



BDH
Industries Ltd.

Reputation

Quality

Care

Health Care World wide...

Twenty Sixth Annual Report 2015-2016



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2008

Pharmaceutical Company engaged in Health Care World wide

BDH : Quality Policy

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

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

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

Care



Quality

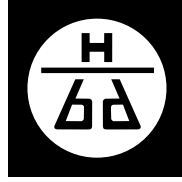


Reputation

BDH : Commitment

*Health Care * Mankind * Worldwide*

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



BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS : **Mrs. Jayashree Nair** *Chairperson & Managing Director*
Mr. S. C. Kachhara *Executive Director & CFO*
Mrs. Karthika Nair *Non Executive Director*
Mr. A. V. Menon *Independent Director*
Dr. Dinesh Variar *Independent Director*
Mr. Bhagirath Singh Sihag *Independent Director*

COMPANY SECRETARY : **Ms. Nikita Phatak**

AUDITOR : **M/s. L. J. Kothari & Co.**
Chartered Accountants
Mumbai.

BANKER : **Central Bank of India**

REGISTERED OFFICE : Nair Baug, Akurli Road,
Kandivli (East),
Mumbai - 400 101

REGISTRARS & TRANSFER AGENT : **TSR DARASHAW LIMITED**
6-10, Haji Moosa, Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011

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

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Thursday, 22nd September, 2016 at Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095 at 3.00 p.m., to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31st March, 2016 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2016.
3. To appoint a Director in place of Mrs. Karthika Nair (DIN 00019695), who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 139 and all applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s L. J. Kothari & Co, Chartered Accountants (Firm Registration No. 105313W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration, taxes and out of pocket expenses, as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS :

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

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 27th May, 2016

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.
2. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.



3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th September, 2016 to Thursday, 22nd September, 2016 (both days inclusive).
4. The dividend, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on 22nd September, 2016 and to those beneficial owners whose names are provided by National Securities Depository Limited (NSDL) and Central Depository (India) Limited (CDSL) as at the close of business hours on 15th September, 2016.
5. Re-appointment of retiring director –
Mrs. Karthika Nair, (DIN – 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are M.Sc. and MMS (Marketing) from University of Mumbai. She has been Director of the Company since 1999. She is not Director of any other Company. She is daughter of Mrs. Jayashree Nair. The details of the Membership of committees of the board and shareholding are mentioned in Corporate Governance Report.
6. Members are requested to:
 - (a) intimate to the Company / their Depository Participant (“DP”), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
 - (d) encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 1956 / Companies Act, 2013.
 - (e) The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividends in respect of the dividend for the financial year 2010-11 till the dividend for the financial year 2014-15, on the website of the Company viz. www.bdhind.com.
7. Electronic copy of the Notice of the 26th Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 26th Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode
8. Members may note that the Notice of 26th Annual General Meeting of the Company will also be available on the Company's website www.bdhind.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, shareholders may also send requests to the Company's investors e-mail id investors@bdhind.com.
9. The documents referred to in the Notice will be available for inspection by the members at the registered office of the Company from 11.00 am to 1.00 pm on all working days (excluding Saturday) upto the date of Annual General Meeting.
10. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings setting out the details of the persons seeking appointment / re-appointment as Directors under Item Nos. 5 & 6 in respect of special business accompanying the Notice is annexed hereto.
11. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting system provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The shareholder who do not have access to e-voting or who do not wish to cast the vote electronically may request the Company for physical ballot paper for casting their vote, which will be provided by the Company upon request. Such ballot paper duly filled in may be sent to the Scrutinizer c/o BDH Industries Limited, Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101 so as to reach the scrutinizer on or before 5.00 p.m. on 21st September, 2016.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on Monday, 19th September, 2016 (9:00 am) and ends on Wednesday, 21st September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the member shall not be allowed to change it subsequently.
 - V. The process and manner for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants]:
 - (a) Open email and open PDF file viz; “BDH Industries remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (c) Click on Shareholder – Login

- (d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
 - (e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (f) Home page of e-voting opens. Click on remote e-Voting: Active Voting Cycles.
 - (g) Select "EVEN" (Remote E-Voting Event Number) of BDH Industries Limited.
 - (h) Now you are ready for remote e-voting as Cast Vote page opens.
 - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (l) Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@bdhind.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or who request physical copy of notice]:
- (a) Initial password will be provided by the Company :
EVEN (Remote E-Voting Event Number)_USER ID_PASSWORD/PIN
 - (b) Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- VI. In case of any queries, you may refer the frequently asked questions (FAQs) for members and remote e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com or call on the toll free no.: 1800 222 990.
- VII. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2016.
- X. Any person, who acquires shares of the Company and becomes member of the Company after despatch of notice and holding shares as of the cut off date i.e., 15th September, 2016 may obtain the login ID and password by sending an email to evoting@nsdl.co.in by mentioning their Folio no. / DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forget User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800 222 990.
- XI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. Ankit Varia (Membership No. 151266), of M/s Ankit Varia & Co., Practising Chartered Accountant has been appointed as the Scrutinizer to scrutinize the remote e-voting process (including poll at the meeting) in a fair and transparent manner.
- XIII. The Chairperson shall, at the Annual General Meeting, at the end of discussion on resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their vote by availing the remote e-voting / physical ballot facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast through physical ballot facility and at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company www.bdhind.com and on the website of NSDL immediately after declaration of result by the Chairperson or a person authorized by her in writing. The results shall also be communicated to the BSE Limited, Mumbai.
12. Members having any questions on accounts are requested to write their queries atleast 10 days prior to the Annual General Meeting to the Company at its registered office address so as to enable the management to keep the information ready at the meeting.
13. The route map giving directions to reach the venue of the 26th Annual General Meeting is given at the end of the Notice.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 27th May, 2016

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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



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

Item No. 5

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

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

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

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

1. Period : 3 years with effect from 1st April, 2017.
2. The Managing Director shall devote her skills, time, attention and abilities to the business and welfare of the Company and carry out such duties as may be entrusted to her by the Board from time to time subject to direction of the Board. She shall have general control, management and superintendence of the business of the Company and to do and perform all other acts, deeds and things which in the course of business, she may consider necessary or proper or in the best interest of the Company
3. Remuneration
 - a. Salary of ₹ 4,50,000/- per month with annual increment of ₹ 50,000/- in April of each year.
 - b. Perquisites –
 - i) In addition to the salary, the Managing Director shall also be entitled to perquisites like accommodation / house rent allowance, house maintenance allowance, medical insurance and re-imbursment and leave travel allowance for self and family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board and Managing Director, such perquisites being restricted to ₹ 12 lakhs per annum. The perquisites are exclusive of contribution to Provident Fund, Superannuation / Annuity Fund, Gratuity and leave salary.
 - ii) Personal Accident Insurance: She shall be covered under the Company's Group Personnel Accident Insurance Policy.
 - iii) Medical, Hospitalisation and Healthcare expenses : Actual medical, hospitalization and healthcare expenses incurred for Managing Director and her family including mediclaim policy premium shall be paid by the Company.
 - iv) Car and Telephone: She shall be provided Company maintained car with driver. The Company shall provide landline telephone at her residence and mobile phone for official use.
4.
 - i) Provident Fund : The Company shall contribute to a statutory or recognised Provident Fund on her behalf to the extent that such contribution is not taxable in her hand under the provisions of the Income Tax Act, 1961 as subsisting from time to time.
 - ii) Superannuation : The Company shall contribute to a statutory or recognized superannuation fund or annuity fund on her behalf to the extent that such contribution is not taxable in her hands under the provisions of Income Tax, 1961 as subsisting from time to time.
 - iii) Gratuity : Gratuity shall be payable as per the rules of the Company and shall not exceed half a month's salary for each completed year of service.
 - iv) Leave Encashment : Encashment of leave at the end of the tenure as per the rules of the Company.
5. The Managing Director so long as she functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of her re-appointment.
6. That in the event of loss or inadequacy of profits in any financial year, the salary and allowances as referred to hereinabove shall be the minimum remuneration payable to the Managing Director.
7. The Company shall reimburse to the Managing Director entertainment, travelling and all other expenses incurred by her for the business of the Company.
8. This Agreement may be terminated at any time by either party hereto by giving to the other party 3 (Three) months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination. In any event, the Managing Director shall not be entitled to any compensation in cases mentioned in Section 202(2) of the Companies Act, 2013
9. That the terms and conditions of this Agreement may be altered or varied from time to time by the Board of Directors of the Company as it may, in its discretion think fit, in accordance with Schedule V to the Companies Act, 2013 or any amendments or modifications that may be made in this regard hereafter.

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

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

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

Item No. 6

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

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

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

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

1. Period : 3 years with effect from 1st April, 2017
2. The Joint Managing Director shall undertake to employ the best of his skills, devote adequate time, attention and abilities to make his utmost endeavours to promote the interests and welfare of the Company and comply with the directions given by the Board from time to time. The Joint Managing Director, subject to control and review of the Board, shall conduct and manage the business and affairs of the Company and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary or proper and in the interest of the Company. The Joint Managing Director shall exercise such powers and duties as may be entrusted to him by the Board from time to time subject to direction of the Board.
3. Remuneration
 - a. Salary of ₹ 4,50,000/- per month with annual increment of ₹ 50,000/- in April of each year.
 - b. Perquisites – i) In addition to the salary, the Joint Managing Director shall also be entitled to perquisites like accommodation / house rent allowance, house maintenance allowance, medical insurance and re-imbursement and leave travel allowance for self and family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board and Joint Managing Director, such perquisites being restricted to ₹ 12 lakhs per annum. The perquisites are exclusive of contribution to Provident Fund, Superannuation / Annuity Fund, Gratuity and leave salary.
 - ii) Personal Accident Insurance: He shall be covered under the Company's Group Personnel Accident Insurance Policy.
 - iii) Medical, Hospitalisation and Healthcare expenses : Actual medical, hospitalization and healthcare expenses incurred for Joint Managing Director and his family including mediclaim policy premium shall be paid by the Company.
 - iv) Car and Telephone: He shall be provided Company maintained car with driver. The Company shall provide landline telephone at his residence and mobile phone for official use.
4.
 - i) Provident Fund : The Company shall contribute to a statutory or recognised Provident Fund on his behalf to the extent that such contribution is not taxable in his hand under the provisions of the Income Tax Act, 1961 as subsisting from time to time.
 - ii) Superannuation : The Company shall contribute to a statutory or recognized superannuation fund or annuity fund on his behalf to the extent that such contribution is not taxable in his hands under the provisions of Income Tax, 1961 as subsisting from time to time.
 - iii) Gratuity : Gratuity shall be payable as per the rules of the Company and shall not exceed half a month's salary for each completed year of service.
 - iv) Leave Encashment : Encashment of leave at the end of the tenure as per the rules of the Company.
5. The Joint Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of his re-appointment.
6. That in the event of loss or inadequacy of profits in any financial year, the salary and allowances as referred to hereinabove shall be the minimum remuneration payable to the Joint Managing Director.
7. The Company shall reimburse to the Joint Managing Director entertainment, travelling and all other expenses incurred by him for the business of the Company.
8. This Agreement may be terminated at any time by either party hereto by giving to the other party 3 (Three) months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination. In any event, the Joint Managing Director shall not be entitled to any compensation in cases mentioned in Section 202(2) of the Companies Act, 2013.
9. That the terms and conditions of this Agreement may be altered or varied from time to time by the Board of Directors of the

Company as it may, in its discretion think fit, in accordance with Schedule V to the Companies Act, 2013 or any amendments or modifications that may be made in this regard hereafter.

10. The Joint Managing Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company. None of the Directors and Key Managerial Personnel of the Company, except Mr. S. C. Kachhara and his relatives are interested or concerned, financially or otherwise, in passing of this resolution.

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

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

I. General Information

- (1) Nature of Industry : The Company is into manufacturing of various dosage of pharmaceutical formulations.
- (2) Date or expected date of commencement of commercial production : The Company is already in operation.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable.
- (4) Financial performance based on given indicators : The financial performance of the Company is mentioned in the Directors' Report.
- (5) Foreign investments or collaborations, if any : Not Applicable.

II. Information about the appointee(s)

- (1) Background details : The background details are mentioned in the Explanatory Statement at item no. 5 and item no. 6.
- (2) Past Remuneration : The details of remuneration are mentioned in the Corporate Governance Report.
- (3) Recognition or awards : Nil.
- (4) Job Profile and suitability : The job profile and suitability of the appointees are as mentioned in the Explanatory Statement at item no. 5 and item no. 6.
- (5) Remuneration proposed : The proposed remuneration of the appointees are mentioned in the Explanatory Statement at item no. 5 and item no. 6.
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person : The proposed remuneration of the Managing Director and Joint Managing Director is commensurate with the position they occupy, size of your Company and as per the industry standards.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Mrs. Jayashree Nair is a relative of Mrs. Karthika Nair, Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Mrs. Jayashree Nair as Managing Director.

III. Other information

- (1) Reasons for loss or inadequate profit : The operations have to be enhanced and expanded to have adequate profit.
- (2) Steps taken or proposed to be taken for improvement : Increased sales turnover, cost control and reduction to increase profit.
- (3) Expected increase in productivity and profits in measurable terms : Productivity and profits are expected to increase.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 27th May, 2016

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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

Route Map for Venue of 26th Annual General Meeting of BDH Industries Limited



DIRECTORS' REPORT

To,
THE MEMBERS,
BDH INDUSTRIES LIMITED

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

FINANCIAL RESULTS :

The financial performance of the Company is summarized below :-

(₹ in Lakhs)

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

REVIEW OF OPERATIONS :

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS :

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY :

There has been no material change in the nature of business during the financial year under review.

DIVIDEND :

Your Directors are pleased to recommend dividend of ₹ 2/- per equity share of ₹ 10/- each (previous year ₹ 1.70/- per share) for financial year ended 31st March, 2016. The dividend on Equity Shares is subject to the approval of the shareholders at the Annual General Meeting. The total cash outflow on account of dividend payment, including distribution tax will be ₹ 138.59 lakhs.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

The Board of Directors at present has six members Mrs. Jayashree Nair, is the Chairperson and Managing Director of the Company. She was appointed as Managing Director of the Company for a period of three years with effect from 1st April, 2014 as approved by the members at the 23rd Annual General meeting. Mr. S. C. Kachhara is the Executive Director and Chief Financial Officer of the Company. He was appointed as Executive Director for a period of three years with effect from 1st April, 2014 as approved by the members at the 23rd Annual General Meeting. In the interest of the Company, the Board has recommended to the members at 26th Annual General Meeting the re-appointment of Mrs. Jayashree Nair as Managing Director and Mr. S. C. Kachhara as Joint Managing Director for a further period of three years with effect from 1st April, 2017.

There are three independent directors on the Board of the Company, Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag. There is one Non-Executive Director on the Board of the Company – Mrs. Karthika Nair, who retires by rotation at the forthcoming Annual General Meeting, being eligible and offer herself for re-appointment. Accordingly, the Board recommends her re-appointment.

Mrs. Jayashree Nair, Managing Director, Mr. S. C. Kachhara, Executive Director and Chief Financial Officer and Ms. Nikita Phatak, Company Secretary of the Company are the Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended 31st March, 2016;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE :

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. A declaration from Managing Director under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also attached to this report.

LISTING WITH STOCK EXCHANGE :

The equity shares of the Company are listed on BSE Limited. The listing fee for year 2016-2017 has been paid by the Company.

RISK MANAGEMENT POLICY :

The Company has adopted a Risk Management Policy to identify and categorize various risks, implement measures to minimize impact of these risks and a process to monitor them on regular basis.

RELATED PARTY TRANSACTIONS :

There were no materially significant related party transactions during the year that have potential conflict with the interests of the Company. The transactions with related parties are disclosed in the notes to the financial statements. Form AOC-2 prescribed under the Companies Act, 2013 and Companies (Accounts) Rules, 2014 is furnished as Annexure V to this report.

VIGIL MECHANISM :

In compliance with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism for Directors and employees to report their genuine concerns or grievances. The Whistle Blower Policy is adopted which provides safeguards against victimization of the Whistle Blower Policy. The employees of the Company are free to report any concerns of unethical behavior, suspected fraud or violation of laws to the Audit Committee under this policy. The Whistle Blower Policy is also hosted on the website of the Company.

FORMAL ANNUAL EVALUATION :

As required under the Schedule IV of the Companies Act, 2013 and Clause 49(II) (B)(6) of the Listing Agreement the Independent Directors at their separate meeting held on 13th November, 2015 evaluated the performance of the non-independent directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company, taking into account the views of the Executive Director and also assessed the quality, quantity and timeliness of flow of information between the company management and the board that was necessary for the Board to effectively and reasonable perform their duties.

The Board assessed the performance of the independent directors as per the criteria laid down and have recommended their continuation on the Board. The Board of Directors assessed the performance of individual directors on the Board based on parameters such as relevant experience and skills, focus on shareholder value creation, governance standards, knowledge of business, processes and procedures followed, integrity, relationship with Management, impact on key management decisions etc.

INTERNAL FINANCIAL CONTROLS :

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

FIXED DEPOSIT :

The Company has not invited / accepted any deposits during the year under review as envisaged under sections 73, 74 and 76 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

The Company has not made any loans to any third party as envisaged under section 186 of the Companies Act, 2013. The Company has not given any guarantee other than bank guarantee in the normal course of business to meet the contractual obligations. The Board of Directors have authorized the Company to invest the surplus in deposits with Banks.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS :

During the year under review, there have been no significant and material orders passed by any regulators / courts / tribunals that could impact the going concern status and the Company's operations in future.

CONSERVATION OF ENERGY AND TECHNOLOGY UPGRADATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATIONS :

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

ENVIRONMENT, HEALTH & SAFETY :

The Company is committed to environment protection and industrial safety. Our manufacturing facility is accredited with WHO-GMP and complies with applicable environment regulations. Our manufacturing facility has achieved ISO 9001:2008 certification from SGS United Kingdom Limited. The Company conducts medical check-up programs, first aid sessions and fire safety sessions for employees.

EXTRACT OF ANNUAL RETURN :

The Extract of Annual Return of the Company as on 31st March, 2016 is attached herewith as Annexure I to this report.

AUDITORS AND AUDITORS' REPORT :

STATUTORY AUDIT :

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.

SECRETARIAL AUDIT :

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s J. H. Ranade & Associates, a firm of Company Secretary in practice to conduct secretarial audit of the Company. The Secretarial Audit Report is annexed herewith to the Directors Report in Annexure II.

**RATIO OF REMUNERATION :**

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

Directors	Ratio to median Remuneration
Mrs. Jayashree Nair	25:1
Mr. S. C. Kachhara	25:1
Mr. A. V. Menon	0.19:1
Dr. Dinesh Variar	0.15:1
Mr. Bhagirath Singh Sihag	0.19:1
Mrs. Karthika Nair	0.19:1

- a. The percentage increase in remuneration of Mrs. Jayashree Nair, Managing Director is 12%, Mr. S. C. Kachhara, Executive Director and Chief Financial officer is 12% (as approved by members in 23rd Annual General Meeting) and Ms. Nikita Phatak, Company Secretary is 8%.
- b. The median remuneration of employees increased by 8% in the financial year.
- c. There are 143 permanent employees on the rolls of the Company.
- d. The Company's PAT increased from ₹ 256.97 lakhs to ₹ 322.62 lakhs, an increase of 12% against which the average increase in remuneration is 8% and this increase is aligned with the Company's Remuneration Policy.
- e. The aggregate remuneration of key managerial personnel (KMP) is ₹ 108.38 lakhs, revenue of the Company during the year is ₹ 4672.81 lakhs and the remuneration of KMP is 2.32% of revenue.
- f. The market capitalization of the Company as on 31st March, 2016 was ₹ 47.79 crores and as on 31st March, 2015 was ₹ 29.91 crores. The PE ratio of the Company as on 31st March, 2016 was 14.82 and as on 31st March, 2015 was 11.65. The Company made public offer of equity shares (of face value ₹ 10/- each share) at premium (of ₹ 30/- each share) in the year 1995.
- g. The average percentile increase in salaries of employees other than managerial personnel is 8% and increase in managerial remuneration is 12% as approved by members at the 23rd Annual General Meeting.
- h. There is no variable component linked to various parameters – financial and non-financial in the remuneration availed by the directors.
- i. During the year, there was no employee, who is not a director of the Company and received remuneration in excess of the highest paid directors.
- j. We affirm that the remuneration paid is as per Remuneration Policy of the Company.

GENERAL :

The Company has constituted an internal complaints committee under the Sexual Harassment of Women at workplace (prevention, prohibition and redressal) Act, 2013 for prevention and redressal of complaints of sexual harassment at workplace. Your Directors further state that during the year under review, there was no complaints filed pursuant to said Act.

APPRECIATION :

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

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 27th May, 2016

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L40300MH1990PLC059299
2.	Registration Date	5 th December, 1990
3.	Name of the Company	BDH INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Company limited by Shares
5.	Address of the Registered office & contact details	Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101, India. Tel. No.: +91 22 61551234 Fax no.: +91 22 28868349 Ms. Nikita Phatak, Company Secretary Email: comp.sec@bdhind.com Website: www.bdhind.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel. No.: +91 22 66568484 Fax No. : +91 22 66568494 Email – csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Pharmaceutical Products	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL



IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [01.04.2015]				No. of Shares held at the end of the year [31.03.2016]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals / Hindu Undivided Family	2,759,972	427,220	3,187,192	55.36	2,763,349	427,220	3,190,569	55.42	0.06
b) Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)	2,759,972	427,220	3,187,192	55.36	2,763,349	427,220	3,190,569	55.42	0.06
(2) Foreign									
a) Non-Resident Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks /FI	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)	2,759,972	427,220	3,187,192	55.36	2,763,349	427,220	3,190,569	55.42	0.06
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	0	0	0	0	0	0	0	0	0
2. Non-Institutions	0	0	0	0	0	0	0	0	0
a) Bodies Corp.									
i) Indian	216,261	1,100	217,361	3.78	88,580	1,100	89,680	1.56	-2.22
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals -									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,258,437	234,210	1,492,647	25.93	1,266,782	224,310	1,491,092	25.90	-0.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	814,317	0	814,317	14.14	723,218	0	723,218	12.56	-1.58
c) Any Other (specify)									
i) Director	5,000	0	5,000	0.09	1,000	0	1,000	0.02	-0.07
ii) Foreign Holding	0	0	0	0	0	0	0	0	0
iii) NRI (Repatriable)	33,168	0	33,168	0.58	172,186	0	172,186	2.99	2.41
iii) NRI (Non-Repatriable)	7,615	0	7,615	0.13	89,555	0	89,555	1.56	1.42
Sub-total (B) (2)	2,334,798	235,310	2,570,108	44.64	2,341,321	225,410	2,566,731	44.58	-0.06
Total Public Shareholding (B) = (B)(1) + (B)(2)	2,334,798	235,310	2,570,108	44.64	2,341,321	225,410	2,566,731	44.58	-0.06
TOTAL (A)+(B)	5,094,770	662,530	5,757,300	100.00	5,104,670	652,630	5,757,300	100.00	0.00
C Shares held by Custodians for ADRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A) + (B) + (C)	5,094,770	662,530	5,757,300	100.00	5,104,670	652,630	5,757,300	100.00	0.00

B) Shareholding of Promoter-

Sr No	Shareholder's Name	Shareholding at the beginning of the year [01.04.2015]			Shareholding at the end of the year [31.03.2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jayashree Nair	1,265,240	21.98	0.00	1,265,240	21.98	0.00	0.00
2	Laxmi Nair	464,380	8.07	0.00	464,380	8.07	0.00	0.00
3	Karthika Nair	444,980	7.73	0.00	444,980	7.73	0.00	0.00
4	Padma Kaimal	332,120	5.77	0.00	332,120	5.77	0.00	0.00
5	Purnima Hingorani Nair	257,102	4.47	0.00	257,102	4.47	0.00	0.00
6	Suresh C Kachhara	108,200	1.88	0.00	108,200	1.88	0.00	0.00
7	A N Raju Nair	81,600	1.42	0.00	81,600	1.42	0.00	0.00
8	Arpit Suresh Kachhara	70,299	1.22	0.00	70,299	1.22	0.00	0.00
9	Ankit Suresh Kachhara	26,720	0.46	0.00	26,720	0.46	0.00	0.00
10	Sushila Suresh Jain	18,100	0.31	0.00	20,977	0.36	0.00	0.05
11	Prerna Chhotulal Lodha	20,374	0.35	0.00	20,374	0.35	0.00	0.00
12	Radha Jaykumar Nair	20,500	0.36	0.00	20,000	0.35	0.00	-0.01
13	Vikram C Hingorani	20,000	0.35	0.00	20,000	0.35	0.00	0.00
14	Syamala Suresh	14,000	0.24	0.00	14,000	0.24	0.00	0.00
15	Kurumala Parameswar Prabhakar	13,576	0.24	0.00	13,576	0.24	0.00	0.00
16	Gopakumar Gopalan Nair	11,958	0.21	0.00	12,958	0.23	0.00	0.02
17	Lakshmi Prabhakar	8,043	0.14	0.00	8,043	0.14	0.00	0.00
18	Nishaant Nair	4,000	0.07	0.00	4,000	0.07	0.00	0.00
19	Sumitra Suresh Kachhara	3,700	0.06	0.00	3,700	0.06	0.00	0.00
20	Mohini Hingorani	600	0.01	0.00	600	0.01	0.00	0.00
21	Vijaykumar G Nair	500	0.01	0.00	500	0.01	0.00	0.00
22	Prakashini Govind Menon	100	0.00	0.00	100	0.00	0.00	0.00
23	G Ramachandran	1,100	0.02	0.00	1,100	0.02	0.00	0.00
	TOTAL	3,187,192	55.36	0.00	3,190,569	55.42	0.00	0.06

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sushila Suresh Jain					
	At the beginning of the year	01.04.2015	18100	0.31	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	25.12.2015	4978	0.09	23078	0.40
	At the end of the year	31.03.2016	(2101)	(0.04)	20977	0.36
2.	Radha Jaykumar Nair					
	At the beginning of the year	01.04.2015	20500	0.36	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	26.02.2016	(500)	(0.01)	20500	0.36
	At the end of the year	31.03.2016	-	-	20000	0.35
3.	Gopakumar Gopalan Nair					
	At the beginning of the year	01.04.2015	11958	0.21	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	08.05.2015	1000	0.02	12958	0.23
	At the end of the year	31.03.2016	-	-	12958	0.23


D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Ishwarchandra Sitaram Kaushik					
	At the beginning of the year	01.04.2015	119732	2.08	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	07.04.2015	6499	0.11	126231	2.19
		17.04.2015	(5000)	(0.09)	121231	2.10
		30.06.2015	5324	0.09	126555	2.19
		10.07.2015	9948	0.17	136503	2.37
		11.09.2015	14536	0.25	151039	2.62
		11.09.2015	(5324)	(0.09)	145715	2.53
		18.09.2015	1730	0.03	147445	2.56
		20.11.2015	2555	0.04	150000	2.61
		27.11.2015	175	0.00	150175	2.61
		18.12.2015	2553	0.04	152728	2.65
		08.01.2016	12452	0.22	165180	2.87
		15.01.2016	4547	0.08	169727	2.95
		22.01.2016	3273	0.06	173000	3.00
		26.02.2016	4967	0.09	177967	3.09
		04.03.2016	1450	0.03	179417	3.12
		18.03.2016	10500	0.18	189917	3.29
	25.03.2016	100	0.00	190017	3.30	
	At the end of the year	31.03.2016	–	–	190017	3.30
2.	Madras Parmeswaran Manoj Mahadev					
	At the beginning of the year	01.04.2015	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	17.04.2015	56280	0.98	56280	0.98
		24.04.2015	15000	0.26	71280	1.24
		30.06.2015	(4934)	(0.09)	66346	1.15
		03.07.2015	(24211)	(0.42)	42135	0.73
		03.07.2015	(42135)	(0.73)	0	0
		10.07.2015	11090	0.19	11090	0.19
		17.07.2015	43203	0.75	54293	0.94
		07.08.2015	9982	0.17	64275	1.12
		14.08.2015	41327	0.72	105602	1.83
		21.08.2015	10700	0.19	116302	2.02
		21.08.2015	6400	0.11	122702	2.13
		23.10.2015	3700	0.05	126402	2.20
		30.10.2015	3110	0.05	129512	2.25
		30.10.2015	3100	0.05	132612	2.30
		06.11.2015	19	0.00	132631	2.30
		13.11.2015	71	0.00	132702	2.30
		20.11.2015	8893	0.15	141595	2.45
		20.11.2015	473	0.01	142068	2.46
		04.12.2015	10932	0.19	153000	2.65
		18.12.2015	3100	0.05	156100	2.71
		01.01.2016	916	0.02	157016	2.73
		15.01.2016	1084	0.02	158100	2.75
		15.01.2016	700	0.01	158800	2.76
	05.02.2016	9000	0.16	167800	2.92	
	11.03.2016	2000	0.03	169800	2.95	
	At the end of the year	31.03.2016	1200	0.02	171000	2.97

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Sr No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Deeraj Kumar Lohia					
	At the beginning of the year	01.04.2015	36771	0.64	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	10.04.2015	(6771)	(0.12)	30000	0.52
		24.04.2015	(20000)	(0.35)	10000	0.17
		08.05.2015	(9664)	(0.17)	336	0.01
	At the end of the year	31.07.2015	121202	2.11	121538	2.11
	At the end of the year	31.03.2016	–	–	121538	2.11
4.	Santosh Kumar Saraogi					
	At the beginning of the year	01.04.2015	77319	1.34	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	01.01.2016	(900)	(0.01)	76419	1.33
		08.01.2016	(2382)	(0.04)	74037	1.29
		26.02.2016	(1124)	(0.02)	72913	1.27
At the end of the year	31.03.2016	–	–	72913	1.27	
5.	Porinju V Veliyath					
	At the beginning of the year	01.04.2015	51691	0.90	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	10.04.2015	6309	0.11	58000	1.01
	At the end of the year	31.03.2016	–	–	58000	1.01
6.	Yedlapalli Venkata Ganeshwara Rao					
	At the beginning of the year	01.04.2015	57338	1.00	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	01.01.2016	500	(0.00)	57838	1.00
		08.01.2016	(300)	(0.00)	57538	1.00
At the end of the year	31.03.2016	–	–	57538	1.00	
7.	Mahendra Girdharilal					
	At the beginning of the year	01.04.2015	34494	0.60	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	20.11.2015	(3185)	(0.06)	31309	0.54
	At the end of the year	31.03.2016	–	–	31309	0.54
8.	Chetanbhai Rajnikantbhai Parekh					
	At the beginning of the year	01.04.2015	34725	0.60	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	30.10.2015	(3437)	(0.06)	31288	0.54
	At the end of the year	31.03.2016	–	–	31288	0.54
9.	Suman Devi Jaju					
	At the beginning of the year	01.04.2015	29228	0.51	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease		–	–	–	–
	At the end of the year	31.03.2016	29228	0.51	29228	0.51
10.	A C Agarwal Share Brokers Private Limited					
	At the beginning of the year	01.04.2015	53074	0.92	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	03.04.2015	1652	0.03	54726	0.95
		03.04.2015	(183)	(0.00)	54543	0.95
		03.04.2015	(1469)	(0.03)	53074	0.92
		10.04.2015	192	0.00	53266	0.92
		10.04.2015	(9258)	(0.16)	44008	0.76
		10.04.2015	(1576)	(0.03)	42432	0.73
17.04.2015		(308)	(0.00)	42124	0.73	



Sr No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		24.04.2015	500	0.01	42624	0.74
		01.05.2015	10300	0.18	52924	0.92
		01.05.2015	10049	0.17	62973	1.09
		01.05.2015	(20000)	(0.35)	42973	0.74
		08.05.2015	19049	0.33	62022	1.07
		08.05.2015	(10049)	(0.17)	51973	0.90
		22.05.2015	1000	0.02	52973	0.92
		29.05.2015	1084	0.02	54057	0.94
		17.07.2015	(6433)	(0.11)	47624	0.83
		24.07.2015	433	0.00	48057	0.83
		31.07.2015	50	0.00	48107	0.83
		07.08.2015	(5657)	(0.10)	42450	0.73
		14.08.2015	1000	0.02	43450	0.75
		11.09.2015	10	0.00	43460	0.75
		18.09.2015	8	0.00	43468	0.75
		25.09.2015	(3100)	(0.05)	40368	0.70
		25.09.2015	100	0.00	40468	0.70
		28.09.2015	2595	0.04	43063	0.74
		28.09.2015	200	0.00	43263	0.74
		30.09.2015	(300)	(0.00)	42963	0.74
		09.10.2015	(5171)	(0.09)	37792	0.65
		16.10.2015	(648)	(0.01)	37144	0.64
		16.10.2015	947	0.02	38091	0.66
		23.10.2015	(3145)	(0.05)	34946	0.61
		23.10.2015	(947)	(0.02)	33999	0.59
		20.11.2015	(1000)	(0.02)	32999	0.57
		18.12.2015	(3000)	(0.05)	29999	0.52
		18.12.2015	3000	0.05	32999	0.57
		25.12.2015	(3000)	(0.05)	29999	0.52
		08.01.2016	(2999)	(0.05)	27000	0.47
		15.01.2016	(441)	(0.01)	26559	0.46
		22.01.2016	441	0.01	27000	0.47
	At the end of the year	31.03.2016	-	-	27000	0.47
11.	Mohammed Ali					
	At the beginning of the year	01.04.2015	14291	0.25	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	26.06.2015	3566	0.06	17857	0.31
		10.07.2015	4000	0.07	21857	0.38
		16.10.2015	500	0.01	22357	0.39
	At the end of the year	31.03.2016	-	-	22357	0.39
12.	Ranjana Roongta					
	At the beginning of the year	01.04.2015	21771	0.38	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-	-
	At the end of the year	31.03.2016	21771	0.38	21771	0.38

E) Shareholding of Directors and Key Managerial Personnel :

Sr No	For each Directors and Key Managerial Personnel	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs. Jayshree Nair Chairperson and Managing Director					
	At the beginning of the year	01.04.2015	1265240	21.98	1265240	21.98
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2016	1265240	21.98	1265240	21.98
2.	Mr. S.C. Kachhara Executive Director / Chief Financial Officer					
	At the beginning of the year	01.04.2015	108200	1.88	108200	1.88
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2016	108200	1.88	108200	1.88
3.	Mrs. Karthika Nair Non Executive Director					
	At the beginning of the year	01.04.2015	444980	7.73	444980	7.73
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2016	444980	7.73	444980	7.73
4.	Mr. Bhagirath Singh Sihag Independent Director					
	At the beginning of the year	01.04.2015	5000	0.08	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	27.11.2015	(2000)	(0.03)	3000	0.05
		04.12.2015	(500)	(0.01)	2500	0.04
		18.12.2015	(500)	(0.01)	2000	0.03
		08.01.2016	(1000)	(0.02)	1000	0.02
	At the end of the year	31.03.2016	–	–	1000	0.02
5.	Mr. A.V. Menon Independent Director					
	At the beginning of the year	01.04.2015	–	–	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2016	–	–	–	–
6.	Dr. Dinesh Variar Independent Director					
	At the beginning of the year	01.04.2015	–	–	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2016	–	–	–	–
7.	Ms. Nikita Phatak Company Secretary					
	At the beginning of the year	01.04.2015	–	–	–	–
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–	–
	At the end of the year	31.03.2016	–	–	–	–


V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,73,87,010	13,80,821	0	8,87,67,831
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	8,73,87,010	13,80,821	0	8,87,67,831
Change in Indebtedness during the financial year				
i) Addition	138,00,23,555	0	0	138,00,23,555
ii) Reduction	137,41,56,463	0	0	137,41,56,463
Net Change				58,67,092
Indebtedness at the end of the financial year				
i) Principal Amount	9,32,54,102	13,80,821	0	9,46,34,923
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	9,32,54,102	13,80,821	0	9,46,34,923

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mrs. Jayashree Nair	Mr. S.C. Kachhara	
		Chairperson & Managing Director	Executive Director / CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the IncomeTax Act, 1961	40,20,000	40,20,000	80,40,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6,03,000	6,03,000	12,06,000
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	46,23,000	46,23,000	92,46,000
	Ceiling as per the Act	84,00,000	84,00,000	1,68,00,000

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B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Bhagirath Singh Sihag	Mr. A.V. Menon	Dr. Dinesh Variar	–	
1	Independent Directors	Mr. Bhagirath Singh Sihag	Mr. A.V. Menon	Dr. Dinesh Variar	–	
	Fee for attending board committee meetings	38,890	38,890	31,112	–	1,08,892
	Commission	0	0	0	–	0
	Others, please specify	0	0	0	–	0
	Total (1)	38,890	38,890	31,112	–	1,08,892
2	Other Non-Executive Directors	–	–	–	Mrs. Karthika Nair	
	Fee for attending board committee meetings	–	–	–	38,890	38,890
	Commission	–	–	–	0	0
	Others, please specify	–	–	–	0	0
	Total (2)	–	–	–	38,890	38,890
Total (B) = (1+2)		38,890	38,890	31,112	38,890	1,47,782
Overall Ceiling as per the Act		5,00,000	5,00,000	5,00,000	5,00,000	20,00,000/-

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ms. Nikita Phatak Company Secretary	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5,84,194	5,84,194
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	others, specify	0	0
5	Others, please specify	0	0
	Total	5,84,194	5,84,194

Remuneration of Managing Director and Executive Director / CFO are given in Item no. VI A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



ANNEXURE II
Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
BDH Industries Limited
Nair Baug, Akurli Road,
Kandivali (East) Mumbai - 400 101

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder except and otherwise specifically mentioned and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. (Not applicable to the Company during audit period to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period) and
 - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f. 1st December, 2015)
- vi. The Laws as are specifically applicable to the Company are as under:
 - a. Drugs and Cosmetics Act, 1940
 - b. Narcotic Drugs and Psychotropic Substances Act, 1985

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Applicable w.e.f. 1st July, 2015)
- (ii) The Listing Agreement entered into by the Company with BSE Limited;

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

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We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the Composition of the Board of Directors during the audit period.

Adequate notice of at least seven days is given to all Directors to schedule the Board Meetings.

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

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

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

We further report that during the Audit period, consents of the members were accorded at Annual General Meeting and through Postal Ballot, to the Board under Section:

- a. 14 of the Act for adoption of new set of Articles of Association.
- b. 13 of the Act for alteration of Object clause of Memorandum of Association.

Place: Thane
Date: 26th May, 2016

For **J. H. Ranade & Associates**
Company Secretaries

J. H. Ranade
(Proprietor)
FCS: 4317, CP: 2520

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

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

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

Auditor's Responsibility:

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

Disclaimer:

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

Place: Thane
Date: 26th May, 2016

For **J. H. Ranade & Associates**
Company Secretaries

J. H. Ranade
(Proprietor)
FCS: 4317, CP: 2520



ANNEXURE III(A)

Policy for Selection of Directors and determining Directors' independence

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

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

The proposed appointee shall also fulfill the following requirements:

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

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

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

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business and such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- g. who is not less than 21 years of age.

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

Other directorships / committee memberships

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

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

ANNEXURE III(B)

Remuneration Policy for Directors, Key Managerial Personnel and other employees

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

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

- A) Executive Directors and Key Managerial Personnel
 - (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Performance Incentive
- B) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
- C) Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.



ANNEXURE IV

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

A. CONSERVATION OF ENERGY

- Steps taken or impact on conservation of energy : The installation and commissioning of piped natural gas (PNG) connection is completed. Now being used for production and utility like boiler etc.
- Steps taken by the Company for utilizing alternate and better sources of energy : The Light Diesel Oil (LDO) was being used earlier for boiler etc. is now substituted by piped natural gas (PNG), a clean and environment friendly energy.
- Capital investment on energy conservation equipments : ₹ 9.48 Lakhs.

B. TECHNOLOGY ABSORPTION

- Efforts made towards technology absorption :

Review of facility upgradation by replacing existing pure water system with automatic and LCD based upgradation is being pursued. Upgradation of manufacturing facilities is an ongoing process based on quality assessment techniques.

- Benefits derived as a result of the above efforts :

Improvement in operating efficiencies, product profile, quality and cost effective modifications is expected on implementation.

- Technology imported during the last 3 years : No technology has been imported.

- Expenditure incurred on Research & Development:

(₹ in lakhs)

	2015-2016	2014-2015
a. Capital	1.28	1.59
b. Recurring	15.14	15.12
TOTAL	16.42	16.71
Total R&D Expenditure as a percentage of total revenue	0.34%	0.36%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 3184.27 lakhs as against outgo of ₹ 1367.04 lakhs.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Registered Office :

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

Place : Mumbai

Date : 27th May, 2016

**ANNEXURE V
Form No. AOC - 2**

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

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

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

2. Details of material contacts or arrangements or transactions at arm's length basis :
 - (a) Name(s) of the related party and nature of relationship : Not Applicable
 - (b) Nature of contracts / arrangements / transactions : None
 - (c) Duration of the contracts / arrangements / transactions : Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable
 - (e) Date(s) of approval by the Board : Not Applicable
 - (f) Amount paid as advances, if any : None

Note – The related party transactions that were entered into during the financial year were non-material and were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions under Accounting Standard - AS18 are disclosed in the notes to the financial statements.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Registered Office :

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

Place : Mumbai

Date : 27th May, 2016



CORPORATE GOVERNANCE REPORT

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreement with BSE Limited.

CORPORATE PHILOSOPHY

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

BOARD OF DIRECTORS

The Board of Directors is 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 is in conformity with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013. 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 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	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 2015-16, Five Board Meetings were held on 27th May, 2015, 12th August, 2015, 28th September, 2015, 13th November, 2015 and 12th February, 2016.

All necessary information including but not limited to those mentioned in Part A of Schedule II of the Listing Regulations, are placed before the Board of Directors. All operational and statutorily required information was placed before the Board. All significant events were also reported to the Board. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic.

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

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	1	2 #
2.	Mr. S.C. Kachhara	5	Yes	–	2
3.	Mrs. Karthika Nair	5	Yes	–	2 #
4.	Mr. A.V. Menon	5	Yes	1	2 #
5.	Dr. Dinesh Variar	4	Yes	–	2
6.	Mr. Bhagirath Singh Sihag	5	Yes	3	2

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 fixed component of remuneration paid to the Chairperson & Managing Director and Executive Director for the year ended 31st March, 2016 are given below :-

Name	Designation	Salary ₹	Contribution to PF & other Funds ₹	Perquisite ₹
Mrs. Jayashree Nair	Chairperson & Managing Director	4020000	482400	603000
Mr. S. C. Kachhara	Executive Director	4020000	482400	603000

There are no performance linked incentives paid to Managing Director and Executive Director. The appointment of Managing Director and Executive Director is contractual for a period of three years. Either party is entitled to terminate the agreement by giving 3 months notice in writing to the other party. There is no separate provision for payment of severance fee in the agreements signed by the Company with them. The Company has currently no stock options or other convertible instruments.

ii) Payments to Non Executive Directors :

The remuneration to Non Executive Directors consists only of sitting fees for attending Board Meetings of the Company. Except sitting fees, no other payment is made to Non- Executive Directors. The details of amount paid as sitting fees to the Non-Executive Directors during the year 2015-16 are as follows :-

Sr. No.	Name of Director	Sitting Fees paid
1.	Mrs. Karthika Nair	₹ 38890/-
2.	Mr. A.V. Menon	₹ 38890/-
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 444980 (7.72%) equity shares of ₹ 10/- each of the Company as on 31st March, 2016. Mr. Bhagirath Singh Sihag, Non Executive and Independent Director holds 1000 (0.02%) equity shares of ₹ 10/- each of the Company as on 31st March, 2016. 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 on Directors seeking appointment / re-appointment

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 MSc. and MMS (Marketing) from University of Mumbai. She has been Director of the Company since 1999. She is not Director of any other Company.

- e) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors.
- f) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- g) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

h) Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chairperson & Managing Director / CEO of the Company is given in this Annual Report.

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year, there has been due compliance with the said code for prevention of insider trading.

- i) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- j) The details of the familiarisation programme of the Independent Directors are available on the website of the Company www.bdhind.com.



BOARD COMMITTEES

a) Audit Committee

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

The Audit Committee of the Company 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 177 of the Companies Act, 2013 read with provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2015-16, four meetings of the Audit Committee were held on 27th May, 2015, 12th August, 2015, 13th November, 2015 and 12th February, 2016.

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	4
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 terms and reference of the Remuneration Committee are aligned with the terms of reference of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The 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. The Board assessed the performance of the independent directors as per the criteria laid down and have recommended their continuation on the Board. The Board of Directors assessed the performance of individual directors on the Board based on parameters such as relevant experience and skills, focus on shareholder value creation, governance standards, knowledge of business, processes and procedures followed, integrity, relationship with Management, impact on key management decisions etc.

c) Stakeholders Relationship Committee:

The Terms of reference of the Stakeholders Relationship Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Part B of Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee comprises Mrs. Karthika Nair – Chairperson of the Committee, Mrs. Jayashree Nair and Mr. S.C. Kachhara. Two meeting of the Committee was held during the year. 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 and review the complaints received from the investors/shareholders. There were two complaint received from shareholder which were resolved within the prescribed time. There are no complaints from shareholders, which were pending as on 31st March, 2016. The Company Secretary acts as a Secretary to the Committee.

d) Risk management Committee

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

e) Independent Directors Meeting

During the year under review, the independent directors met on 13th November, 2015, without the attendance of non-independent directors and members of management, inter-alia to :-

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

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DISCLOSURES:

a) Related Party Transactions

There is 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. Transactions with related parties are disclosed in Notes to the Financial Statements.

b) Statutory Compliances, penalties

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 Regulation 17(8) and Schedule II Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. The said policy has been also hosted on the website of the Company i.e., www.bdhind.com.

g) Disclosure of commodity price risks and commodity hedging activities

The Company is engaged in the manufacturing of pharmaceuticals. Since the Company does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

MEANS OF COMMUNICATION:

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

GENERAL BODY MEETINGS

A] Detailsof Annual Genral Meeting held in preceding 3 years and Special Resolutions passed thereat :-

A.G.M.	Financial Year	Date of A.G.M.	Time	Location	Details of Special Resolution passed
25 th	2014-2015	28-09-2015	3.00 p.m.	Swagath Bageecha, Bageecha Complex, Marve Road, Malad West, Mumbai – 400 095	Adoption of new Articles of Association
24 th	2013-2014	17-09-2014	3.00 p.m.		None
23 rd	2012-2013	30-08-2013	3.00 p.m.		Re-appointment of Managing Director and Executive Director

B] Postal Ballot

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

The above special resolution has been passed by the requisite majority.

I. Person who conducted the Postal Ballot exercise

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



II. Procedure for Postal Ballot

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

III. E-voting facility

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

IV. Whether any special resolution is proposed to be conducted through Postal Ballot

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

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting - Date, time and venue	Thursday, 22 nd September, 2016 at 3.00 p.m. Swagath Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095.
Date of Book Closure	From 16 th September, 2016 to 22 nd September, 2016 (both days inclusive)
Dividend Payment Date	On or after 30 th September, 2016
Name and address of Stock Exchange at which the Company's securities are listed and confirmation about payment of annual listing fees	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Annual Listing fees have been paid to the stock exchange for the financial year 2016-17.
Stock Code and ISIN No.	524828 and INE278D01018
Registrar & Share Transfer Agent	TSR Darashaw Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
Share Transfer System	The Company's shares are traded in the stock exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
Dematerialisation of shares	As on 31-03-2016, 83.39% of the Company's shares representing 5104670 shares were held in dematerialised form.
Address for Correspondence / Plant Location	Ms. Nikita Phatak, Company Secretary. BDH Industries Limited, Nair Baug, Akurli Road, Kandivli East, Mumbai – 400101. Tel no. 022-61551234 Email – investors@bdhind.com

Financial Calendar (Tentative) :

Financial Year of the Company	: 01-04-2016 to 31-03-2017
Financial Reporting for:	
Quarter ending June, 2016	: On or before 14 th August, 2016
Quarter ending September, 2016	: On or before 14 th November, 2016
Quarter ending December, 2016	: On or before 14 th February, 2017
Audited Results for year 2016-17	: On or before 30 th May, 2017

Categories of Shareholders as on 31st March, 2016 :

Category	No. of shares	% of Shareholding
Directors, Relatives & Promoters	3191569	55.43
Companies/ Bodies Corporate	89680	1.56
General Public	2214310	38.46
NRI's	261741	4.55
TOTAL	5757300	100

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Distribution of shareholding as on 31st March, 2016 :

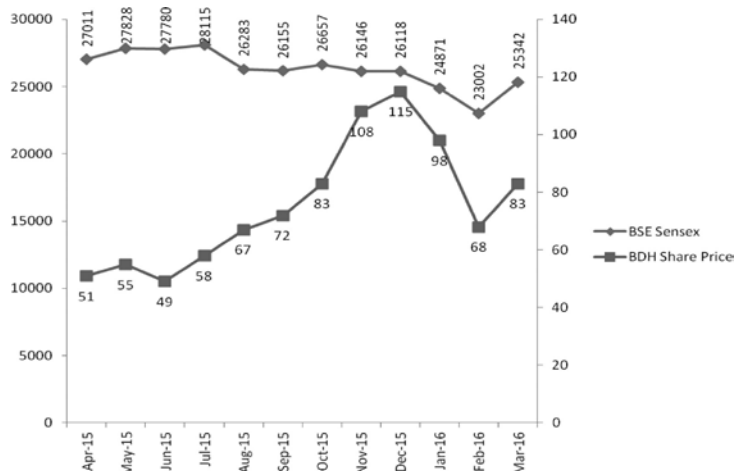
Shareholding of nominal value (in ₹)	Shareholders		Share Amount	
	Number	% to Total	(in ₹)	% to Total
1	2	3	4	5
Upto 5000	3366	84.45	647629	11.25
5001 – 10000	312	7.83	261876	4.55
10001 – 20000	154	3.86	232251	4.03
20001 – 30000	50	1.25	130630	2.27
30001 – 40000	15	0.38	53213	0.92
40001 – 50000	24	0.60	111736	1.94
50001 – 100000	25	0.63	187381	3.25
100001 and above	40	1.00	4132584	71.78
Total	3986	100.00	5757300	100.00

Stock Market price data for the year 2015-2016.

Bombay Stock Exchange (BSE)

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2015	67.65	48.00	October, 2015	93.60	70.85
May, 2015	58.75	50.85	November, 2015	108.15	81.55
June, 2015	54.00	43.80	December, 2015	115.20	93.40
July, 2015	61.45	43.00	January, 2016	139.80	86.70
August, 2015	80.00	57.35	February, 2016	103.70	65.10
September, 2015	72.95	57.50	March, 2016	87.45	67.00

Graph of Share Price / BSE Index



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

To,
The Members of
BDH Industries Limited.

It is hereby certified and confirmed in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2016.

Place : Mumbai
Date : 27th May, 2016

Jayashree Nair
Chairperson & Managing Director



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
BDH INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by BDH Industries Limited (the Company) for the year ended on March 31, 2016, as stipulated in clause 49 of the Listing Agreement of the company with the Stock Exchanges ("Listing agreement") for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 27 clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 27, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The global pharmaceutical industry is now estimated to be US\$1.1 trillion. Increased penetration of specialty drugs, greater patient access to medicines and continued rise of emerging markets shall be primary drivers behind increase in global medicine spending in coming years. Among other key drivers to this growth trend are an ageing population and rising demand for treatments for chronic diseases in urban and middle-class population. The Indian pharmaceutical industry has been an important component of the pharma sector globally due to recent changes in patent laws, the rising use of generics, cost competitiveness and availability of large scientific talent pool. In the Union Budget 2016-17, the Government announced setting up of 3000 new drug stores across the country to handle shortage of drugs under the Jan Aushadi Yojna to provide generic drugs at affordable rates. Further provision of health insurance cover of ₹ 1 lakh per family and launch of National Dialysis Programme and Health Protection Scheme was a welcoming step in the social healthcare sector.

Outlook

The Indian Pharmaceutical industry is ranked 3rd in volume terms and 14th in value terms of the global pharmaceutical market. A significant increase in domestic consumption due to the higher incidence of lifestyle diseases, increasing health awareness, growing population, greater penetration in rural markets and fast growing health insurance industry are some factors influencing the growth of the pharmaceutical market. Lifestyle segments such as cardiovascular, diabetes, CNS, oncology will continue to be fast growing owing to rapid urbanization and sedentary lifestyle. India is the largest supplier of cost effective generic medicines to the developed world. Indian pharmaceuticals exports have significantly increased from US\$2 billion in 2006 to about US\$14 billion in 2015. Indian pharmaceuticals manufacturing facilities registered with US FDA at 500 plus is also highest for any country outside USA. With the varied range of medicines available for exports and with the availability of the largest number of approved manufacturing facilities, Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

Opportunities, Risks, Concerns and Threats

The outlook for the pharmaceutical industry remains positive. In spite of challenging business environment, intense competition, margin pressures and regulatory interventions growth is expected with the country's growing economy, persistent health insurance segment and better healthcare facilities. Indian pharmaceutical market is considered to be highly fragmented and consolidation has become an important feature of this industry. Indian companies are focusing on global generic and API business, R&D activities and contract research and manufacturing alliances. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to Indian manufacturers. The Indian pharmaceutical industry is strengthened by low cost of manufacturing and high process knowledge skills to grab larger share of global pharmaceutical market. India is fast emerging as a preferred pharmaceuticals manufacturing location.

The Indian pharmaceutical business has been going through a transformation in recent years, driven by regulatory challenges. Amongst key challenges is the inclusion of additional medicines to the National List of Essential Medicines (NLEM) with price ceilings set by the government, stringent compliance standards and increased quality expectations, all of which have pressured margins. The shift from cost-based pricing to market-based pricing methodology under the new drug policy benefits the consumers.

Poor public healthcare funding and infrastructure, low per capita consumption of medicines, currency fluctuations, regulatory issues, inflation, government mandated price controls and resultant all round increase in input costs are few causes of concern.

During the year under report, there was no change in the nature of Company's business.

Financial Performance and Operations Review

During the financial year under report the Company registered a total income of ₹ 4792.44 lakhs as against ₹ 4583.08 Lakhs in the previous year, registering a growth of 4.5%. Export Sales increased to ₹ 3205.07 lakhs as compared to ₹ 2755.71 lakhs in the financial year 2015-16. The Company achieved Domestic Sales of ₹ 1398.21 lakhs as compared to ₹ 1711.64 lakhs in financial year 2015-16. The operations have resulted in a net profit of ₹ 322.62 lakhs during the year under report as against ₹ 256.97 lakhs in the previous financial year, a growth of 25%.

Internal Control Systems and its adequacy

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and nature of business. The internal control systems provide for well-defined 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. The Company has 143 permanent employees as on 31st March, 2016.

Cautionary Statement

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



CEO / CFO Certification

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

We hereby, certify that :

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 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 : 27th May, 2016

INDEPENDENT AUDITORS' REPORT

To
The Members of
BDH INDUSTRIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of BDH Industries Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on records by the Board of Directors, none of the director is disqualified from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the informations and explanations given to us :
- i. The company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note No. 23 (vii) to the financial statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Lalit Kothari
Proprietor
Membership No.030917

Place : Mumbai
Date : May 27, 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of BDH Industries Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of BDH Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the control stated in the guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 27, 2016



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of BDH Industries Limited on the financial statements as of and for the year ended on March 31, 2016

- i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets;
(b) As explained to us, the management carries out the physical verification of the fixed assets at reasonable intervals;
(c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of immovable properties are held in the name of the company;
- ii. The physical verification of inventory have been conducted at reasonable intervals by the management during the year.
- iii. In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the company for the year;
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75, and 76 of the Act and the Rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March, 2016, for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Sales Tax, Income Tax, Service Tax, Duty of Customs or Duty of Excise which have not been deposited on account of any dispute except as given below :

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	18.63	1997-1998, 1998-1999, 2001-2002	Appellate Authorities at various stages

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company has not issued any debentures during the year.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid managerial remuneration in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Lalit Kothari
Proprietor

Membership No.030917

Place : Mumbai
Date : May 27, 2016

BALANCE SHEET AS AT 31st March, 2016

(₹ in Lakhs)

	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
I. Shareholder's Funds			
a) Share Capital	3	593.94	593.94
b) Reserves and Surplus	4	1,997.12	1,814.48
		2,591.06	2,408.42
II. Non-Current Liabilities			
a) Deferred Tax Liabilities (Net)	5	20.98	25.42
b) Long Term Provisions	6	68.62	67.41
		89.60	92.83
III. Current Liabilities			
a) Short Term Borrowings	7	946.35	887.68
b) Trade Payables	8	1,319.32	1,535.11
c) Other Current Liabilities	9	119.44	114.78
d) Short Term Provisions	10	138.59	117.80
		2,523.70	2,655.37
		5,204.36	5,156.62
ASSETS			
I. Non-Current Assets			
a) Fixed Assets	11		
– Tangible Assets		1,310.15	1,322.31
– Capital Work in Progress		405.05	–
		1,715.20	1,322.31
II. Current Assets			
a) Inventories	12	497.66	540.83
b) Trade Receivables	13	801.37	980.56
c) Cash and Cash Equivalents	14	2,002.69	2,096.69
d) Short Term Loans and Advances	15	187.44	216.23
		3,489.16	3,834.31
		5,204.36	5,156.62
Significant Accounting Policies and Notes form part of the Financial Statements	1-23		

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
DIN : 00027467

S.C. KACHHARA
Executive Director & CFO
DIN : 00019666

KARTHIKA NAIR
Non Executive Director
DIN : 00019695

L.J. KOTHARI
Proprietor
Membership No.030917

NIKITA PHATAK
Company Secretary
ACS-23104

Mumbai, May 27, 2016



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st March, 2016

(₹ in Lakhs)

	Note No.	2015-2016	2014-2015
I. Revenue from operations (Gross)	16	4,672.82	4,512.56
Excise Duty		(59.95)	(51.21)
Revenue from operations (Net)		4,612.87	4,461.35
II. Other income	17	179.57	121.73
III. Total Revenue (I + II)		4,792.44	4,583.08
IV. Expenses:			
Cost of materials consumed	18	2,959.50	2,845.78
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	11.06	(62.00)
Employee benefits expense	20	508.41	493.29
Finance costs	21	33.42	48.15
Depreciation and amortization expense	11	73.40	74.47
Other expenses	22	725.57	803.95
Total expenses		4,311.36	4,203.64
V. Profit before Tax		481.08	379.44
VI. Tax expense:			
(1) Current tax		162.91	132.00
(2) Deferred tax		(4.45)	(9.53)
VII. Profit after Tax (V-VI)		322.62	256.97
VIII. Earnings per equity share of ₹ 10/- each:			
- Basic / Diluted		5.60	4.46
Significant Accounting Policies and Notes form part of the Financial Statements	1-23		

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
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NIKITA PHATAK
Company Secretary
ACS-23104

Mumbai, May 27, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2016

(₹ in Lakhs)

	2015-2016	2014-2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extra Ordinary Items	481.08	379.44
Add : (Profit) / Loss On Sale Of Tangible Assets	(1.80)	(0.58)
Add: Provision For Gratuity	8.41	13.25
	487.69	392.11
ADJUSTMENTS		
Depreciation	73.40	74.47
Interest Paid	33.42	48.15
Operating Profit Before Working Capital Changes	594.51	514.73
ADJUSTMENTS		
(Increase)/Decrease Trade And Other Receivables	207.97	(143.76)
(Increase)/Decrease Inventories	43.17	(66.46)
Increase/(Decrease) Trade Payables	(218.33)	494.59
Cash Generated From The Operations	627.32	799.10
Interest Paid	(33.42)	(48.15)
Direct Tax Paid	(162.91)	(132.00)
Cash Flow Before Extra Ordinary Items	430.99	618.95
Extra Ordinary Items	-	-
Net Cash From Operating Activities	430.99	618.95
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase Of Fixed Assets	(468.13)	(14.10)
Sale Of Fixed Assets	2.27	0.58
Net Cash Flow From Investment Activities	(465.86)	(13.52)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Borrowings - Short Term	58.67	(244.71)
Dividend Paid (Includes Dividend Distribution Tax)	(117.80)	(81.27)
Net Cash Flow From Financing Activities	(59.13)	(325.98)
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	(94.00)	279.44
Cash And Cash Equivalents Opening Balance	2,096.69	1,817.25
Cash And Cash Equivalents Closing Balance	2,002.69	2,096.69

Significant Accounting Policies and Notes form part of the Financial Statements 1-23

Notes

1. 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.
2. 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
DIN : 00027467

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L.J. KOTHARI
Proprietor
Membership No.030917

NIKITA PHATAK
Company Secretary
ACS-23104

Mumbai, May 27, 2016



Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 1

1 GENERAL INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

i) BASIS OF PREPARATION

a. The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 as applicable. The financial statements have been prepared and presented on accrual basis under the historical cost convention.

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 III to the Companies Act, 2013.

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 (including contingent liabilities) at the date of the financial statements and the results of operations during the reporting period end. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known/materialise.

iii) FIXED ASSETS

a. Fixed assets, are carried at cost less accumulated depreciation/amortisation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, duties and taxes (other than those subsequently recoverable from the tax authorities), freight and other incidental expenses directly to make the asset ready 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

a. Depreciation on all assets of the Company is charged on Straight Line Method over the useful life of the assets mentioned in Schedule II to the Companies Act, 2013.

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

c. Assets costing individually upto ₹ 5,000 are fully depreciated in the year of purchase.

d. Leasehold land is not amortised.

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.

vi) EMPLOYEE BENEFITS

a) Short Term Employee Benefits

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

b) Long Term Employee Benefits

i) Defined Contribution Plan

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

ii) Defined Benefit Plan

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) Revenue from service is recognised as and when services are rendered and related costs are incurred.

c) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

d) The Export Incentive are disclosed under Other Operating Revenue.

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 the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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.



Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 3

SHARE CAPITAL

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Authorised		
75,00,000 Equity Shares of ₹ 10 each	750.00	750.00
II. Issued		
61,21,500 Equity Shares of ₹ 10 each (57,57,300 Equity Shares of ₹ 10 each and 3,64,200 Equity Shares of ₹ 10 each, ₹ 5 paid up)	593.94	593.94
III. Subscribed and Paid Up		
57,57,300 Equity Shares of ₹ 10 each	575.73	575.73
Add : Forfeited Shares		
3,64,200 Equity Shares of ₹ 10 each, paid up to the extent of ₹ 5 each	18.21	18.21
	593.94	593.94

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, 2016 the amount of dividend recommended as distribution to equity shareholders is ₹ 2.00 per share (Previous year - ₹ 1.40 per share plus Special Silver Jubilee Dividend ₹ 0.30 per share, total amounts to ₹ 1.70 per share) as proposed dividend.

b) Reconciliation of the Number of Shares

Name of Shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares	Amt. in ₹	No. of Shares	Amt. in ₹
Balance at the beginning of the year	5,757,300	57,573,000	5,757,300	57,573,000
Issued during the year	-	-	-	-
Balance at the end of the period	5,757,300	57,573,000	5,757,300	57,573,000

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

Sr. No.	Name of Shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
		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	444,980	7.73%	444,980	7.73%
iv.	Padma Kaimal	332,120	5.77%	332,120	5.77%

Note No. 4

RESERVES & SURPLUS

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Capital Reserve		
Opening and Closing	121.79	121.79
II. Share Premium Account		
Opening and Closing	409.32	409.32
III. Revaluation Reserve		
Opening Balance	143.21	144.60
Written off during the year	(1.39)	(1.39)
Closing Balance	141.82	143.21
IV. General Reserve		
Opening Balance	115.37	76.83
Transferred during the year	48.39	38.54
Closing Balance	163.76	115.37
V. Surplus in Statement of Profit & Loss		
Opening Balance	1,024.79	965.89
Net Profit for the year	322.62	256.97
Proposed Dividend	(115.15)	(97.87)
Tax on Proposed Dividend	(23.44)	(20.37)
Transfer to General Reserve during the year	(48.39)	(38.54)
Provision for Retirement Benefit	-	20.21
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible assets with nil remaining useful life (net of deferred tax)	-	(61.50)
Closing Balance	1,160.43	1,024.79
TOTAL	1,997.12	1,814.48

Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 5

DEFERRED TAX LIABILITY (NET)

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Deferred Tax Liability on account of		
– Depreciation	43.25	47.29
II. Deferred Tax Asset on account of		
– Provision for Gratuity	(22.27)	(21.87)
TOTAL	20.98	25.42

Note No. 6

LONG TERM PROVISIONS

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
Provision for Gratuity (Non-Funded)	68.62	67.41
TOTAL	68.62	67.41

Note No. 7

SHORT TERM BORROWINGS

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Secured		
Loans Repayable on Demand from Banks		
- FBC / EBP / EBD	163.07	536.06
- Overdraft	(0.01)	(0.02)
- Packing Credit & Cash Credit	769.48	337.83
Sub-Total	932.54	873.87
II. Unsecured		
Loans and Advances from Related Parties		
– Loans from Directors	13.81	13.81
Sub-Total	13.81	13.81
TOTAL	946.35	887.68

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. 8

TRADE PAYABLES

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
Trade Payables	1,319.32	1,535.11
TOTAL	1,319.32	1,535.11



Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 9

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Unpaid Dividend	23.44	14.66
II. Duties & Taxes	54.11	50.66
III. Advance Received from Customers	33.72	41.29
IV. Deposits	8.17	8.17
TOTAL	119.44	114.78

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

Note No. 10

SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Proposed Dividend	115.15	97.87
II. Provision for Tax on Proposed Dividend	23.44	19.93
TOTAL	138.59	117.80

Note No. 11

STATEMENT OF FIXED ASSETS & DEPRECIATION FINANCIAL YEAR : 2015-16

(₹ in Lakhs)

Particulars	Gross Block			Depreciation				Net Block		
	As at 1 st April 2015	Additions	Disposals / Adjust- ments	As at 31 st March, 2016	As at 1 st April 2015	For the Year	Disposals / Adjust- ments	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
Land	601.80	-	-	601.80	-	-	-	-	601.80	601.80
Leasehold Land (Waluj)	10.65	-	-	10.65	-	-	-	-	10.65	10.65
Leasehold Land (Kudal)	7.49	0.70	-	8.19	-	-	-	-	8.19	7.49
Shed at Umbergaon	6.53	-	-	6.53	-	-	-	-	6.53	6.53
Building	439.82	-	-	439.82	225.69	13.09	-	238.78	201.04	214.12
Plant & Machinery	757.20	46.73	-	803.93	457.21	36.06	-	493.27	310.66	300.00
Laboratory Apparatus	82.69	2.87	-	85.56	46.02	4.27	-	50.29	35.27	36.67
Air Conditioners	195.90	1.73	-	197.63	126.60	7.97	-	134.56	63.07	69.30
Motor Car	51.91	7.79	9.30	50.40	22.14	5.22	(8.84)	18.52	31.88	29.77
Furniture & Fixtures	38.95	-	-	38.95	36.41	0.70	-	37.11	1.84	2.54
Electrical Installation	150.21	-	-	150.21	118.46	4.10	-	122.56	27.65	31.75
Office Equipments	21.31	0.25	-	21.56	14.25	0.61	-	14.86	6.70	7.06
Computer	50.17	3.01	-	53.18	45.54	2.77	-	48.31	4.87	4.63
	2,414.63	63.08	9.30	2,468.41	1,092.32	74.79	(8.84)	1,158.26	1,310.15	1,322.31
								Add : Capital Work in Progress	405.05	-
								TOTAL	1,715.20	1,322.31

Note No. 12

INVENTORIES

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Raw Material	179.75	204.58
II. Packing Material	98.78	106.06
III. Semi-Finished Goods	102.58	30.08
IV. Finished Goods	116.55	200.11
TOTAL	497.66	540.83

Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 13

TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, Considered Good	29.08	19.36
II. Others		
- Secured, Considered Good	772.29	961.20
TOTAL	801.37	980.56

Note No. 14

CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Cash on Hand	0.01	0.02
II. Balances with Banks		
- Current Accounts	18.73	4.79
- EEFC Accounts	-	39.68
- Unpaid Equity Dividend Account	23.44	14.66
III. Deposits with Bank		
- Upto 12 months maturity	1,960.51	1,707.39
- More than 12 months maturity	-	330.15
TOTAL	2,002.69	2,096.69

Deposits worth ₹ 70.17 Lakhs (previous year ₹ 73.35 Lakhs) are under lien for margin on L/C and Guarantees with banks.

Note No. 15

SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Security Deposits		
Unsecured, Considered Good	25.72	29.02
II. Advance Given to Suppliers		
Unsecured, Considered Good	34.55	52.24
III. Balances with Government Authorities (Balances in Excise Records)	32.09	30.47
IV. Advance Income Tax (Net of Provisions)	70.06	66.32
V. Prepaid Expenses	5.29	6.96
VI. Export Incentive Receivable	12.42	20.21
VII. Others	7.31	11.01
TOTAL	187.44	216.23



Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 16

REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Sale of Products		
- Domestic	1,398.21	1,711.64
- Export	3,205.07	2,755.71
	<u>4,603.28</u>	<u>4,467.35</u>
II. Sale of Services		
- Job Work Receipts	6.17	5.21
III. Other Operating Revenue		
- Export Incentive	61.58	38.71
- Miscellaneous Income	1.79	1.29
TOTAL	<u><u>4,672.82</u></u>	<u><u>4,512.56</u></u>

DETAILS OF SALE OF PRODUCTS

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
Pharmaceutical Formulations like Tablets, Capsules, Ointment and others	4,603.28	4,467.35
TOTAL	<u><u>4,603.28</u></u>	<u><u>4,467.35</u></u>

Note No. 17

OTHER INCOME

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Interest Received on :		
- Deposits with Bank	177.40	120.29
- Security Deposits	0.37	0.87
II. Profit on Sale of Machinery	1.80	0.57
TOTAL	<u><u>179.57</u></u>	<u><u>121.73</u></u>

Note No. 18

COST OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. RAW MATERIAL		
Opening Stock	204.58	221.13
Add : Purchases		
- Indigenous	1,336.86	1,400.52
- Imported	1,077.08	917.93
	<u>2,413.94</u>	<u>2,318.45</u>
Less : Closing Stock	179.75	204.58
Sub-Total (A)	<u>2,438.77</u>	<u>2,335.00</u>
II. PACKING MATERIAL		
Opening Stock	106.07	85.06
Add : Purchases	513.44	531.79
Less : Closing Stock	98.78	106.07
Sub-Total (B)	<u>520.73</u>	<u>510.78</u>
TOTAL	<u><u>2,959.50</u></u>	<u><u>2,845.78</u></u>

Notes to Financial Statements for the Year Ended 31st March, 2016

DETAILS OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
i. Methotrexate	667.55	878.11
ii. Other materials	2,291.95	1,967.67
TOTAL	2,959.50	2,845.78

Note No. 19

CHANGES IN INVENTORIES

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Work in Progress		
Opening	30.08	71.08
Less : Closing	102.58	30.08
Sub-Total (A)	(72.50)	41.00
II. Finished Goods		
Opening	200.11	97.11
Less : Closing	116.55	200.11
Sub-Total (B)	83.56	(103.00)
TOTAL	11.06	(62.00)

Note No. 20

EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Salaries & Wages including Bonus	422.38	398.46
II. Contribution to PF, Pension Fund, ESIS & Others	48.75	58.80
III. Workmen & Staff Welfare Expenses	37.28	36.03
TOTAL	508.41	493.29

Note No. 21

FINANCE COST

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Bank Charges	33.42	48.15
TOTAL	33.42	48.15



Notes to Financial Statements for the Year Ended 31st March, 2016

Note No. 22

MANUFACTURING & OTHER EXPENSES

(₹ in Lakhs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
i. Power, Fuel & Water Charges	192.85	205.62
ii. Repairs and Maintenance		
- Repairs to Building	12.93	18.35
- Repairs to Machineries	40.26	44.77
- Repairs - others	7.63	7.67
iii. Rates & Taxes	41.36	19.21
iv. Insurance	12.01	10.04
v. Research, Development & Laboratory Expenses	15.14	15.12
vi. Export General Expenses	41.32	44.69
vii. Freight & Transport Charges	49.08	47.99
viii. Commission	193.63	278.79
ix. Conveyance & Motor Car Expenses	5.22	5.87
x. Legal & Professional Charges	38.27	32.35
xi. Postage & Telephone Expenses	6.77	7.69
xii. Books, Stationary & Subscription	12.05	11.93
xiii. Rent	0.60	0.60
xiv. Sales Tax	28.82	34.93
xv. Travelling Expenses	6.60	4.00
xvi. Share Listing Fees	2.00	1.00
xvii. Sitting Fees	1.48	1.56
xviii. General Expenses	14.33	8.91
xix. Auditors Remuneration		
- Statutory Audit Fees	1.60	1.55
- Tax Audit Fees	0.40	0.35
- Certification Fees	0.65	0.42
- VAT Audit Fees	0.50	0.50
- Reimbursement of Expenses	0.07	0.04
TOTAL	725.57	803.95

Note No.23

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.
- 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 / CFO)
- Mrs. Karthika Nair (Non-Executive Director)
- b) Relatives of Key Management Personnels
- Name of Related Party
- Mr. G.L.Kachhara
- Mr. Ankit Kachhara
- c) Others
- Karthika Nair Smarak Samithi

Notes to Financial Statements for the Year Ended 31st March, 2016

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

	(₹ in Lakhs)	
	2015-16	2014-15
i) Details of Transactions relating to Key Management Personnels :		
1) Remuneration	102.11	95.55
2) Sitting Fees	0.39	0.39
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	-	-
II) Details of Transactions relating to Relatives of Key Management Personnels :		
1) Amount paid for Professional Services	2.75	0.50
2) Amount paid for Remuneration	9.92	6.94
III) Details of Transactions relating to Others		
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.		
	2015-16	2014-15
Profit after Tax (₹ in Lakhs)	322.62	256.97
No. of Shares	5,757,300	5,757,300
Basic EPS	₹ 5.60	₹ 4.46
Diluted EPS	₹ 5.60	₹ 4.46
Nominal Value per Share	₹ 10/-	₹ 10/-
iv) Earnings in Foreign Exchange (₹ in Lakhs)		
	2015-16	2014-15
FOB Value of Exports	3,184.27	2,718.70
v) Expenditure in Foreign Exchange (₹ in Lakhs)		
	2015-16	2014-15
Travelling Expenses	4.57	2.49
Commission on Exports	316.50	172.81
vi) CIF Value of Imports (₹ in Lakhs)		
	2015-16	2014-15
Raw Materials	1,047.88	861.38
vii) Contingent liabilities not provided for : (₹ in Lakhs)		
	2015-16	2014-15
i) Bank Guarantees	288.05	192.82
ii) Appeals filed in respect of disputed demands by government authorities against the company		
- Income Tax	18.63	18.63
viii) Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.		

Signature to Note No.1 to 23 of financial statements.

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

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson & Managing Director
DIN : 00027467

S.C. KACHHARA
Executive Director & CFO
DIN : 00019666

KARTHIKA NAIR
Non Executive Director
DIN : 00019695

L.J. KOTHARI
Proprietor
Membership No.030917

NIKITA PHATAK
Company Secretary
ACS-23104

Mumbai, May 27, 2016



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