BDH INDUSTRIES LTD.

Date – 06/08/2020

Ref. – BDH/SEC/028/2020-21

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Subject –Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Annual Report for financial year 2019-20

Dear Sir,

We hereby inform that the 30th Annual General Meeting of the Company will be held on Thursday 27th August 2020 at 3.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OVAM).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are hereby submitting the Annual Report of the Company for the financial year 2019-20 alongwith the Notice of AGM.

The Annual Report and Notice of AGM is being sent to the members through electronic mode in terms of Circular no. 20/2020 dated 5th May 2020 issued by Ministry of Corporate Affairs.

Kindly take note of the information on your record.

Yours Faithfully,
For BDH Industries Limited,

BDH INDUSTRIES LTD. MUMBAI

Nikita Phatak
Company Secretary
FCS10547

Enclosure – As above

Nair Baug, Akurli Road, Kandivli (E), Mumbai-400 101. INDIA.
Tel: 61551234, 28870834/1370 • Fax: 91-22-28868349 • Web: www.bdhind.com • Email: info@bdhind.com
CIN : L24100MH1990PLC059299

BDH Industries Ltd.

Reputation

Quality

Care

Healthcare & Quality of Life - Globally

Annual Report 2019-2020

STAR EXPORT HOUSE

WHO-GMP Accreditation

ISO 9001:2015

Pharmaceutical Company Engaged in *Mankind* Health Care

BDH : Quality Policy

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

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

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

Care ✸ *Quality* ✸ *Reputation*

Ten Year's Highlights

(₹ In Lakhs)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Total income	3842.27	4179.39	4249.07	4434.58	4634.29	4852.39	4587.61	4189.24	5257.67	6027.29
Domestic Income	2279.30	2090.73	2007.81	1333.88	1839.87	1585.74	2550.10	1934.22	2375.50	2860.22
Export Income	1562.97	2088.66	2241.26	3100.70	2794.42	3266.65	2037.51	2255.02	2882.17	3167.07
Earning before Interest, Depriciation & Tax	270.02	349.95	403.69	490.12	502.06	587.90	604.88	618.37	788.89	977.16
Profit before Tax	102.66	160.76	248.35	340.48	379.44	481.08	498.47	517.76	654.33	812.02
Net Profit after Tax	77.64	108.60	167.26	229.78	256.97	322.62	333.66	376.48	482.98	594.24
Equity Share Capital	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94	593.94
Other Equity	1424.94	1492.13	1591.08	1718.43	1814.48	1997.12	2329.39	2531.91	2840.20	3229.97
Net Worth	2018.88	2086.07	2185.02	2312.37	2408.42	2591.06	2923.33	3125.85	3434.14	3823.91
Net Block	1611.17	1528.92	1507.29	1475.11	1322.31	1715.20	2293.97	2258.67	2201.68	2109.71
Dividend (%)	5%	6%	10%	12%	17%	20%	20%	22.5%	27.5%	25%
Earnings per share (₹)	1.35	1.89	2.91	3.99	4.46	5.60	5.80	6.54	8.39	10.32

BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	**Ms. Jayashree Nair**	*Chairperson & Managing Director*
		Mr. S. C. Kachhara	*Joint Managing Director & CFO*
		Ms. Karthika Nair	*Non Executive Director*
		Dr. Dinesh Variar	*Independent Director*
		Mr. Bhagirath Singh	*Independent Director*
		Mr. Kairav Trivedi	*Independent Director*
COMPANY SECRETARY	:	Ms. Nikita Phatak	
AUDITOR	:	M/s. CLB & Associates Chartered Accountants Mumbai.	
BANKER	:	Central Bank of India	
REGISTERED OFFICE	:	Nair Baug, Akurli Road, Kandivli (East), Mumbai – 400101	
REGISTRARS & TRANSFER AGENT	:	TSR DARASHAW CONSULTANTS PVT LTD 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011	

THIRTIETH ANNUAL GENERAL MEETING of the Company on Thursday, 27th August 2020 at 3.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of BDH Industries Limited will be held on Thursday, 27th August 2020 at 3.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2020 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, 2020.

3. To appoint a director in place of Ms. Karthika Nair (DIN 00019695), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the financial year 2020-21 and in this regard to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), the remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes, fixed by the Board for M/s. Krishna S. & Associates, Cost Accountants (Firm Registration No. 100939) appointed as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021, be and is hereby ratified."

NOTES :

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as MCA Circulars") permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Video Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and MCA Circulars, the 30thAnnual General Meeting of the Company is being conducted through VC / OAVM.

2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Corporate Members are requested to send a scanned copy of duly certified board resolution authorizing their representative to attend the 30th Annual General Meeting through VC / OVAM on its behalf and to vote through remote e-voting at scrutinizer@bdhind.com with a copy marked to evoting@nsdl.co.in at least 48 hours before the commencement of the 30th Annual General Meeting.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st August 2020 to Thursday, 27th August 2020 (both days inclusive).

5. The dividend, if declared at the 30th AGM, will be paid to those members whose names appear in the Register of Members on Thursday, 27th August 2020 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 Thursday 20th August 2020 subject to deduction of tax at source as applicable.

6. Ms. Karthika Nair, (DIN – 00019695) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are M.Sc and MMS (Marketing) from University of Mumbai. She has been director of the Company since 1999. She is not a Director of any other Company. She is daughter of Ms. Jayashree Nair. The details of the membership of committees of the Board and shareholding are mentioned in Corporate Governance Report.

7. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 setting out material facts relating to the business stated under Item no. 4 is annexed hereto.

8. Members are requested to:-

   (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered postal address at an early date;

   (b) quote their Name and Folio No. and/or DP Identity and Client Identity number in the correspondence with the Company;

   (c) in case of non-receipt / non-encashment of dividend warrants, members are requested to correspond with the Registrar of the Company – TSR Darashaw Consultants Private Limited.

   (d) 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 2012-13 till the dividend for the financial year 2018-19, on the website of the Company viz.www.bdhind.com.

   (e) Members holding shares in dematerialized form are requested to register / update and intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc, to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Company's Registrar and Transfer Agents – TSR Darashaw Consultants Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSR Darashaw Consultants Private Limited. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank details to TSR Darashaw Consultants Private Limited for updating the same against their folio.

   (f) SEBI has notified that securities of listed companies can be transferred only in dematerialized form. In order to avail the benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

   (g) The Company has transferred the unclaimed dividend for the financial year 2010-11 and 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to section 124(6) of the Companies Act 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years in the name of Investor Education and Protection Fund (IEPF). Members may note that the shares and unclaimed dividend transferred to IEPF Authority can be claimed by filing online application in prescribed form no. IEPF 5 available on www.iepf.gov.in and sending physical copy of same, duly signed to the Company alongwith requisite documents.

   (h) To support the 'Green Initiative' of the Ministry of Corporate Affairs, members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case of shares held in electronic form and with TSR DarashawConsultants Private Limited in case of shares held in physical form so that all notices/intimations and other correspondence can be sent through email.

   (i) Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source from the dividend (if declared at 30th AGM) payable to shareholders at prescribed rate. The shareholders who have not yet registered their PAN against folio / demat account are requested to register their PAN with the Company by sending self-

attested scanned copy of PAN to investors@bdhind.com with a copy marked to csg-unit@tsrdarashaw.com (for shares held in physical mode) and depositories (for shares held in demat mode). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a rate of 20%.

9. Notice of the 30th Annual General Meeting of the Company alongwith Annual Report 2019-20 is being sent only through electronic mode to shareholders whose email addresses are registered with the Company / Depository Participant(s) in compliance with MCA Circular dated 5th May 2020 and SEBI Circular dated 12th May 2020. Members may note that the Notice of 30th Annual General Meeting of the Company alongwith Annual Report 2019-20 will also be available on the Company's website www.bdhind.com and website of stock exchange www.bseindia.com for download.

10. Members attending the 30th Annual General Meeting of the Company through VC/OVAM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act 2013.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act 2013, the Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending email to investors@bdhind.com upto the date of 30th Annual General Meeting.

12. Instruction for Voting through electronic means and joining AGM are as follows :-

VOTING THROUGH ELECTRONIC MEANS –

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote on resolutions set forth in the Notice by electronic means. The facility of casting votes by members using an electronic voting system (remote e-voting) will be provided by National Securities Depository Limited (NSDL).

II. The remote e-voting period commences on Monday, 24th August 2020 (9:00 am) and ends on Wednesday, 26th August, 2020 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th August 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IV. The process and manner for e-voting are as under :

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

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

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsdl.com / either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at

evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

DETAILS ON STEP 2 IS GIVEN BELOW:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@bdhind.com with a copy marked to evoting@nsdl.co.in at least 48 hours before the commencement of the 30th Annual General Meeting.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre / Mr. Amit Vishal - NSDL atevoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@bdhind.com with a copy marked to csg-unit@tsrdarashaw.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@bdhind.com with a copy marked to csg-unit@tsrdarashaw.com

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER :-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER :

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as speaker by send their request and questions 10 days before the AGM mentioning their name, DP ID and Client ID /folio number, email id, mobile number at investors@bdhind.com. Shareholders desiring any information are requested to write to the Company 10 days before the AGM mentioning their name, DP ID and Client ID/ folio number, email id, mobile number at investors@bdhind.com so as to enable the Management to keep the details ready at the meeting.Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e.20th August, 2020.

VII. Any person, who acquires shares of the Company and becomes member of the Company after sending Notice of 30th AGM by email and holding shares as of the cut off date i.e. 20th August 2020 may obtain the login ID and password by sending a request by email at evoting@nsdl.co.in by mentioning his Folio no. /DP ID and Client ID. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forget User Details / Password" or "Physical User / Reset Password"option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800 222 990.

VIII. Mr. Ankit Varia (Membership No. 151266), of M/s A B D&Co., Practicing Chartered Accountant has been appointed as the Scrutinizer to scrutinize voting during AGM and remote e-voting processin a fair and transparent manner.

IX. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting and 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.

X. 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 www.evoting.nsdl.com immediately.The results shall simultaneously be communicated to the BSE Limited (BSE) where the shares of the Company are listed.

13. Since the 30th Annual General Meeting will be held through VC /OAVM the route map is not annexed in this Notice.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director
(DIN-00027467)

Mumbai, 21st July 2020

Registered Office :-
Nair Baug, Akurli Road,
Kandivli (East), Mumbai 400101
Tel. No. : 022-61551234
Fax No. : 022-28868349
Email : investors@bdhind.com
Website : www.bdhind.com
CIN - L24100MH1990PLC059299

EXPLANATORYSTATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item no. 4

The Board of Directors on the recommendation of the Audit Committee have appointed M/s. Krishna S & Associates, Cost Accountants (Firm Registration No. 100939) as the Cost Auditors for auditing cost records of the Company for the financial year ending 31st March 2021. As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. The Board has decided the remuneration payable to M/s. Krishna S. & Associates, Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.4. The Board of Directors accordingly recommend the ordinary resolution set out at Item No. 4 of the accompanying Notice for the approval of the members of the Company.

DIRECTORS' REPORT

To,

The Members,

BDH Industries Limited

Your Directors have pleasure in presenting 30th Annual Report and Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS :

The financial performance of the Company is summarized below:-

(₹ in Lakhs)

Particulars	2019-20	2018-19
Sales (Net)	5947.73	5169.12
Other Income	79.56	88.55
Total Income	6027.29	5257.67
Profit before Interest and Depreciation	977.16	788.89
Less : Interest	68.90	51.79
Depreciation	96.24	82.77
Profit before tax	812.02	654.33
Less : Provision for Taxation	227.39	158.64
Deferred Taxation	(9.61)	12.70
Net Profit After Tax	594.24	482.99

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

REVIEW OF OPERATIONS :

During the year 2019-20 Company achieved Sales (Net) of ₹ 5947.73 Lakhs as compared to ₹ 5169.12 Lakhs in the previous year registering growth of 15% over previous year. The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased from ₹ 788.89 lakhs in previous year to ₹ 977.16 lakhs in 2019-20. The Company earned Net Profit after Tax of ₹ 594.24 lakhs during the year as against ₹ 482.99 lakhs as in previous year, a growth of 23% over previous year. An amount of ₹ 89.14 Lakhs is transferred to the General Reserve from the net profit of the financial year 2019-20.

COVID-19 PANDEMIC RESPONSE

The Government of India enforced lockdown in March 2020 to contain the spread of COVID 19 pandemic in the country. Since then the Management of the Company is continuously monitoring the evolving COVID 19 pandemic situation. As the Company is manufacturing pharmaceutical formulations covered under essential services, the operations were permitted to continue (barring few days) with limited manpower in public interest by Food and Development Authority, Maharashtra and Municipal Corporation of Greater Mumbai. Hence there was no major disruption in the business operations of the Company. However impact assessment of COVID 19 pandemic is a continuing process given the uncertainties associated with its nature, spread & duration resulting into prolonged lockdown situation, restrictions in mobility, Government actions, impact on financial markets and overall economy.

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

DIVIDEND:

Your Directors are pleased to recommend dividend of ₹ 2.50/- per equity share of face value ₹ 10/- each (previous year ₹ 2.75/- per share) for the financial year ended on 31st March, 2020. The dividend on Equity Shares is subject to the approval of the shareholders at the 30th Annual General Meeting. The total cash outflow on account of dividend payment will be ₹ 143.93 lakhs

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

The Board of Directors at present has six members Ms. Jayashree Nair, is the Chairperson and Managing Director of the Company. Mr. S. C. Kachhara is the Joint Managing Director and Chief Financial Officer of the Company. There are three independent directors on the Board of the Company, Dr. Dinesh Variar, Mr. Bhagirath Singh and Mr. Kairav Trivedi. There is one Non-Executive Director on the Board of the Company - Ms. Karthika Nair, who retires by rotation at the forthcoming Annual General Meeting, being eligible and offers herself for re-appointment. Accordingly, the Board recommends her re-appointment. Ms. Jayashree Nair, Managing Director, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer and Ms. Nikita Phatak, Company Secretary of the Company are the Key Managerial Personnel of the Company. During the year five Board meetings were held, details of which are given in the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS:

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

CONFIRMATION ON INDEPENDENCE OF INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the Profit of the Company for the year ended 31st March 2020.

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis and

(e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

The Company has complied with the requirements of Corporate Governance. A report on Corporate Governance together with a certificate from Statutory Auditor forms part of this Annual Report. A declaration from Managing Director under regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is also attached to this report.

LISTING WITH STOCK EXCHANGE:

The equity shares of the Company are listed on BSE (Bombay Stock Exchange). The listing fee for year 2020-2021 has been paid by the Company.

NOMINATION AND REMUNERATION POLICY:

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

RISK MANAGEMENT POLICY :

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

RELATED PARTY TRANSACTIONS :

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

VIGIL MECHANISM :

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

FORMAL ANNUAL EVALUATION :

As required under the Schedule IV of the Companies Act 2013 and Clause 49(II) (B)(6) of the Listing Agreement the Independent Directors at their separate meeting held on 18th March 2020 evaluated the performance of the non-independent directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company, taking into account the views of the Joint Managing Director and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonable perform their duties.

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

INTERNAL FINANCIAL CONTROLS :

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

FIXED DEPOSIT :

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS :

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

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

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

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATIONS :

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

RESEARCH &DEVELOPMENT :

R & D Centre of the Company is recognized and registered with Department of Science and Industrial Research (DSIR), Ministry of Science & Technology, Government of India. The R & D centre is also approved under section 35 (2AB) of the Income Tax Act 1961 for the purpose of weighted tax deduction. Research & Development being useful for the sustained growth of the Company, investments in R&D are carried out to keep pace with changing domestic and global scenario. With qualified and experienced research team, the Company has focused its thrust on development of new dosage forms and drug delivery systems, improvement in processes as well as yield and cost reduction.

ENVIRONMENT, HEALTH &SAFETY :

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

PROJECTS :

a. The Company has entered into power generation business and installation of two units of wind turbines 0.8 MW each has been completed at Jaisalmer district, Rajasthan. Since Power Purchase Agreement (PPA) is not yet signed by State Government of Rajasthan and alternate commercial proposals are being evaluated.

b. The Company has also entered into agro products business. The plantation of cashew, mango and coconut grafts has been completed. The existing lease agreement was terminated in July 2019 and the Company has invited applications for lease of the warehouse at MIDC Kudal.

CORPORATE SOCIAL RESPONSIBILITY :

The Company is committed to good corporate citizenship. As a part of Corporate Social Responsibility, the Company has undertaken activities in the field of education. The CSR Policy of the Company is placed on the website of the Company www.bdhind.com. During the year the Company has provided note books and drawing boards to municipal schools. Further the Company has also sponsored a Research Project for translating lab-ideas into market ready products. Pursuant to the provisions of the Section 135(2) of the Companies Act 2013, the Report on CSR initiatives is enclosed as Annexure I of this report.

ANNUAL RETURN :

The Annual Return of the Company as on 31st March 2020 is placed on its website - www.bdhind.com in the Investors Section.

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

Pursuant to sections 124 and 125 of the Companies Act 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends if not claimed for a consecutive period of 7 years from the date of transfer to unpaid dividend account of the Company are liable to be transferred to the Investor Education and Protection Fund. Further shares in respect of such dividend which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. As a proactive measure to safeguard the interest of the shareholders, the Company sends reminder to the shareholders to claim their dividends before transferring the same to IEPF Authority. Notices in this regard are also published in the newspapers, uploaded on BSE website and the details of unclaimed dividend of shareholders whose shares are liable to be transferred to the IEPF Authority are uploaded on the Company's website www.bdhind.com

The unclaimed dividend and shares transferred to IEPF during the year 2019-20 are as follows :-

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2011-12	₹ 1,01,022/-	8757

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

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

The unpaid/unclaimed dividend for the financial year 2012-13 onwards will be transferred to IEPF as given below :-

Financial Year	Date of Declaration	Due date for transfer to IEPF
2012-13	30/08/2013	04/10/2020
2013-14	17/09/2014	20/10/2021
2014-15	28/09/2015	02/11/2022
2015-16	22/09/2016	28/10/2023
2016-17	27/09/2017	02/11/2024
2017-18	25/09/2018	31/10/2025
2018-19	18/09/2019	24/10/2026

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

AUDITORS AND AUDITORS' REPORT:

STATUTORY AUDIT:

M/s. CLB & Associates, Chartered Accountants (Firm Registration No. 124305W) are the Statutory Auditors of the Company for a period of 5 years till the conclusion of the Company's 32nd Annual General Meeting. The Auditors Report read with the notes to accounts are self-explanatory. There are no qualifications, reservations or adverse remarks made by the Auditors. The Statutory Auditors have submitted No Disqualification Certificate for the financial year 2020-21 to the Board of Directors of the Company.

SECRETARIAL AUDIT:

Pursuant to the provisions of section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s JHR & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors for auditing secretarial records maintained by the Company for the financial year ended on 31st March 2020. The Secretarial Audit Report is annexed herewith to the Directors Report in Annexure II. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

COST AUDIT:

Pursuant to the provisions of section 148 of the Companies Act 2013 and Companies (Audit and Auditors) Rules 2014, M/s. Krishna & Associates, Cost Accountants (Firm Registration No. 100939) were appointed as cost auditors to conduct the audit of the cost records of the Company for the financial year 2019-20.The Cost Audit Report for financial year 2019-20 shall be filed with Ministry of Corporate Affairs within prescribed time.

RATIO OF REMUNERATION:

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

a.

Directors	Ratio to Median Remuneration
Ms. Jayashree Nair	34:1
Mr. S. C. Kachhara	34:1
Ms. Karthika Nair	0.34:1
Dr. Dinesh Variar	0.41:1
Mr. Bhagirath Singh	0.54:1
Mr. Kairav Trivedi	0.54:1

b. The percentage increase in remuneration of Ms. Jayashree Nair, Managing Director is 10%, Mr. S. C. Kachhara, Joint Managing Director and Chief Financial Officer is 10% (as approved by members in 26th Annual General Meeting) and Ms. Nikita Phatak, Company Secretary is 9%

c. The median remuneration of employees increased by 9% in the financial year.

d. There are 129 permanent employees on the rolls of the Company.

e. The Company's PAT increased from ₹ 482.99 lakhs to ₹ 594.24 lakhs, an increase of 23% against which the average increase in remuneration is 9% and this increase is aligned with the Company's Remuneration Policy.

f. The aggregate remuneration of key managerial personnel (KMP) is ₹ 178.18 lakhs, revenue of the Company during the year is ₹ 6027.29 lakhs and the remuneration of KMP is 3% of revenue.

g. The market capitalization of the Company as on 31st March, 2020 was ₹ 30.83 crores and as on 31st March, 2019 it was ₹ 42.75 crores. The PE ratio of the Company as on 31st March, 2020 was 5.19 and as on 31st March, 2019 it was 8.84. The Company made public offer of equity shares (of face value ₹ 10/- each share) at premium (of ₹ 30/- each share) in the year 1995.

h. The average percentile increase in salaries of employees other than managerial personnel is 9% and increase in managerial remuneration is 10% as approved by members at the 26th Annual General Meeting.

i. There is no variable component linked to various parameters - financial and non-financial in the remuneration availed by the directors.

j. During the year, there was no employee, who is not a director of the Company and received remuneration in excess of the highest paid directors.

k. We affirm that the remuneration paid is as per Remuneration Policy of the Company.

GENERAL :

The Company has an internal complaints committee under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013 for prevention and redressal of complaints of sexual harassment at workplace. The Company has not received any complaint during the year ended 31st March 2020 pursuant to the said Act.

APPRECIATION :

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for the entire workforce who risked their life and safety to fight this pandemic.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

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 L24100MH1990PLC059299

Mumbai, 21st July 2020

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

ANNUAL REPORT ON THE CSR ACTIVITIES

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

   The Corporate Social Responsibility (CSR) Policy has been hosted on website of the Company. Weblink :https://www.bdhind.com/pdf/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.pdf

   Our CSR Policy is aligned with our vision of being socially responsible corporate citizen.

2. The composition of the CSR Committee :

   Ms. Jayashree Nair - Managing Director and Chairperson of the Committee
   Mr. S. C. Kachhara - Joint Managing Director
   Mr. Bhagirath Singh - Independent Director
   Ms. Karthika Nair - Non-Executive Director

3. Average Net Profit of the Company for last three financial years - ₹ 556.86 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) - ₹ 12 lakhs

5. Details of CSR spent during the financial year :

   a) Total amount to be spent for the financial year - ₹ 12 lakhs. Amount Spent - ₹ 12 lakhs.

   b) Amount unspent, if any - Nil

   c) Manner in which the amount spent during the financial year is detailed below :-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSRProjector activity identified**	**Sector in which the project is covered**	**Projects or programs 1.Local area or other 2.Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on projects or programs Sub heads : 1. Direct expenditure on Projects or programs 2. Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent : Direct or through implementing agency**
i	Promotion of education including special education, vocational skills and livelihood enhancement projects	Promotion of education including special education, vocational skills and livelihood enhancement projects	Kerala, Maharashtra	Budgeted by Charitable trusts	Direct expenditure on Projects or programs	₹ 7.50 Lakhs	Through Charitable Trust
ii	Promotion of education, vocational skills and livelihood enhancement projects	Promotion of education, vocational skills and livelihood enhancement projects	Maharashtra, Punjab & Haryana		Direct expenditure on Projects or programs	₹ 4.5 lakhs	Directly by Company
					TOTAL	₹ 12 lakhs	

i. The CSR objective is implemented through charitable trusts in their programme of helping children including differently-abled children & women in spheres of education, vocational training and livelihood enhancement projects.

ii. The CSR objective is implemented through direct provision of note books and drawing boards to municipal schools and sponsored research project at Panjab University.

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

The Company has spent 2% of the average profit for last three financial years.

7. A responsibility statement of CSR Committee that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the Company.

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

FOR AND ON BEHALF OF CSR COMMITTEE

Jayashree Nair
Chairperson of CSR Committee

FOR AND ON BEHALF OF THE BOARD

S. C. Kachhara
Joint Managing Director

Mumbai, 21st July 2020

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Tel. No.: 022-61551234 • Fax No.: 022-28868349
Email - investors@bdhind.com • Website :www.bdhind.com
CIN - L24100MH1990PLC059299

ANNEXURE II

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BDH Industries Limited - CIN L24100MH1990PLC059299 (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 / representations 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 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2020 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 to the extent of Foreign Direct Investment, and Overseas Direct Investment.(Not applicable to the Company during audit period)

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, 2015;

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

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (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, 2018 (Not applicable to the Company during audit period);

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

   j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - (Not applicable to the Company during audit period).

   k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

   l. 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 as in force from time to time.

ii. The Listing Agreements entered into by the Company with BSE Limited.

During the period under review, barring two instances of delayed filing of forms IEPF-2 in respect of appointment of Nodal and deputy Nodal Officer, the Company has complied with the provisions of Act, Rules, Regulations Guidelines, etc. mentioned above.

We further report that: -

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

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

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Place: Thane
Date : 21/07/2020

For **JHR & Associates**
Company Secretaries
Sd/-
J. H. Ranade
(Partner)
ACS: 4317, CP: 2520

UDIN: F004317B000484566

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 : 21/07/2020

For **JHR & Associates**
Company Secretaries
Sd/-
J. H. Ranade
(Partner)
ACS: 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 & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company. The Nomination & Remuneration Committee may take into account factors, such as:

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

The proposed appointee shall also fulfill the following requirements:

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

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

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

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

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
   (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate Company;

c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives-
   (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
   (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-

(A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company

f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's businessand 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 measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully. This Policy sets out the guiding principles for the Nomination & Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

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

A) Executive Directors and Key Managerial Personnel

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Performance Incentive

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

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

ANNEXURE IV

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

A. CONSERVATION OF ENERGY :

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

B. TECHNOLOGY ABSORPTION

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

		2019-2020	2018-2019
a.	Capital	1.55	3.55
b.	Recurring	81.54	78.65
	TOTAL	83.09	82.20
	Total R&D Expenditure as a percentage of total revenue	1.38%	1.59%

5. Technology imported during last 3 years

   Details of technology imported - HPLC System with server for improved automation
   Year of import - 2017
   Whether technology has been fully absorbed - Yes

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 2856.79 lakhs as against outgo of ₹ 1762.48 lakhs.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Mumbai, 21st July 2020

Registered Office :
Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101
Tel. No. :022-61551234 • Fax No. :022-28868349
Email - investors@bdhind.com • Website : www.bdhind.com
CIN - L24100MH1990PLC059299

ANNEXURE V

Form No. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis :

   (a) Name(s) of the related party and nature of relationship : Not Applicable.

   (b) Nature of contracts / arrangements / transactions : None.

   (c) Duration of the contracts / arrangements / transactions : Not Applicable.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable.

   (e) Justification for entering into such contracts or arrangements or transactions : Not Applicable.

   (f) Date(s) of approval by the Board : Not Applicable.

   (g) Amount paid as advances, if any : None.

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : Not Applicable.

2. Details of material contacts or arrangements or transactions at arm's length basis :

   (a) Name(s) of the related party and nature of relationship : Not Applicable.

   (b) Nature of contracts / arrangements / transactions : None.

   (c) Duration of the contracts / arrangements / transactions : Not Applicable.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable.

   (e) Date(s) of approval by the Board : Not Applicable.

   (f) Amount paid as advances, if any : None.

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

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Mumbai, 21st July 2020

Registered Office : Nair Baug, Akurli Road, Kandivli (East), Mumbai 400101
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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments - As a result of COVID 19 pandemic, the global economy is projected by IMF to contract by 3% in 2020, much worse than during 2008-09 financial crisis. In a baseline scenario which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound - the global economy is projected to grow by 5.8% in 2021 as economic activity normalises, helped by policy support. India is expected to register 1.9% growth in 2020 and 7.4% in 2021.Effective policies are essential to forestall the possibility of worse outcomes. Necessary measures to reduce contagion and protect lives are important investments for long term human and economic health. The Pharmaceutical industry is one of the world's fastest growing industries and among the biggest contributors to the world economy. Its role has become far more critical amidst the fight against COVID 19 pandemic.In order to contain the spread of pandemic in the country, the Governmentof India continued its investment in Ayushman Bharat Scheme for free testing and treatment of COVID 19 patients at hospitals empanelled under Pradhan Mantri Jan ArogyaYojana for more than 50 crore citizens. The Government continues to revise the National List of Essential Medicines (NLEM) for better management of medicines, better quality of medical care and cost effective use of healthcare resources. Additionally new regulations like the Personal Data Protection Bill 2019 and E-Pharmacy Rules are expected to be introduced inthe current financial year.

Outlook - Indian Pharmaceutical Industry is 3rd largest by volume and 14th largest by value in the world. The year ahead brings challenges with pandemic of COVID 19 looming globally. It has disrupted supply chains and international trade with more than 100 countries closing borders and restricting movement of people due to lockdown. The pharmaceutical business is directly confronted to work on regulatory challenges, reduce dependency on one region or country for input raw materials, de-risk the product by developing capabilities to manufacture the product at different locations, strengthen response on costs and adapt to the operational challenges to manage the volatility in the external environment amidst of COVID 19 pandemic. Pharmaceutical companies around the globe are working with governments to address the COVID 19 outbreak. The Indian Pharmaceutical industry has exhibited a strong growth trajectory over the years and has registered a prominent and rapidly growing presence in global pharmaceutical arena. This is attributed to the world class capabilities in the formulation development and vision of the industry to establish India's footprint in international markets. It has contributed significantly to global healthcare by ensuring quality, accessible and affordable medicines around the globe. India continues to be the largest provider of vaccines and generic drugs in the global market. Increasing per capita income, growing penetration of health insurance, government thrust on improving penetration of modern medicines into rural areas and accelerating access of pharmaceutical products to the poor and low-income sections of population, increased incidence of chronic ailments due to changing lifestyle, longer life expectancy and improvement in healthcare awareness are the growth enablers for the Indian pharmaceutical industry. The country also has a huge pool of scientists and engineers having capability to steer pharmaceutical industry forward to much greater degree. The cost efficiency also continues to create opportunities for Indian pharmaceutical companies in emerging global economies. With the varied range of medicines available for exports, largest number of approved manufacturing facilities, improvement in medical infrastructure and jump inpenetration of health insurance in the country, the long term outlook for Indian pharmaceutical industry remains largely positive subject to prevailing uncertainty in terms of spread of COVID 19 pandemic in India.

Opportunities, Risks and Concerns - The COVID 19 pandemic is re-defining the conventional way of business by exposing the sectoral vulnerabilities and forcing the policy makers to take corrective measures that will benefit the industry in longterm. The Government's recent decision on promotion of domestic manufacturing of critical API's and Key Starting Materials (KSM) bodes well for India and thereby reduce its dependency on other countries. The government is also promoting wide use and distribution of generic drugs through various initiatives. Indian pharmaceutical companies are focusing on global generic and API business, R&D activities, contract research and manufacturing alliances. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to Indian manufacturers. The emergence of new viruses and drug resistant infections, specialty medicines, biological agents, immune therapies etc. has spurred research and development activities recently providing the industry with more products in their drug pipeline with revenue and growth streams. The race is on to find a vaccine to stop the spread of COVID 19 virus with countries around the world researching different vaccine technologies that might halt the pandemic. Indian pharmaceutical market is considered to be highly fragmented and consolidation has become an important feature of this industry. The Indian pharmaceutical industry is strengthened by low cost of manufacturing and high process knowledge skills to grab larger share of global pharmaceutical market. India is fast emerging as a preferred pharmaceuticals manufacturing location.Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will also provide attractive growth

opportunities to Indian generic formulations manufacturers. The year ahead is challenging due to the prevalent COVID 19 situation with high level of uncertainty on the duration and spread of the outbreak, related Government advisories and overall impact on the economy. During the year, there was no change in the nature of Company's business.

Financial Performance and Operations Review - During the financial year under report the Company registered a total income of ₹ 6027.29 lakhs as against ₹ 5257.67 Lakhs registering a growth by 15% over the previous year. Export Sales in the financial year 2019-20 are ₹ 3167.07 lakhs as compared to ₹ 2882.17 lakhs in the financial year 2018-19. The Company achieved Domestic Sales of ₹ 2860.22 lakhs as compared to ₹ 2375.50 lakhs in financial year 2018-19. The operations have resulted in a net profit of ₹ 594.24 lakhs during the year under report as against ₹ 482.98 lakhs registering a growth of 23% over the previous financial year.

Key Financial Ratios -

	31st March 2020	31st March 2019
Debtors Coverage Ratio	5.40	4.10
Inventory Turnover Ratio	11.87	6.70
Interest Coverage Ratio	12.79	13.64
Current Ratio	1.69	1.43
Debt Equity Ratio	0.24	0.38
Operating Profit Margin (%)	13.47%	11.95%
Net Profit Margin (%)	9.86%	9.19%
Return on Net worth (%)	16.37%	14.73%

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

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

Human Resources - The human resource plays a vital role in the growth and success of an organization. The Company recruits, develops and employs suitably qualified, capable and experienced personnel, as per requirement. The Company has maintained cordial and harmonious relations with all employees. The Company deputes employees for training, development workshops and seminars to improve the operational performance of individuals. The Company has Reward and Recognition Programme. The Company has 129 permanent employees as on 31st March, 2020.

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, evolving COVID 19 pandemic situations, changes in government policies and regulations, tax regimes, economic development within India and countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

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

CORPORATE PHILOSOPHY

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

BOARD OF DIRECTORS

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

a) Composition

The present Board of Directors of your Company comprises of a Chairperson & Managing Director; one Joint Managing Director/CFO, one Non-Executive Director and three Non-Executive and Independent Directors. Independent Directors have expert knowledge and experience in the fields of finance, taxation, law and medicine. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise. The present composition of the Board is as follows :-

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

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

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

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

b) Board Meetings

During the financial year 2019-20, five Board Meetings were held on 29th May 2019, 13th August 2019, 18th September 2019, 7th November 2019 and 12th February 2020.

All necessary information including but not limited to those mentioned in Part A of Schedule II of the SEBI 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 appraised of the overall performance of the Company. The following are the details for the year ended 31st March 2020:-

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

Including Chairmanship of Committee.

c) Remuneration of Directors

i) The remuneration paid to the Managing Director and Joint Managing Director is within the ceiling as per the resolution approved by the shareholders. Details of fixed component of remuneration paid to the Managing Director and Joint Managing Director for the year ended 31st March, 2020 are given below :-

Name	Position	Salary ₹	Contribution to PF & other Funds ₹	Perquisites ₹
Ms. Jayashree Nair	Managing Director	66,00,000	7,92,000	9,90,000
Mr. S. C. Kachhara	Joint Managing Director	66,00,000	7,92,000	9,90,000

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

The re-appointment of Managing Director and Joint Managing Director is contractual for a period of three years from 1st April 2020 to 31st March 2023 as per agreement dated 27th March 2020. Either party is entitled to terminate the agreement by giving three months notice in writing to the other party. There is no separate provision for payment of severance fees in the agreements signed by the Company with them. The Company has currently no stock options or other convertible instruments.

ii) Payments to Non ExecutiveDirectors :

The remuneration to Non Executive Directors consists of sitting fees for attending meetings of Board and Committees thereof. Except sitting fees, no other payment is made to Non- Executive Directors. The sitting fees paid to the Non-Executive Directors during the year ended 31st March 2020 are as follows :-

Sr. No.	Name of Director	Sitting Fees
1.	Ms. Karthika Nair	₹ 82,500/-
2.	Dr. Dinesh Variar	₹ 1,00,000/-
3.	Mr. Bhagirath Singh	₹ 1,32,500/-
4.	Mr. Kairav Trivedi	₹ 1,32,500/-

iii) Details of shareholding of Non Executive Directors :-

Ms. Karthika Nair, Non Executive Director holds 444980 (7.73%) equity shares of face value ₹ 10/- each of the Company as on 31st March, 2020. Mr. Bhagirath Singh, Independent Director holds 1000 (0.02%) equity shares of face value ₹ 10/- each of the Company as on 31st March, 2020. The other Non Executive and Independent Directors i.e. Mr. Kairav Trivedi and Dr. Dinesh Variar do not hold any shares in the Company.

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

Ms. Karthika Nair, 52 years retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her qualifications are MSc. and MMS (Marketing) from University of Mumbai. She has been Director of the Company since 1999. She is not a Director of any other Company. She holds 444980 equity shares of the Company.

e) None of the Directors on the Board hold directorships in more than ten public limited companies. Further none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2020 have been made by the Directors.

f) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013.

g) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

h) Code of Conduct

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

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

i) The Board periodically reviews the compliance reports of all laws applicable to the Company.

j) The details of the familiarization 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 constitutes the Directors comprising of Mr. Bhagirath Singh, Chairman of the Committee, Dr. Dinesh Variar, Mr. Kairav Trivedi and Mr. S. C. Kachhara as required under section 177 of the Companies Act, 2013 read with provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2019-20, four meetings of the Audit Committee were held on 29th May 2019, 12th August 2019, 7th November 2019 and 12th February 2020.

Name of the Members of Audit Committee along with their attendance in the meeting for the year ended 31st March 2020 is given below :-

Sr. No.	Name of Director	Designation	No. of Committee Meetings Attended
1.	Mr. Bhagirath Singh	Chairman	4
2.	Dr. Dinesh Variar	Member	3
3.	Mr. S. C. Kachhara	Member	4
4.	Mr. Kairav Trivedi	Member	4

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

b) Nomination & Remuneration Committee :

The terms and reference of the Nomination & Remuneration Committee are aligned with the terms of reference of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination & Remuneration Committee constituted of Mr. Bhagirath Singh, Chairman of the Committee, Dr. Dinesh Variar and Mr. Kairav Trivedi all being Independent Directors. One meeting of the Committee was held during the year duly attended by all members. The Committee evaluates the performance of Executive Directors and determine and proposes the remuneration payable to Executive Directors. The Committee also recommends to the Board the remuneration payable to Senior Management Personnel. One meeting of the Committee was held during the year duly attended by all members. The Company Secretary acts as a Secretary to the Committee. The Board assessed the performance of the independent directors as per the criteria laid down and have recommended their continuation on the Board. The Board of Directors assessed the performance of individual directors on the broad based on parameters such as relevant experience and skills, focus on shareholder value creation, governance standards, knowledge of business, processes and procedures followed, integrity, relationship with Management, impact on key management decisions etc.

c) Stakeholders Relationship Committee :

The terms of reference of the Stakeholders Relationship Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee comprised of Ms. Karthika Nair - Chairperson of the Committee, Ms. Jayashree Nair, Mr. S. C. Kachhara and Mr. Kairav Trivedi as required under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. One meeting of the Committee was held during the year duly attended by all members. The Committee considers and resolves the grievances of shareholders including complaints related to transfers / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. The Committee reviews the measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by Company for various services being rendered by TSR Darashaw Consultants Private Ltd. and measures taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports / statutory notices by the shareholders of the Company. There were no complaints pending as on 31st March 2020. Ms. Nikita Phatak, Company Secretary is the Compliance Officer of the Company.

d) Corporate Social Responsibility Committee :

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

e) Risk Management Committee :

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

e) Independent Directors Meeting :

During the year under review, the independent directors met on 18th March, 2020, without the attendance of non-independent directors and members of management, inter-alia to :-

i) Review the performance of non-independent directors and the Board as a whole;

ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present at the said meeting.

OTHER DISCLOSURES :

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of listed entity

There were no material significant transactions during the year that may have any potential conflict with the interest of the Company. Transactions with related parties are disclosed in Notes to the Financial Statements.

b) Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by the stock exchange (s) or the board or any statutory authority on any matter related to capital markets during last three years

None.

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

The Company has Whistle Blower Policy. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The said policy is hosted on the website of the Companyi.e. www.bdhind.com.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Web link where policy for determining 'material' subsidiaries is disclosed

The Company does not have any subsidiary Company.

f) Web link where policy on dealing with related party transactions is disclosed

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

Weblink - http://www.bdhind.com/pdf/RelatedPartyTransactionPolicy.pdf

g) Disclosure of commodity price risks and commodity hedging activities

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

h) Details of utilization of fundsraised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not raised any funds through preferential allotment or through qualified institutional placement of its shares.

i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

The Company has obtained a certificate in this regard from a Company Secretary in practice.

j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board has accepted and acted on all the mandatory recommendations of its committees during the financial year under report.

k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The Company does not have any subsidiary Company. The fees paid by the Company to its Statutory Auditors are stated in the appended Audited Financial Statements of the Company.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year 2019-20 - Nil

Number of complaints disposed of during the financial year 2019-20 - Nil

Number of complaints pending as at end of the financial year 2019-20 - Nil

m) Disclosure pursuant to Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forUnclaimed Shares and Dividend transferred to IEPF

Pursuant to section 124 of Companies Act 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the undermentioned dividend and shares on which dividend remained unclaimed for last 7 years have been transferred to Investor Education and Protection Fund :-

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2010-2011	₹ 2,58,922/-	58,154
2011-2012	₹ 1,01,022/-	8757

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

MEANS OF COMMUNICATION:

The Company reports all material information including unaudited quarterly results, half yearly results and audited annual results to the BSE Limited where the Company's securities are listed. The unaudited quarterly results, half yearly results and audited annual results are also published in newspapers, Free Press Journal (English newspaper) and Navshakti (Marathi newspaper)and hosted on website of Company www.bdhind.com. The trading window is closed in accordance with the Code of Conduct for prevention of insider trading and the same is intimated to all designated persons by email. As a part of Green Initiative, theAnnual Report is sent to shareholders whose email address is registered with Depositories / RTA and also hosted on website of the Company www.bdhind.com. The website of the Company has a separate section on Investors containing details relating to financial results, Notices, Annual reports, policies, shareholding patterns and other information relevant to shareholders. The Company has designated the email id -investors@bdhind.com for investors servicing.

GENERAL BODY MEETINGS

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

A.G.M.	Financial Year	Date of A.G.M.	Time	Location	Details of Special Resolution passed
29th	2018-2019	18-09-2019	3.00 p.m.	Swagath Bageecha, Bageecha Complex, Marve Road, Malad West, Mumbai - 400 095	1. Re-appointment of Ms. Jayashree Nair. 2. Re-appointment of Mr. S. C. Kachhara 3. Re-appointment of Dr. Dinesh Variar 4. Re-appointment of Mr. Bhagirath Singh 5. Appointment of Mr. Kairav Trivedi
28th	2017-2018	25-09-2018	3.00 p.m.		1. Partial alteration in main object clause of Memorandum of Association
27th	2016-2017	27-09-2017	3.00 pm.		NIL

During the year, the Company has not passed any resolution through Postal Ballot.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting -Day,	Thursday, 27th August, 2020 at 3.00 p.m. through Video Date and Time Conferencing (VC) / Other Audio Video Means (OVAM).
Financial Year	1st April 2019 to 31st March 2020
Date of Book Closure	From Friday, 21st August 2020 to Thursday, 27th August 2020 (both days inclusive)
Dividend Payment Date	Within 30 days of declaration of dividend at the Annual General Meeting
Name and address of Stock Exchange	BSE Limited (BSE), PhirozeJeejeebhoy Towers, at which the Company's securities are Dalal Street, Mumbai 400001 listed and confirmation about payment Listing fees has been paid to the stock of annual listing fees exchange for the financial year 2020-2021.
Stock Code and ISIN No.	524828 and INE278D01018
Registrar & Share Transfer Agent	TSR DarashawConsultants Pvt. Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011. • Tel no. 022-66568484 Fax. No. - 022-66568494 • Email: csg-unit@tsrdarashaw.com
Share Transfer System	SEBI has mandated transfer of securities of listed companies in dematerialized mode only w.e.f 1st April 2019. The Company complies with the SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018. Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 half yearly audit of share transfer related activities conducted by practicing company secretary and compliance certificate is submitted to BSE.
Dematerialisation of shares	As on 31-03-2020, 91.90% of the Company's shares representing 5291170 shares were held in dematerialised form.

Address for Correspondence / Plant Location	Ms. Nikita Phatak, Company Secretary BDH Industries Limited, Nair Baug, Akurli Road, Kandivli East, Mumbai - 400101. • Tel. no. 022-61551234 Email : investors@bdhind.com
CREDIT RATING	During the year CRISIL has re-affirmed the ratings of BBB-/Stable and A3 to the longterm and short term bank facilities (fund based / non-fund based) amounting to ₹ 15 crores.

❖ **Financial Calendar (Tentative) :**

Financial Year of the Company	:	01-04-2020 to 31-03-2021
Financial Reporting for -		
Quarter ending June, 2020	:	On or before 14th August, 2020
Quarter ending September, 2020	:	On or before 14th November, 2020
Quarter ending December, 2020	:	On or before 14th February, 2021
Audited Results for year 2020-21	:	On or before 30th May, 2021

❖ **Categories of Shareholders as on 31st March, 2020 :**

Category	No. of shares	% of Shareholding
Promoters, Directors & Relatives	3199854	55.58
Companies/ Bodies Corporate	84080	1.46
General Public	2292408	39.82
NRI's	180958	3.14
TOTAL	**5757300**	**100.00**

❖ **Distribution of shareholding as on 31st March, 2020 :**

Shareholding of nominal value	Shareholders		Shares	
(in ₹)	Number	% to Total	Number	% to Total
1	2	3	4	5
Upto 5000	3137	82.18	569157	9.89
5001 - 10000	306	8.02	256109	4.46
10001 - 20000	177	4.64	268522	4.66
20001 - 30000	63	1.65	163672	2.84
30001 - 40000	25	0.65	89724	1.56
40001 - 50000	25	0.65	116408	2.02
50001 - 100000	35	0.92	257043	4.46
100001 and above	49	1.28	4036665	70.11
Total	**3817**	**100.00**	**5757300**	**100.00**

❖ **Stock Market price data for the year 2019-2020.**

BSE

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2019	79.00	72.25	October, 2019	72.10	66.50
May, 2019	79.00	70.40	November, 2019	75.75	63.00
June, 2019	71.00	60.00	December, 2019	69.80	60.00
July, 2019	65.00	53.25	January, 2020	74.15	65.15
August, 2019	70.65	52.35	February, 2020	73.25	60.70
September, 2019	75.00	64.50	March, 2020	65.90	47.05

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, 2020.

Place : Mumbai
Date : 21st July, 2020

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, 2020, as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

S. Sarupria
Partner
M. No. 035783

Place: Mumbai
Date : 21.07.2020

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, 2020 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
Joint Managing Director/CFO

Place : Mumbai
Date : 21st July, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of

BDH INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **BDH INDUSTRIES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting Standards prescribed under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind

AS and relevant provisions of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

    - Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, The Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25(ix)(ii) to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3 **In respect of companies where managerial remuneration is within limit :**

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

For **CLB & Associates**
Chartered Accountants
FRNo. 124305W

S. Sarupria
Partner
M.No. 035783
UDIN : 20035783AAAAAL5213

Place : Mumbai
Date : 21/07/2020

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of BDH Industries Limited on the financial statements of the Company for the year ended March 31st, 2020:

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.

(b) As explained to us, Property, Plant and Equipments have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of immovable properties are held in the name of the company.

ii. (a) The Management has conducted physical verification of inventory at reasonable interval.

(b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records.

iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, Clause 3(iii) of the order is not applicable.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of Act.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that primafacie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service Tax, Custom Duty, Excise duty and other material statutory dues, as applicable, with the appropriate authorities in India.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Sales tax, customs duty, Excise duty and Goods and Service Tax were outstanding, at the year end for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods and Service Tax, Customs Duty which have not been deposited on account of any disputes except as given below :

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

viii. Based on the audit procedures and according to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or bank.

ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the company paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the act.

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company.

xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.

xvi. During the year the Company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

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

S. Sarupria
Partner
M.No. 035783

Place: Mumbai
Date : 21/07/2020

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of BDH Industries Limited ("the Company") as of March 31st, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. Sarupria
Partner
M.No. 035783

Place: Mumbai
Date : 21/07/2020

BALANCE SHEET AS AT 31ST MARCH, 2020

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1 Non Current Assets			
Property, Plant and Equipment	1	2,109.71	2,201.68
Other Non Current Assets	2	8.87	12.95
Total Non-Current Assets		**2,118.58**	**2,214.63**
2 Current Assets			
Inventories	3	501.23	771.00
Financial Assets			
- Trade Receivables	4	1,101.62	1,259.68
- Cash and Cash Equivalents	5	2,298.88	1,726.58
Other Current Assets	6	369.18	484.86
Current Tax Assets (Net)	7	124.71	117.60
Total Current Assets		**4,395.62**	**4,359.72**
Total Assets		**6,514.20**	**6,574.35**
EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	8	593.94	593.94
Other Equity	9	3,229.97	2,840.20
Total Equity		**3,823.91**	**3,434.14**
2 Non-Current Liabilities			
Financial Liabilities			
Provisions	10	15.33	12.58
Deferred Tax Liabilities (Net)	11	12.53	26.85
Other Non-Current Liabilities	12	54.53	54.53
Total Non-Current Liabilities		**82.39**	**93.96**
3 Current Liabilities			
Financial Liabilities			
- Borrowings	13	922.36	1,299.34
- Trade Payables	14	1,561.47	1,631.21
Provisions	15	26.26	9.16
Other Current Liabilities	16	97.81	106.54
Total Current Liabilities		**2,607.90**	**3,046.25**
Total Equity & Liabilities		**6,514.20**	**6,574.35**

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

As per our report of even date attached.

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

S. SARUPRIA
Partner
Membership No.035783

Mumbai, July 21, 2020

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson Managing Director
DIN : 00027467

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

KARTHIKA NAIR
Director
DIN : 00019695

NIKITA PHATAK
Company Secretary
FCS-10547

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

₹ in Lakhs

Particulars	Note No.	2019-2020	2018-2019
INCOME			
I. Revenue from operations	17	5,947.73	5,169.12
II. Other Income	18	79.56	88.55
III Total Income		**6,027.29**	**5,257.67**
IV Expenses			
Cost of Material Consumed	19	3,525.94	3,156.33
(Increase) / Decrease in stock	20	89.29	7.46
Employee benefits expense	21	749.90	676.60
Finance Cost	22	68.90	51.79
Depreciation & Amortization	23	96.24	82.77
Other Expenses	24	685.00	628.39
Total Expenses		**5,215.27**	**4,603.34**
V Profit Before Tax (III-IV)		812.02	654.33
VI Income tax expense			
(1) Current tax		227.39	158.64
(2) Deferred tax		(9.61)	12.70
VII Profit for the period (V-VI)		**594.24**	**482.98**
VIII Other Comprehensive Income			
a) (i) Items that will not be reclassified subsequently to profit or loss		(16.93)	(11.10)
(ii) Income Tax relating to items that will not be reclassified subsequently to profit or loss		4.71	3.09
Other Comprehensive Income for the year, net of tax		(12.22)	(8.01)
IX Total Comprehensive Income		**582.02**	**474.98**
Earning per share - Basic & Diluted		**10.32**	**8.39**

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

As per our report of even date attached.

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

S. SARUPRIA
Partner
Membership No.035783

Mumbai, July 21, 2020

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NIKITA PHATAK
Company Secretary
FCS-10547

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extra Ordinary Items	812.02	654.33
Add : (Profit) / Loss on Sale of Tangible Assets	-	2.81
Less : Other Comprehensive Income (OCI) and others	(16.93)	(20.22)
	795.09	**636.92**
Adjustments		
Interest Received	(79.56)	(88.55)
Depreciation	96.24	82.77
Interest Paid	68.90	51.79
Operating Profit Before Working Capital Changes	**880.67**	**682.93**
Adjustments		
(Increase)/Decrease Trade and Other Receivables	277.81	(727.44)
(Increase)/Decrease Inventories	269.78	(144.34)
Increase/ (Decrease) Trade Payables	(58.62)	19.77
Cash Generated from the Operations	**1,369.64**	**(169.08)**
Direct Tax Paid	(234.50)	(192.83)
Cash Flow Before Extra Ordinary Items	**1,135.14**	**(361.91)**
Extra Ordinary Items	-	-
Net Cash flow from Operating Activities	**1,135.14**	**(361.91)**
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Interest Received	79.56	88.55
Purchase of Fixed Assets	(5.65)	(37.81)
Sale of Fixed Assets	-	7.84
Net Cash Flow from Investment Activities	**73.91**	**58.58**
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(68.90)	(51.79)
Proceeds from Borrowings -Short Term	(376.98)	567.02
Proceeds from Borrowings -Long Term	**-**	(20.00)
Dividend Paid (Includes Dividend Distribution Tax)	(190.87)	(156.17)
	(636.75)	**339.06**
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)	**572.30**	**35.73**
Cash and Cash Equivalents Opening Balance	**1,726.58**	**1,690.85**
Cash and Cash Equivalents Closing Balance	**2,298.88**	**1,726.58**

Significant Accounting Policies and Notes form part of the Financial Statements

Notes

1. Figures in brackets reflect cash outflows.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS 7) "Statement of Cash Flow" under Section 133 of the Companies Act, 2013
3. Cash and Cash Equivalents comprises cash on hand, current accounts and deposits with banks.

As per our report of even date attached.

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

S. SARUPRIA
Partner
Membership No.035783

Mumbai, July 21, 2020

For and on Behalf of the Board

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NIKITA PHATAK
Company Secretary
FCS-10547

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Equity Share Capital

Equity Share Capital of face value of ₹ 10/- each	₹ in Lakhs
Balance as at 31st March, 2019	593.94
Changes in equity share capital during the year	-
Balance as at 31st March, 2020	593.94

Other Equity

₹ in Lakhs

Particulars	Capital Reserve	Securities Premium	Revaluation Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as on 31st March, 2018	**121.79**	**409.32**	**139.04**	**270.29**	**1,591.47**	**-**	**2,531.91**
Profit for the year	-	-	-	-	482.98	-	482.98
Dividend paid during the year	-	-	-	-	(129.54)	-	(129.54)
Tax on Dividend paid during the year	-	-	-	-	(26.63)	-	(26.63)
Transfer to General Reserves	-	-	-		(72.45)	-	(72.45)
Transfer from Retained Earnings	-	-	-	72.45	-	-	72.45
Other Comprehensive Income for the Year		-	-		(8.01)		(8.01)
CSR Expenses		-	-		(9.13)		(9.13)
Written off During the year	-	-	(1.39)	-	-	-	(1.39)
Balance as on 31st March, 2019	**121.79**	**409.32**	**137.65**	**342.74**	**1,828.70**	**-**	**2,840.20**
Profit for the year	-	-	-	-	594.24	-	594.24
Dividend paid during the year	-	-	-	-	(158.32)	-	(158.32)
Tax on Dividend paid during the year	-	-	-	-	(32.54)	-	(32.54)
Transfer to General Reserves	-	-	-	-	(89.14)	-	(89.14)
Transfer from Retained Earnings	-	-	-	89.14	-	-	89.14
Other Comprehensive Income for the Year	-	-	-	-	(12.22)	-	(12.22)
Written off During the year	-	-	(1.39)	-	-	-	(1.39)
Balance as on 31st March, 2020	**121.79**	**409.32**	**136.26**	**431.88**	**2,130.72**	**-**	**3,229.97**

As per our report of even date attached.

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

S. SARUPRIA
Partner
Membership No.035783

Mumbai, July 21, 2020

For and on Behalf of the Board

JAYASHREE NAIR
Chairperson Managing Director
DIN : 00027467

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

KARTHIKA NAIR
Director
DIN : 00019695

NIKITA PHATAK
Company Secretary
FCS-10547

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

A) CORPORATE INFORMATION

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

Authorisation of Standalone Financial Statements

The Standalone financial statements were authorised for issue in accordance with a resolution of the Director on July 21, 2020

B) BASIS OF PREPARATION

a) **Statement of Compliance**

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

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

i) certain financial assets and liabilities are measured at fair value; and

ii) defined benefit plans - plan assets measured at fair value

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

b) **Use of Judgments, Estimates and Assumption**

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

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

i) Taxes

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

ii) Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii) Useful lives of Property, Plant and Equipment

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

iv) Impairment of Property, Plant and Equipment

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

v) Inventories

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

vi) Recognition and measurement of other Provisions

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

C) SIGNIFICANT ACCOUNTING POLICIES

I) Current and non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :-

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

A liability is current when :

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

II) Property, Plant and Equipment

i) Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

ii) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the Property, Plant and Equipment of the project proportionately on capitalisation.

iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

iv) The residual useful life of Property, Plant & Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

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

vi) No Depreciation is provided on followings :

i) Windmills for Renewable Energy

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

III) IMPAIRMENT LOSS

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

IV) INVENTORIES

i) RAW MATERIAL

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

I) PACKING MATERIALS

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

iii) WORK IN PROCESS

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

iv) FINISHED GOODS

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

V) EMPLOYEE BENEFITS

i) Short Term Employee Benefits

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

ii) Long Term Employee Benefits

1 Defined Contribution Plan

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

2 Defined Benefit Plan

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

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

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

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

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

3 Compensated absences

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

4 Short-term employee benefits

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

VI) FOREIGN CURRENCY TRANSACTIONS

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

VII) REVENUE RECOGNITION

i) The Company derives revenues primarily from sale of products and services.

ii) Revenue from sale of product is recognized on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally after dispatch of goods and the Company presents revenues net of indirect taxes in its statement of profit and loss.

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

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

v) In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. All other export incentives are grouped under other operating revenue.

VIII) RESEARCH & DEVELOPMENT

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

IX) TAXATION

i) CURRENT TAX

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

ii) DEFERRED TAX

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

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

X) CASH AND CASH EQUIVALENTS

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

XI) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision

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

Contingent liabilities

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

Contingent assets

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

XII) EARNING PER SHARE

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

XIII) DIVIDEND

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

NOTE NO.1

PROPERTY, PLANT AND EQUIPMENT **(₹ in Lakhs)**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April, 2019	Additions	Disposals /Adjust-ments	As at 31st March, 2020	As at 1st April, 2019	For the Year	Disposals / Adjust-ments	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Land	601.80	-	-	601.80	-	-	-	-	601.80	601.80
Leasehold Land (Kudal)	8.19	-	-	8.19	-	-	-	-	8.19	8.19
Building (Kudal)	177.12	-	-	177.12	5.61	5.61	-	11.22	165.90	171.51
Shed at Umbergaon	6.53	-	-	6.53	-	-	-	-	6.53	6.53
Building	439.82	-	-	439.82	278.04	13.09	-	291.12	148.70	161.78
Plant & Machinery	852.83	2.93	-	855.76	597.83	34.98	-	632.81	222.95	255.00
Laboratory Apparatus	144.42	1.55	-	145.97	65.26	18.59	-	83.85	62.12	79.16
Air Conditioners	203.89	0.47	-	204.36	156.60	7.49	-	164.09	40.27	47.29
Motor Car	56.15	-	-	56.15	33.04	6.34	-	39.39	16.76	23.11
Furniture & Fixtures	39.15	-	-	39.15	38.27	0.21	-	38.48	0.67	0.88
Electrical Installation	150.21	-	-	150.21	132.50	3.24	-	135.74	14.47	17.71
Office Equipments	21.55	-	-	21.55	16.56	0.54	-	17.10	4.45	4.99
Computer	77.55	0.70	-	78.25	65.86	7.54	-	73.40	4.85	11.69
Windmill	812.04	-	-	812.04	-	-	-	-	812.04	812.04
Total	**3,591.25**	**5.65**	**-**	**3,596.90**	**1,387.57**	**97.63**	**-**	**1,487.19**	**2,109.71**	**2,201.68**
Previous year	**3,564.08**	**37.82**	**10.65**	**3,591.25**	**1,303.41**	**84.16**	**-**	**1,389.57**	**2,201.68**	**2,258.67**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 2

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Prepaid Expenses	8.87	12.95
	Total	**8.87**	**12.95**

NOTE NO. 3

INVENTORIES

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Raw Material	214.75	404.79
II	Packing Material	136.80	127.25
III	Semi-Finished Goods	35.71	126.36
IV	Finished Goods	113.97	112.60
	Total	**501.23**	**771.00**

NOTE NO. 4

FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Considered Good	1,101.62	1,259.68
	Total	**1,101.62**	**1,259.68**

NOTE NO. 5

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Balances with Banks		
	- Current Accounts	38.59	17.68
	- Unpaid Equity Dividend Accounts	62.85	52.06
II	Fixed Deposits with Bank	2,197.39	1,656.82
III	Cash in Hand	0.05	0.02
	Total	**2,298.88**	**1,726.58**

NOTE NO. 6

OTHER CURRENT ASSETS

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I.	Security Deposits		
	Unsecured, Considered Good	36.06	34.96
II.	Advance Given to Suppliers		
	Unsecured, Considered Good	8.34	18.68
III.	Balances with Government Authorities		
	Balances in GST Records	285.11	237.83
IV.	Duties and Taxes Refundable	36.37	185.90
V.	Prepaid Expenses	3.16	2.53
VI.	Others	0.14	4.96
	Total	**369.18**	**484.86**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 7

CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Income Tax Paid (Net of Provisions)	124.71	117.60
	Total	**124.71**	**117.60**

NOTE NO. 8

SHARE CAPITAL

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
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
	Total	**593.94**	**593.94**

b) Reconciliation of the Number of Shares

(₹ in Lakhs)

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the begininning of the year	57,57,300	575.73	57,57,300	575.73
Issued during the year	-	-	-	-
Balance at the end of the period	57,57,300	575.73	57,57,300	575.73

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

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

(₹ in Lakhs)

Sr. No.	Name of Share Holder	As At 31st March, 2020		As At 31st March, 2019	
		No. of Shares	% of Holding	No. of Shares	% of Holding
i.	Jayashree Nair	12,65,240	21.98%	12,65,240	21.98%
ii.	Laxmi Nair	4,64,380	8.07%	4,64,380	8.07%
iii.	Karthika Nair	4,44,980	7.73%	4,44,980	7.73%
iv.	Padma Kaimal	3,32,120	5.77%	3,32,120	5.77%

Terms and Rights attached to Equity Shares :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 9

OTHER EQUITY

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Capital Reserve	121.79	121.79
II	Securities Premium Account	409.32	409.32
III	Revaluation Reserve	136.26	137.65
IV	General Reserve	431.88	342.74
V	Retained Earnings	2,130.72	1,828.70
	Total	**3,229.97**	**2,840.20**

NOTE NO. 10

NON-CURRENT PROVISIONS

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Provision for Gratuity (Net)	1.90	-
II	Provision for Leave Encashment	13.43	12.58
	Total	**15.33**	**12.58**

NOTE NO. 11

DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Deferred Tax Liabilities on account of :		
	- Depreciation on Fixed Assets	22.71	32.90
II	Deferred Tax Assets on account of :		
	- Provision for Leave Encashment	(4.25)	(3.84)
	- Provision for Gratuity	(5.93)	(2.21)
	Total	**12.53**	**26.85**

NOTE NO. 12

OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Other Payables	54.53	54.53
	Total	**54.53**	**54.53**

NOTE NO. 13

FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I.	**Secured**		
	Loans Repayable on Demand from Banks		
	- FBC / EBP / EBD	608.52	606.52
	- Overdraft	(0.03)	(0.01)
	- Packing Credit & Cash Credit	313.87	692.83
	Total	**922.36**	**1,299.34**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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. 14

FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Trade Payables for Goods and Services		
	- Outstanding dues of MSME	-	18.67
	- Others	1,561.47	1,612.54
	Total	**1,561.47**	**1,631.21**

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

NOTE NO. 15

CURRENT PROVISIONS

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I	Provision for Gratuity	19.40	7.93
II	Provision for Leave Encashment	1.86	1.23
III	Provision for CSR Expenses	5.00	-
	Total	**26.26**	**9.16**

NOTE NO. 16

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	Particulars	As At 31st March, 2020	As At 31st March, 2019
I.	Unpaid Dividend	62.85	52.06
II.	Duties & Taxes	6.15	7.25
III.	Advance Received from Customers	20.64	37.06
IV.	Deposits	8.17	10.17
	Total	**97.81**	**106.54**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 17

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars		2019-20		2018-19
Sale of products				
- Domestic	2,767.84		2,206.85	
- Exports	3,066.69	5,834.53	2,780.67	4,987.52
Sale of services				
- Job Work Receipts		-		49.26
Other Operating Revenues				
Export Incentives	100.38		101.50	
Other Operating Income	12.82	113.20	30.84	132.34
Total		**5,947.73**		**5,169.12**

NOTE NO. 18

OTHER INCOME

(₹ in Lakhs)

Particulars		2019-20		2018-19
Finance Income				
Interest on Bank Deposits (Net)	77.99		87.13	
Interest on Other Deposits	1.57	79.56	1.42	88.55
Total		**79.56**		**88.55**

NOTE NO. 19

COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars		2019-20		2018-19
Raw Materials Consumed				
Opening Stock	404.79		250.59	
Add : Purchases				
- Indigenous	1,088.20		1,164.98	
- Imported	1,755.13		1,652.63	
	3,248.12		3,068.19	
Less : Closing Stock	214.75	3,033.37	404.79	2,663.40
Packing Materials Consumed				
Opening Stock	127.25		129.66	
Add : Purchases	502.12		490.52	
Less : Closing Stock	136.80	492.57	127.25	492.93
Total		**3,525.94**		**3,156.33**

NOTE NO. 20

CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars		2019-20		2018-19
Work in Progress				
Opening	126.36		140.60	
Less : Closing	35.71	90.65	126.36	14.24
Finished Goods				
Opening	112.60		105.82	
Less : Closing	113.96	(1.36)	112.60	(6.78)
Total		**89.29**		**7.46**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 21

EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	2019-20	2018-19
Salaries, Bonus and others	646.27	570.63
Contribution to Provident and Other Funds	59.56	47.75
Staff Welfare Expenses	44.07	58.22
Total	**749.90**	**676.60**

NOTE NO. 22

FINANCE COSTS

(₹ in Lakhs)

Particulars	2019-20	2018-19
Finance Costs:		
- Bank Charges & Interest (Net)	68.90	51.79
Total	**68.90**	**51.79**

NOTE NO. 23

DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

Particulars	2019-20	2018-19
Depreciation on Tangible Assets	96.24	82.77
Total	**96.24**	**82.77**

NOTE NO. 24

OTHER EXPENSES

(₹ in Lakhs)

Particulars	2019-20	2018-19
Power, Fuel & Water Charges	228.58	213.33
Repairs and Maintenance	77.22	61.60
Rates & Taxes	12.91	14.21
Insurance	14.03	12.89
Research, Development & Laboratory Expenses	33.01	29.45
Export General Expenses	24.71	28.83
Freight & Transport Charges	67.04	68.16
Commission	140.40	128.12
Conveyance & Motor Car Expenses	4.42	4.67
Legal & Professional Charges	20.87	22.25
Postage & Telephone Expenses	5.36	6.28
Books, Stationary & Subscription	9.96	8.45
Rent	0.60	0.60
Travelling Expenses	6.98	3.24
Share Listing Fees	3.00	2.50
Sitting Fees	4.48	4.40
General Expenses	16.43	16.54
CSR Expenses	12.00	-
Auditors Remuneration	3.00	2.85
Total	**685.00**	**628.39**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Particulars		2019-20		2018-19	
Details of :					
Repairs and Maintenance					
-	Repairs to Building	30.10		15.08	
-	Repairs to Machineries	28.84		35.95	
-	Repairs - others	18.28	77.22	10.57	61.60
Auditors Remuneration					
-	Statutory Audit Fees	3.00		2.75	
-	Certification Fees	-	3.00	0.10	2.85

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
- Cost of materials consumed	9.57	10.51
- Employee benefits expenses	57.70	54.24
- Other expenses	14.27	13.90
Total	**81.54**	**78.65**

Current and Deferred Tax

(₹ in Lakhs)

Particulars	2019-20	2018-19
Current tax	227.39	158.64
Deferred Tax Liability	(10.19)	(3.18)
Deferred Tax Asset	0.58	15.89
Total	**217.78**	**171.35**

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Profit before tax	812.02	654.33
Enacted Tax Rates in India	27.82%	27.82%
Computed Tax Expenses	226.00	182.04
Tax Effect of :		
Additional deduction on Research and Development Expenses	(11.56)	(10.69)
Effect of Non-Deductible Expense	3.43	-
Tax Expenses recognised in Statement of Profit and Loss (A)	217.87	171.35
Reversal of Deferred Tax Liability on account of Depreciation	10.19	3.18
Incremental / (Reversal) of Deferred Tax Asset on account of Gratuity	(0.58)	(15.89)
Deferred Tax (Net) (B)	9.61	(12.69)
Current Tax Provision (A+B)	**227.48**	**158.64**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 25

NOTES ON ACCOUNTS

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

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

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

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

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Expenses recognised in Statement of Profit & Loss		
Current Service Cost	7.03	6.46
Interest Expenses	7.82	8.03
Expected return on plan assets	(6.70)	(6.28)
Total	**8.15**	**8.22**
Expense recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate	11.48	8.87
Actuarial (gain)/loss due to experience on DBO	(1.26)	(1.71)
Total	**10.22**	**7.16**
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	117.09	115.03
Fair value of plan assets	(95.80)	(107.10)
Funded status	**21.30**	**7.93**
Net defined benefit (asset) / liability	**21.30**	**7.93**
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	115.03	122.49
Current service cost	7.03	6.46
Interest cost	7.82	8.03
Actuarial (gain)/loss	10.40	7.78
Benefits paid	(23.18)	(29.73)
Present value of defined benefit obligation at the end of the year	**117.09**	**115.03**
Movements in fair value of the plan assets are as follows :		
Opening fair value of plan assets	107.10	64.87
Expected returns on plan assets	6.70	6.28
Remeasurement (gains)/losses:	1.26	1.71
Actuarial (gain)/loss on plan assets	(1.08)	(1.09)
Contribution from Employer	5.00	65.07
Benefits paid	(23.18)	(29.73)
Closing fair value of the plan asset	**95.80**	**107.10**
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (gain)/loss arising from experience adjustments	11.48	8.87
Actuarial (gain)/loss on plan assets	(1.26)	(1.71)
Total actuarial (gain)/loss included in OCI	**10.22**	**7.16**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Financial Assumption		
Discount Rate	6.84%	7.60%
Salary Increase Rate	4%	4%
Demographic Assumptions		
Mortality Rate	IALM (2012-14)	IALM (2012-14)
Ultimate Ultimate		
Withdrawal Rate	1% to 3%	2% to 10%
Retirement Age	60 Years	60 Years

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

a) Directors and Key Management Personnels

Ms. Jayashree Nair	(Chairperson and Managing Director)
Mr. S.C.Kachhara	(Joint Managing Director / CFO)
Ms. Karthika Nair	(Non-Executive Director)
Dr. Dinesh Variar	(Independent Director)
Mr. Bhagirath Singh	(Independent Director)
Mr. Kairav Trivedi	(Independent Director)
Ms. Nikita Phatak	(Company Secretary)

b) Relatives of Directors and Key Management Personnels

Name of Related Party

Mr. G.L.Kachhara

Mr. Ankit Kachhara

Karthika Nair Smarak Samithi

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

	Particulars	2019-20	2018-19
	Remuneration		
i)	Ms. Jayashree Nair	75.90	69.00
ii)	Mr. S.C.Kachhara	75.90	69.00
iii)	Ms. Nikita Phatak	10.51	8.89
iv)	Mr. Ankit Kachhara	19.24	16.27
	Provident Fund		
i)	Ms. Jayashree Nair	15.84	14.40
ii)	Mr. S.C.Kachhara	15.84	14.40
iii)	Ms. Nikita Phatak	0.61	0.52
iv)	Mr. Ankit Kachhara	1.17	0.99
	Sitting Fees		
i)	Ms. Karthika Nair	0.83	0.90
ii)	Mr. Bhagirath Singh	1.32	1.30
iii)	Dr. Dinesh Variar	1.00	1.00
iv)	Mr. Kairav Trivedi	1.32	-
v)	Mr. A. V. Menon	-	1.20
	Professional Fees Expenses		
i)	Mr. G. L.Kachhara	-	2.10
	Rent Expenses		
i)	Karthika Nair Smarak Samithi	0.60	0.60
	CSR Expenses		
i)	Karthika Nair Smarak Samithi	4.50	6.00

v) CSR Expenditure

a) Gross amount required to be spent by the Company during the year ₹ 12 Lakhs (previous year ₹ 9.06 Lakhs)

b) Amount spent by the company during the year is as follows :

(₹ in Lakhs)

Particulars	2019-20	2018-19
Promotion of Education, Vocational Skills and Livelihood Enhancement Projects	12.00	9.13
	12.00	**9.13**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Profit after Tax (₹ in Lakhs)	594.24	482.98
No. of Shares	57,57,300	57,57,300
Basic EPS (₹)	10.32	8.39
Diluted EPS (₹)	10.32	8.39
Nominal Value per Share (₹)	10/-	10/-

vii) Research and Development Expenditure

(₹ in Lakhs)

Particulars	2019-20	2018-19
Capital Expenditure	1.55	3.55
Revenue Expenditure	81.54	78.65

viii) DIVIDEND

The Board of Directors at its meeting held on July 21, 2020 has recommended a dividend of ₹ 2.50 per equity share for the year ended March 31, 2020. The declaration and payment of dividend is subject to the approval of the shareholders in the Annual General Meeting.

(₹ in Lakhs)

Proposed Dividend	143.93

ix) Contingent liabilities not provided for :

(₹ in Lakhs)

Particulars	2019-20	2018-19
i) Bank Guarantees	181.89	50.48
ii) Appeals filed in respect of disputed demands by government authorities against the company		
- Income Tax	2.32	2.32

x) Capital Management

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

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Borrowings	922.36	1,299.34
Trade payables	1,561.47	1,631.21
Other payables	152.34	161.06
Less: Cash and cash Equivalents (C&CE)	2,298.88	1,726.58
Net debt	337.29	1,365.03
Total Equity	3,823.91	3,434.14
Capital and Net Debt Gearing Ratio	8.82%	39.75%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2020 and March 31, 2019.

xi) Impact of Covid - 19 (Global Pandemic)

The Government of India enforced lockdown in March-2020 to contain the spread of Covid-19 pandemic in the country. As the Company is manufacturing 'Pharmaceuticals Formulations' covered under essential services, the operations of the company were exempted from lockdown declared by both Central and State Governments. The Company continued (barring few days) with manufacturing operations with challenges such as shortage of manpower, availability of materials and disruptions in the logistics and supply chain. The Company has considered the possible effects that may result due to the lockdown announced consequent to outbreak of Covid-19 on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the Company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations and expansions.

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

Signature to Note No.1 to 25 of financial statements.

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

S. SARUPRIA
Partner
Membership No.035783

Mumbai, July 21, 2020

For and on Behalf of the Board

JAYASHREE NAIR	**S.C. KACHHARA**	**KARTHIKA NAIR**
Chairperson Managing Director	*Joint Managing Director & CFO*	*Director*
DIN : 00027467	DIN : 00019666	DIN : 00019695

NIKITA PHATAK
Company Secretary
FCS-10547

BDH : Commitment

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

Health Care ✸ *Mankind* ✸ *Worldwide*

BDH : Product Range

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

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

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



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