials consumed	16	2,687.20	2,758.02
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	(33.04)	(13.52)
Employee benefits expense	18	437.32	349.75
Finance costs	19	73.95	82.88
Depreciation and amortization expense	9	75.69	72.46
Other expenses	20	806.42	631.86
Total Expenses		4,047.53	3,881.45
V. Profit before Tax		340.48	248.35
VI. Tax expense:			
(1) Current tax		115.19	80.66
(2) Deferred tax		(4.49)	0.43
VII. Profit after Tax (V-VI)		229.78	167.27
VIII. Earnings per equity share:			
- Basic / Diluted		3.99	2.91
Significant Accounting Policies and Notes form part of the Financial Statements.	21		

As per our report of even date attached.

For **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
Chartered Accountants

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

L.J. KOTHARI
Proprietor
Membership No.030917

NIKITA PHATAK
Company Secretary

Mumbai, May 28, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

	2013-2014	2012-2013
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extra Ordinary Items	340.48	248.35
Add: Loss on Sale of Tangible Assets	0.71	1.57
Add: Provision for Gratuity	11.39	10.67
	352.57	260.60
Adjustments		
Depreciation	75.69	72.46
Interest Paid	73.95	82.88
Operating Profit Before Working Capital Changes	502.21	415.94
Adjustments		
(Increase)/Decrease Trade and Other Receivables	42.80	(157.13)
(Increase)/ Decrease Inventories	(95.69)	(9.81)
Increase/ (Decrease) Trade Payables	127.00	414.80
Cash Generated from The Operations	576.32	663.80
Interest Paid	(73.95)	(82.88)
Direct Tax Paid	(115.19)	(80.66)
Cash Flow Before Extra Ordinary Items	387.18	500.26
Extra Ordinary Items	-	-
Net Cash From Operating Activities	387.18	500.26
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(45.85)	(54.30)
Sale of Fixed Assets	0.25	0.49
Net Cash From Investment Activities	(45.60)	(53.81)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings - Short Term	356.20	171.42
Repayment of Term Loan	-	-
Dividend Paid (Includes Dividend Distribution Tax)	(66.91)	(40.15)
	289.29	131.27
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	630.88	577.72
Cash and Cash Equivalents Opening Balance	1,186.37	608.65
Cash and Cash Equivalents Closing Balance	1,817.25	1,186.37

Notes

- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- Figures in brackets reflect cash outflows.

As per our report of even date attached.

For **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
Chartered Accountants

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

L.J. KOTHARI
Proprietor
Membership No.030917

NIKITA PHATAK
Company Secretary

Mumbai, May 28, 2014



Notes to Financial Statements for the Year Ended 31st March, 2014

Note No. 1

SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Authorised		
75,00,000 Equity Shares of ₹ 10 each	<u>750.00</u>	<u>750.00</u>
II. Issued		
61,21,500 Equity Shares of ₹ 10 each	<u>593.94</u>	<u>593.94</u>
(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	<u>18.21</u>	<u>18.21</u>
TOTAL	<u><u>593.94</u></u>	<u><u>593.94</u></u>

a) 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. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. 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.

For the year ended 31st March, 2014 the amount of dividend recommended as distribution to equity shareholders is ₹ 1.20 per share (Previous year - ₹ 1.00 per share) as proposed dividend.

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

Sr. No.	Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares	% of Holding	No. of Shares	% of Holding
i.	Jayashree Nair	1,265,240	21.98%	1,265,240	21.98%
ii.	Laxmi Nair	464,380	8.07%	464,380	8.07%
iii.	Karthika Nair	448,980	7.80%	448,980	7.80%
iv.	Padma Kaimal	332,120	5.77%	332,120	5.77%

Note No. 2

RESERVES & SURPLUS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Capital Reserve		
Opening and Closing	<u>121.79</u>	<u>121.79</u>
II. Share Premium Account		
Opening and Closing	<u>409.32</u>	<u>409.32</u>
III. Revaluation Reserve		
Opening Balance	145.99	147.38
Written off during the year	<u>(1.39)</u>	<u>(1.39)</u>
Closing Balance	<u>144.60</u>	<u>145.99</u>
IV. General Reserve		
Opening Balance	42.37	34.00
Transferred during the year	<u>34.47</u>	<u>8.36</u>
Closing Balance	<u>76.83</u>	<u>42.37</u>
V. Surplus in Statement of Profit & Loss		
Opening Balance	871.61	779.62
Net Profit for the year	229.78	167.27
Proposed Dividend	(69.09)	(57.57)
Tax on Proposed Dividend	(11.74)	(9.34)
Transfer to General Reserve during the year	(34.47)	(8.36)
Provision for Retirement Benefit	<u>(20.21)</u>	<u>-</u>
Closing Balance	<u>965.89</u>	<u>871.61</u>
TOTAL	<u><u>1,718.43</u></u>	<u><u>1,591.08</u></u>

Notes to Financial Statements for the Year Ended 31st March, 2014

Note No. 3

DEFERRED TAX LIABILITY (NET)

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Deferred Tax Liability on account of		
– Depreciation	82.36	85.05
II. Deferred Tax Asset on account of		
– Provision for Gratuity	(17.87)	(16.07)
TOTAL	64.49	68.98

Note No. 4

LONG TERM PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
Provision for Gratuity (Non-Funded)	55.08	49.54
TOTAL	55.08	49.54

Note No. 5

SHORT TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Secured		
Loans Repayable on Demand from Banks		
– FBC / EBP / EBD	413.26	379.28
– Letter of Credit	26.53	60.41
– Overdraft	(0.05)	(0.03)
– Packing Credit & Cash Credit	678.84	322.72
Sub-Total	1,118.58	762.38
II. Unsecured		
Loans and Advances from Related Parties		
– Loans from Directors	13.81	13.81
Sub-Total	13.81	13.81
TOTAL	1,132.39	776.18

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. 6

TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
Trade Payables	1,046.56	930.87
TOTAL	1,046.56	930.87

The company has initiated the process of collecting the information from the creditors relating to registration status of suppliers under Micro, Small and Medium Enterprises Development Act, 2006.



Notes to Financial Statements for the Year Ended 31st March, 2014

Note No. 7

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Unpaid Dividend	3.61	3.62
II. Duties & Taxes	49.46	48.60
III. Advance Received from Customers	46.60	30.28
IV. Deposits	8.17	8.17
TOTAL	107.84	90.67

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

Note No. 8

SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Proposed Dividend	69.09	57.57
II. Provision for Tax on Proposed Dividend	11.74	9.34
III. Provision for Retirement Benefit	20.21	—
TOTAL	101.04	66.91

Note No.9

FIXED ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01/04/2013	Additions during year	Deduc- tions	As at 31/03/2014	Upto 31/03/2013	Depre- ciation for the year	Deduc- tions	Total Depre- ciation	As at 31/03/2014	As at 31/03/2013
Land	601.80	—	—	601.80	—	—	—	—	601.80	601.80
Leasehold Land (Waluj)	10.65	—	—	10.65	—	—	—	—	10.65	10.65
Leasehold Land(Kudal)	2.28	—	—	2.28	—	—	—	—	2.28	2.28
Shed at Umbergaon	6.53	—	—	6.53	—	—	—	—	6.53	6.53
Building	439.82	—	—	439.82	212.68	14.69	—	227.37	212.45	227.14
Plant & Machinery	722.83	22.63	—	745.46	327.19	34.54	—	361.73	383.73	395.64
Laboratory Apparatus	68.66	13.08	—	81.74	34.02	3.31	—	37.33	44.41	34.64
Air Conditioners	194.46	1.18	—	195.64	86.46	9.29	—	95.75	99.89	108.00
Motor Car	55.57	—	3.66	51.91	14.62	5.03	2.70	16.95	34.96	40.94
Furniture & Fixtures	38.47	—	—	38.47	37.50	0.96	—	38.46	0.01	0.97
Electrical Installation	150.21	—	—	150.21	83.61	7.15	—	90.76	59.45	66.60
Office Equipments	20.26	0.55	—	20.81	13.79	0.98	—	14.77	6.04	6.47
Computer	46.82	2.28	—	49.10	41.19	1.13	—	42.32	6.78	5.63
TOTAL	2,358.36	39.72	3.66	2,394.42	851.06	77.08	2.70	925.44	1,468.98	1,507.29
Previous Year	2,309.99	54.29	5.93	2,358.35	777.20	73.86	0.24	851.06		
CWIP									6.13	
TOTAL									1,475.11	1,507.29

Leasehold Land at Waluj and Kudal are under agreement with MIDC.

Note No. 10

INVENTORIES

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Raw Material	221.13	189.18
II. Packing Material	85.06	54.36
III. Semi-Finished Goods	71.08	38.64
IV. Finished Goods	97.11	96.51
TOTAL	474.38	378.69

Notes to Financial Statements for the Year Ended 31st March, 2014

Note No. 11

TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Outstanding for more than Six Months		
- Unsecured, Considered Good	18.82	1.30
II. Others		
- Secured, Considered Good	517.33	172.41
- Unsecured, Considered Good	254.20	705.04
TOTAL	790.35	878.75

Note No. 12

CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Cash on Hand	0.24	0.05
II. Balances with Banks		
- Current Accounts	4.12	23.80
- Unpaid Equity Dividend Account	3.61	3.62
III. Deposits with Bank		
- Upto 12 months maturity	1,088.71	556.63
- More than 12 months maturity	720.57	602.28
TOTAL	1,817.25	1,186.37

Deposits (more than 12 months maturity) worth ₹ 67.67 Lakhs (previous year ₹ 67.70 Lakhs) are under lien for margin on L/C and Guarantees with banks.

Note No. 13

SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
I. Security Deposits		
Unsecured, Considered Good	31.55	27.23
II. Advance Given to Suppliers		
Unsecured, Considered Good	68.90	82.97
III. Balances with Government Authorities (Balances in Excise Records)	59.51	32.08
IV. Advance Income Tax (Net of Provisions)	61.52	43.53
V. Prepaid Expenses	10.28	9.54
VI. Export Incentive Receivable	28.83	19.52
VII. Others	2.09	2.21
TOTAL	262.68	217.08



Notes to Financial Statements for the Year Ended 31st March, 2014

Note No. 14

REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I. Sale of Products		
- Domestic	1,202.11	1,924.77
- Export	3,051.74	2,205.17
	<u>4,253.85</u>	<u>4,129.94</u>
II. Sale of Services		
- Job Work Receipts	6.33	5.45
III. Other Operating Revenue		
- Export Incentive	48.96	36.10
- Miscellaneous Income	1.02	1.11
TOTAL	<u><u>4,310.17</u></u>	<u><u>4,172.59</u></u>

DETAILS OF SALE OF PRODUCTS

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Pharmaceutical Formulations like Tablets, Capsules, Ointment and others	4,253.85	4,129.94
TOTAL	<u><u>4,253.85</u></u>	<u><u>4,129.94</u></u>

Note No. 15

OTHER INCOME

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I. INTEREST RECEIVED ON :		
- Deposits with Bank	123.64	75.84
- Security Deposits	0.78	0.63
TOTAL	<u><u>124.42</u></u>	<u><u>76.48</u></u>

Note No. 16

COST OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I. RAW MATERIAL		
Opening Stock	189.18	178.07
Add : Purchases		
- Indigenous	1,627.85	1,973.16
- Imported	606.35	351.85
	<u>2,234.19</u>	<u>2,325.00</u>
Less : Closing Stock	221.13	189.18
Sub-Total (A)	<u>2,202.24</u>	<u>2,313.90</u>
II. PACKING MATERIAL		
Opening Stock	54.36	69.17
Add : Purchases	515.66	429.31
Less : Closing Stock	85.06	54.36
Sub-Total (B)	<u>484.96</u>	<u>444.12</u>
TOTAL	<u><u>2,687.20</u></u>	<u><u>2,758.02</u></u>

Notes to Financial Statements for the Year Ended 31st March, 2014

DETAILS OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
i. Methotrexate	821.43	616.27
ii. Tinidazole	111.64	48.65
iii. Packing Materials	484.96	444.12
iv. Other materials	1,269.17	1,648.98
TOTAL	2,687.20	2,758.02

Note No. 17

CHANGES IN INVENTORIES

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I. Work in Progress		
Opening	38.64	33.72
Less : Closing	71.08	38.64
Sub-Total (A)	(32.44)	(4.92)
II. Finished Goods		
Opening	96.51	87.92
Less : Closing	97.11	96.51
Sub-Total (B)	(0.59)	(8.60)
TOTAL	(33.04)	(13.52)

Note No. 18

EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
i. Salaries & Wages including bonus	354.17	280.29
ii. Contribution to PF, Pension Fund, ESIS & Others	45.08	39.95
iii. Workmen & Staff Welfare Expenses	38.07	29.51
TOTAL	437.32	349.75

Note No. 19

FINANCE COST

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
i. Bank Interest	19.16	19.19
ii. Bank Charges	54.79	63.68
TOTAL	73.95	82.88



Notes to Financial Statements for the Year Ended 31st March, 2014

Note No. 20

MANUFACTURING & OTHER EXPENSES

(₹ in Lakhs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
i. Power, Fuel & Water Charges	195.52	151.42
ii. Repairs and Maintenance		
– Repairs to Building	20.51	10.60
– Repairs to Machinerics	30.48	24.35
– Repairs - others	7.66	6.07
iii. Rates & Taxes	39.81	23.92
iv. Insurance	11.35	9.65
v. Research, Development & Laboratory Expenses	14.08	15.20
vi. Loss on Sale of Assets	0.71	1.57
vii. Export General Expenses	56.30	79.56
viii. Freight & Transport Charges	66.64	56.03
ix. Commission	270.66	146.76
x. Conveyance & Motor Car Expenses	4.90	4.81
xi. Legal & Professional Charges	25.02	13.67
xii. Postage & Telephone Expenses	6.59	5.83
xiii. Books, Stationary & Subscription	9.47	12.54
xiv. Rent	0.60	0.60
xv. Sales Tax	24.81	38.18
xvi. Travelling Expenses	6.02	7.19
xvii. Share Listing Fees	0.25	0.25
xviii. Sitting Fees	1.32	1.72
xix. General Expenses	10.64	19.23
xx. Auditors Remuneration		
– Statutory Audit Fees	1.45	1.30
– Cost Audit Fees	0.50	0.50
– Tax Audit Fees	0.30	0.25
– Certification Fees	0.22	0.24
– VAT Audit Fees	0.50	0.40
– Reimbursement of Expenses	0.09	0.02
TOTAL	806.42	631.86

Notes to Financial Statements for the Year Ended 31st March, 2014

Note No.21

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014.

1 GENERAL INFORMATION

BDH INDUSTRIES LIMITED is a public limited company 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.

2 SIGNIFICANT ACCOUNTING POLICIES

i) BASIS FOR ACCOUNTING

a. The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated April 4, 2014 with respect to the Financial Statements. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of Company is done into current and non-current based on operating cycle of the business of the Company. The operating cycle of the business of the company is less than twelve months and therefore all current and non-current classifications are done based on status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act, 1956

b. The accounting policies adopted in the preparation of financial statements are consistent with those used in previous year.

ii) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

iii) FIXED ASSETS

a. Fixed Assets are carried at cost less accumulated depreciation. Tangible Assets are recorded at cost of acquisition or construction. Cost of acquisition comprises its purchase price including inward freight, 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.

b. The cost of assets not ready for their intended use before the year end is disclosed under Capital Work in Progress. Capital work-in-progress are carried at cost, comprising of direct costs, related incidental expenses.

iv) DEPRECIATION

Depreciation on fixed assets has been provided on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets costing ₹ 5000/- or less are depreciated at 100% rate on prorata basis in the year of purchase. The Company carries out exercise of assessment of any impairment to its fixed assets as at each balance sheet date.

v) INVENTORIES

a) RAW MATERIAL

Raw Materials are valued at lower of cost or net realizable value.

b) PACKING MATERIAL

Packing Materials are valued at lower of cost or net realizable value.

c) 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.

d) 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.



Notes to Financial Statements for the Year Ended 31st March, 2014

vi) EMPLOYEE BENEFITS

- a) Retirement Benefit in the form of Provident Fund is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year/period when the contributions are due. Leave Encashment and Leave Travel Allowances paid has been charged to the Statement of Profit and Loss.
- b) Gratuity being a defined benefit obligation is provided at the end of each year/period.

vii) FOREIGN CURRENCY TRANSACTIONS

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.

viii) REVENUE RECOGNITION

- a) Revenue from sale of product net of returns 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 reflected in the accounts at gross realisable value i.e. inclusive of Excise Duty and VAT.
- b) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

ix) 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 fixed assets.

x) TAXATION

a) CURRENT TAX

Current Tax is calculated as per the provisions of Income Tax Act, 1961.

b) DEFERRED TAX

Deferred Tax is recognized on timing differences being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable rights exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities related to the taxes on income levied by same governing taxation laws.

The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on balance sheet date.

xi) EXCISE DUTY, SERVICE TAX AND CENVAT

CENVAT credit utilised during the year is accounted in Excise Duty and unutilised balance at the year end is considered as advance excise duty.

xii) CASH AND CASH EQUIVALENTS

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

xiii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent Assets are neither recognised nor disclosed in financial statements.

xiv) EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding during the year.

xv) PROPOSED DIVIDEND

Dividend proposed by the Board of Directors is provided in books of account, pending approval of members in Annual General Meeting.

3 Notes on Accounts

i) Disclosure as required by Accounting Standard - AS 17 "Segment Reporting" issued by Institute of Chartered Accountants of India

The entire operations of the Company relate only to one segment viz. pharmaceuticals. As such, there is no separate reportable segment under Accounting Standard - AS 17 on Segment Reporting.

Notes to Financial Statements for the Year Ended 31st March, 2014

ii) Disclosure as required by Accounting Standard - AS 18 "Related Parties" issued by Institute of Chartered Accountants of India

a) Key Management Personnels

Mrs. Jayashree Nair (Chairperson and Managing Director)
Mr. S.C.Kachhara (Executive Director)
Mrs. Karthika Nair (Director)

b) Relatives of Key Management Personnels

Name of Related Party
Mr. G.L.Kachhara
Mr. Ankit Kachhara

c) Others

Karthika Nair Smarak Samithi

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

(₹ in Lakhs)

	2013-14	2012-13
I) Details of Transactions relating to Key Management Personnels :		
1) Remuneration	56.94	52.37
2) Sitting Fees	0.39	0.44
3) Loans Taken by Company		
Opening Balance	13.81	13.81
Add : Repaid during the year	-	-
Less : Taken during the year	-	-
Closing Balance	<u>13.81</u>	<u>13.81</u>
4) Interest on Loan for the year	<u>-</u>	<u>-</u>
II) Details of Transactions relating to Relatives of Key Management Personnels :		
1) Amount paid for Professional Services	0.70	1.53
2) Amount paid for Remuneration	5.42	4.66
III) Details of Transactions relating to Others		
1) Rent paid	0.60	0.60
iii) Disclosure as required by Accounting Standard - AS 20 "Earning Per Share" issued by Institute of Chartered Accountants of India		
Earning Per Share is calculated by dividing the profit after tax by the number of equity shares.		
	2013-14	2012-13
Profit after Tax (₹ in Lakhs)	229.78	167.27
No. of Shares	5,757,300	5,757,300
Basic EPS	3.99	2.91
Diluted EPS	3.99	2.91
Nominal Value per Share	₹ 10/-	₹ 10/-
iv) Earnings in Foreign Exchange		(₹ in Lakhs)
	2013-14	2012-13
FOB Value of Exports	3,006.46	2,158.07
v) Expenditure in Foreign Exchange		(₹ in Lakhs)
	2013-14	2012-13
Travelling Expenses	5.85	6.71
Commission on Exports	59.55	66.08
vi) CIF Value of Imports		(₹ in Lakhs)
	2013-14	2012-13
Raw Materials	541.73	328.33



Notes to Financial Statements for the Year Ended 31st March, 2014

vii) Contingent liabilities not provided for :

(₹ in Lakhs)

	2013-14	2012-13
i) Bank Guarantees	148.76	140.55
ii) Appeals filed in respect of disputed demands by government authorities against the company		
- Income Tax	19.08	70.18

viii) 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 **L. J. KOTHARI & CO.**
Firm Registration Number 105313W
Chartered Accountants

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

L.J. KOTHARI
Proprietor
Membership No.030917

NIKITA PHATAK
Company Secretary

Mumbai, May 28, 2014



BDH INDUSTRIES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095 on Wednesday, the 17th September, 2014 at 3.00 p.m.

..... Member's Folio/DP ID/Client ID No. Member's/Proxy's name in BLOCK Letters Member's/Proxy's Signature No. of shares held
---	---	-------------------------------------	-----------------------------

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL



BDH INDUSTRIES LIMITED

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

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No.: _____ DIP ID No. _____ Client ID No. _____

I/We, being the member(s) of _____ Equity Shares of the above named company, hereby appoint

1) Name _____ Address _____

E-mail ID _____ Signature _____ or failing him;

2) Name _____ Address _____

E-mail ID _____ Signature _____ or failing him;

3) Name _____ Address _____

E-mail ID _____ Signature _____ .

as my/our Proxy to attend and vote (on a poll) for me/us behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on the 17th September, 2014 at 3.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- Adoption of Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Auditors for the year ended 31st March, 2014.
- Declare payment of dividend on equity shares for the year ended 31st March, 2014.
- Re-appointment of Mr. S.C. Kachhara as Director.
- Re-appointment of Mrs. Karthika Nair as Director.
- Appointment of Auditors and authorising the Board to fix their remuneration.

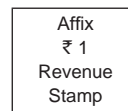
Special Business:

- Appointment of Mr. A. V. Menon as Independent Director.
- Appointment of Dr. Dinesh Variar as Independent Director.
- Appointment of Mr. Bhagirath Singh Sihag as Independent Director.

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder(s) _____



NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

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

Alkay - ER

Potassium Chloride Extended Release
Tablets 600 mg

CYTOTREX

Methotrexate Tablets /
Injections

ERYC - S

Erythromycin Stearate Tablets

FORTRIM

Co-trimoxazole Tablets /
Oral Suspension

METACYCLINE

Tetracycline HCL
Ophthalmic Ointment

HYOSPASM

Hyoscine Butyl Bromide
Tablets / Injection



BDH
Industries Ltd.

Nair Baug, Akurli Road, Kandivli (East), Mumbai- 400101, India.

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