



BDH
Industries Ltd.

Twenty First Annual Report 2010-2011

Seven decades of tradition...

built on care...

quality and reputation...



STAR EXPORT HOUSE



WHO-GMP Accreditation



ISO 9001:2008

Pharmaceutical Company engaged in Health Care World wide

BDH: Quality Policy

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

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

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

Managing Director

BDH: Recent Achievements



BCCI
Good Corporate Citizen Award



FIEO
Niryat Shree Award



SPC
SPC Sri Lanka Merit Award



BDH INDUSTRIES LIMITED

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

TWENTY FIRST ANNUAL GENERAL MEETING at Garden Court Banquets,
Bageecha Complex, Malad West, Mumbai 400 095 on Wednesday, 28th
September, 2011 at 3.00 p.m.

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held on Wednesday, 28th September, 2011 at Garden Court Banquets, Bageecha Complex, Malad (West), Mumbai - 400 095 at 3.00 p.m., to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. S. C. Kachhara, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Karthika Nair, who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair

Chairperson & Managing Director

Place : Mumbai.

Date : 29th July 2011

Registered Office :

Nair Baug, Akurli Road,

Kandivli (East), Mumbai - 400 101.

NOTES:

1. The relevant details of Directors seeking re-appointment under Item No. 3 and Item No. 4 of the notice pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxy form duly completed, stamped and signed should be deposited at the Registered Office of the Company at least Forty-Eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 22nd September, 2011 to Wednesday 28th September, 2011 (both days inclusive).
5. Shareholders are requested to intimate the Company the change, if any, in their Registered Address.
6. Members / Proxies are requested to bring duly filled Attendance Slip along with their copy of the Annual Report to the Annual General Meeting.
7. Corporate members are requested to send a duly certified copy of the board of directors' resolution / power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members are requested to trade in the Equity Shares in the Dematerialized form only. The ISIN No. allotted for the Company's shares is INE278D01018.



9. Members having any questions on Accounts are requested to write their queries atleast ten days prior to the Annual General Meeting to the Company at its registered office address so as to enable the Management to keep the information ready at the meeting.

The Ministry of Company Affairs (MCA), wide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has clarified that a Company will be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, in case the documents like notices, annual reports etc. are sent to its Members in electronic form, subject to compliance with the conditions stated therein.

The Company in support of the Green Initiative of the MCA, proposes to send its notices, annual report etc. in electronic form to the Members. The Members who wish to receive the said documents in electronic form are requested to register / update their e-mail addresses as per the following -

- i) Members holding equity shares of the Company in the electronic form are requested to update / register their e-mail addresses with their respective depository participants.
- ii) Members holding equity shares in physical form are requested to update / register their e-mail addresses with the Company by sending a mail to investor.bdh@mtnl.net.in mentioning their name, folio number and number of shares held.

ANNEXURE

Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

ITEM NO 3.

Mr. S. C. Kachhara, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His qualifications are B.Com, LL.B (Gen.), FCA, MIA (U.S.A). He is associated with the Company since 33 years and has been Director of the Company since 1990. His business experience comprises in the areas of finance, taxation and international business and overall business activities. He is not Director of any other Company.

ITEM NO 4.

Mrs. Karthika Nair, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. She is associated with the Company since 12 years and has been Director of the Company since 1999. Her qualifications are M.Sc and M.M.S in Marketing from University of Mumbai. She is not Director of any other Company.

DIRECTORS' REPORT

To,
THE MEMBERS,
BDH INDUSTRIES LIMITED.

Your Directors have pleasure in presenting Twenty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS :

Particulars	(Rs. in Lakhs)	
	2010-2011	2009-2010
Sales (Gross)	3839.09	3039.98
Sales (Net)	3730.90	2959.69
Other Income	1.04	1.21
Total Income	3731.94	2960.90
Profit before Interest and Depreciation	270.02	256.50
Less : Interest	95.22	106.78
Depreciation	72.14	70.19
Profit before tax	102.66	79.53
Less : Provision for Taxation	31.72	24.57
Deferred Taxation	(6.70)	0.66
Net Profit After Tax	77.64	54.30
Add : Surplus Brought Forward from the previous year	672.42	618.12
Balance available for Appropriation	750.05	672.42
Less : Provision for Dividend	28.79	-
Less : Tax on Dividend	4.78	-
Balance carried forward to Balance Sheet	716.49	672.42

REVIEW OF OPERATIONS :

During the year 2010-11 Company achieved Sales (Net) of Rs. 3730.90 Lakhs as compared to Rs. 2959.69 Lakhs in the previous year registering growth by 26% over previous year.

The Operating Profit of the Company i.e. Profit before Interest and Depreciation has increased marginally from Rs. 256.50 lakhs in previous year to Rs. 270.02 lakhs in 2010-11. The Company earned Net Profit of Rs. 77.64 lakhs during the year as against Rs. 54.30 lakhs as in Previous year thereby showing growth of 43% in Net Profit after Tax.

After adding the surplus brought forward from previous year of Rs. 672.42 lakhs, Rs. 716.49 lakhs is carried to the Balance Sheet as surplus in Profit & Loss A/c.

DIVIDEND :

The Board of Directors recommend Dividend of Re. 0.50/- per equity share of Rs. 10/- each for the financial year ended 31st March, 2011.

The dividend on Equity Shares is subject to the approval of the shareholders at the Annual General Meeting. The total dividend payout including tax works out to 43% of the profits for the year. The dividend is free of tax in the hands of the shareholders.

SHARE LISTING :

The Company's shares continue to be listed at Bombay Stock Exchange. The Listing fee for the year 2011-2012 has been paid by the Company.

FUTURE PROSPECTS :

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

The Company has taken up improvements in technology which will result in operating advantage and comply with guidelines relating to Good Manufacturing Practices. New technology shall offer improved growth opportunities for the Company.

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

Pharma business has detailed procedure for registration and it takes nearly 6 months to 24 months for completing the registration and beginning of business. The gestation period is high due to various stages as per regulations of each country.

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

**FIXED DEPOSIT :**

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

CONSERVATION OF ENERGY AND TECHNOLOGY UPGRADATION:

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

INSURANCE :

The properties and assets of your Company are adequately insured.

INDUSTRIAL RELATION :

Your Company continues to have cordial and harmonious relations with its employees.

PERSONNEL :

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

RESEARCH AND DEVELOPMENT :

The regular R&D activities are carried out in-house to improve upon the existing process and development of new products. We also improve upon packaging and make products more patient friendly. We also strengthen our need for Research and Development by taking co-operation from various research institutes.

BOARD OF DIRECTORS :

Mr. S. C. Kachhara, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, being eligible and offers himself for re-appointment. Accordingly, the Board recommends his re-appointment.

Mrs. Karthika Nair, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, being eligible and offers herself for re-appointment. Accordingly, the Board recommends her re-appointment.

Brief resume of the Directors being reappointed is provided in the notice convening the Annual General Meeting of the Company as required by Clause 49 of the Listing Agreement.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

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

Such accounting policies have been selected and consistently applied and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the profit of the Company for the year ended 31st March 2011.

To the best of their knowledge and information, proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

CORPORATE GOVERNANCE :

As required under Clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance alongwith the Auditors' Certificate regarding the compliance of the mandatory requirements is separately given in the Annual Report.

AUDITORS AND AUDITORS' REPORT :

M/s. L. J. Kothari & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

APPRECIATION :

Your Directors acknowledge with gratitude the co-operation and assistance given by, Central Bank of India, Food & Drugs Administration of Maharashtra and Drug Controller of India, Director General of Foreign Trade and other Government authorities during the year.

Your Directors place on record their appreciation of the efficient services rendered by the employees of the Company at all levels and above all acknowledge with gratitude the continued co-operation of the shareholders.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai.
Date : 29th July, 2011

Jayashree Nair
Chairperson & Managing Director

Registered Office:
Nair Baug, Akurli Road,
Kandivli (East), Mumbai - 400 101.

21st Annual Report 2010-2011

ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies

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

I. CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION:

Particulars	2010-11	2009-10
1. Electricity		
a. Purchased		
Units (in kwh)	1209807	1110786
Total Amount (in Rs.)	8208034	8659570
Average Rate/Unit (Rs.)	6.78	7.80
b. Own Generation		
Through Diesel Generators	—	—
Through Steam Turbine/Generators	—	—
2. Coal (specify quality and where used)	—	—
3. Furnace Oil	—	—
4. Others		
a. L.D. Oil		
Quantity (Litres)	84055	63320
Total Cost (Rs.)	3798303	2548187
Average Rate/Unit (Rs.per litre)	45.19	40.24

B. CONSUMPTION PER K.G. OF PRODUCTION:

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

II. TECHNOLOGY ABSORPTION

1. Research & Development:

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

Development of Products and Processes in the areas of Dermatology and Rheumatoid Arthritis formulations.

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

New products are in the process of development and shall be added to strengthen the existing range.

iii) Future Plan of Action:

To work on additional products in NSAID range. Also modify/ design new products and improve drug delivery system on various products.

iv) Expenditure on R & D:

	(Rs.in lakhs)	
	2010-11	2009-10
a. Capital	21.62	13.08
b. Recurring	15.73	14.81
TOTAL	37.35	27.89
Total R & D Expenditure as a percentage of total revenue.	0.97%	0.92%

2. Technology Absorption, Adaptation and Innovation :

1. Efforts in brief made towards Technology Absorption, Adaptation and Innovations:

Updated manufacturing process and Quality assessment techniques are being used.

2. Benefits derived as a result of the above efforts:

Improvement in Product Profile, quality and cost effective modifications.

3. Technology imported during the last 5 years:

No technology has been imported.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were Rs. 1457.35 lakhs as against outgo of Rs. 877.97 lakhs.

FOR AND ON BEHALF OF THE BOARD

Jayashree Nair
Chairperson & Managing Director

Place : Mumbai.

Date : 29th July, 2011

Registered Office :

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Status

The pharmaceutical industry is experiencing a challenging business environment due to regulatory controls on products, requirement of continuous improvement in manufacturing facilities and price control regime, the rising cost of research and high amounts of continued investments in updating facilities with ever changing high standards.

The Indian pharmaceutical industry is having on the one hand opportunities in the developed markets, while on the other, the domestic market is becoming increasingly competitive. The recent regulatory changes have lead the Indian Pharmaceutical industry towards exploring newer avenues of drug discovery & development, thus requiring higher capital investment in the pharmaceutical industry in coming time. The increased focus on reducing healthcare costs in developed markets, has also generated sales opportunities for Indian drug manufacturers with approved facilities and sound knowledge of patent and regulatory issues.

The financial year 2010-11 marked a resurgence in growth post the financial crisis. The pharmaceutical industry in India retains its position of strength as the pharmacy capital of the world. In the financial year 2010-11, the Indian pharmaceutical industry grew more than 14 per cent. During the year, the industry also witnessed amalgamations, mergers and consolidations in the industry.

Outlook on Opportunities

The business environment will continue to remain challenging characterized by intense competition, margin pressures and regulatory interventions. These features pose many challenges and opportunities to companies operating in this environment. Growth in emerging markets like Latin America, East European countries and China is higher and driven by increasing domestic consumptions on the back of high economic growth, strengthening of healthcare infrastructure and greater healthcare awareness. Indian companies have been increasingly focusing on global markets with a view to expand their geographical reach. India has become a desired destination for outsourcing because of its strong research capabilities and low level of labour & other costs incurred in manufacturing as compared to International companies, this gives more opportunities. Indian Pharma companies with quality manufacturing facilities can also cash in on potential opportunities in the field of contract manufacturing. Besides, the impending expiry of significant drug patents will open up new product lines.

Our Company has multi product manufacturing capabilities with an established market presence and a reasonable number of the company's products are registered in Overseas Countries, enabling the company to export the same to a wider geographical market. We have a strong manufacturing base that can produce a range of products.

Outlook on Risks, Concerns & Threats

The worldwide pharmaceutical market is divided into highly regulated, semi-regulated and rest of the world market. Every company has to comply with a broad range of regulatory controls, price controls and compliance related issues. Other key risks faced by the Company include a rise in cost of raw materials, manufacturing expenses and significant changes in economic environment whereas prices of finished products are being controlled more and more.

The Indian market is highly dynamic and competitive and it is believed that market competition will ensure that drug prices are within the reach of the common man. Drug prices today in India continue to be the lowest in the world even when compared to neighbouring countries like Bangladesh, Pakistan, etc. Having come to terms in respect of the new regulatory systems, the challenges ahead for the Indian pharmaceutical industry lie in not only increasing the sales in existing areas, but the development of new products. Even though low cost manufacturing capability is a strength for Indian pharmaceutical companies, it is also vital for those targeting exports to regulated markets to maintain systems and processes that ensure product quality, thus increasing the investment requirement of the company. Maintaining a profitable product pipeline, keeping in view the manufacturing complexities and competitive pressures, remains a challenge.

Our proactive approach has been instrumental in overcoming the threats in the past and allowed us to maintain consistent growth performance yet contract manufacturing has its own inherent threat.

Performance Review

The Company exports a wide range of formulations to several continents - Asia, Africa, Latin America and Caribbean countries. During the financial year 2010-11, Export Sales increased by 14.77% and Domestic Sales of the Company increased by 36% as compared to previous year. As a result, there has been increase in profit after tax in the year 2010-11 as compared to previous year by 43%.

In the financial year 2010-11, the Company achieved Domestic Sales of Rs. 2276.12 lakhs, as compared to the Rs. 1678.21 lakhs in the financial year 2009-10. The Export Sales of the Company in the financial year 2010-11 increased to Rs.1562.97 lakhs as compared to Export Sales of Rs. 1361.77 lakhs in the financial year 2009-10. The profit after tax in financial year 2010-11 improved to Rs. 77.64 lakhs as compared to Rs. 54.30 lakhs in financial year 2009-10.

Internal Control Systems & Adequacy

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

Human Resources

Your Company recognizes the critical importance of its human capital. The Company recruits, develops and employs suitably qualified, capable and experienced persons, as per requirement. The Company has good labour relations and peaceful long association. The Company has a Reward and Recognition Programme.

CORPORATE GOVERNANCE REPORT

Your Company has complied, in all material respects, with the features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

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.

BOARD OF DIRECTORS

a) Composition

The composition of the Board of Directors of the company is in conformity with the Clause 49 of the Listing Agreement. The present Board of Directors of your Company comprises of a Chairperson & Managing Director, one Executive Director, one Non-Executive Director and three Independent Directors.

The present composition of the Board is as follows:

Sr. No.	Name of Directors	Designation / Category
1.	Mrs. Jayashree Nair	Chairperson & Managing Director
2.	Mr. S. C. Kachhara	Executive Director
3.	Mrs. Karthika Nair	Non-Executive Director
4.	Mr. A. V. Menon	Independent Director
5.	Dr. Dinesh Variar	Independent Director
6.	Mr. Bhagirath Singh Sihag	Independent Director

b) Board Meetings

During the financial year 2010-2011, Five Board Meetings were held on 30th April 2010, 30th July 2010, 24th September 2010, 29th October 2010 and 28th January 2011.

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

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

The Board Meetings are governed by a structured agenda. The Board Meetings are held at the Registered Office of the Company. The Company Secretary in consultation with the Chairperson, drafts and finalizes the agenda of the Board Meeting. All Agenda items are backed by relevant details and comprehensive background information are circulated to all the Directors, well in advance of the date of the Board Meeting to enable the Board of Directors to take appropriate decisions. Any Board member may, in consultation with the Chairperson, bring up any matter for consideration by the Board. The Managing Director, at the Board Meeting keeps the Board apprised of the overall performance of the Company.

Sr. No.	Name of Directors	Attendance at		No. of Directorships of other Companies(*)	No. of memberships of Board Sub- Committees
		Board Meetings	Last AGM		
1.	Mrs. Jayashree Nair	5	Yes	---	2 #
2.	Mr. S. C. Kachhara	5	Yes	---	2
3.	Mrs. Karthika Nair	5	Yes	---	2 #
4.	Mr. A.V. Menon	5	Yes	---	1 #
5.	Dr. Dinesh Variar	4	No	---	1
6.	Mr. Bhagirath Singh Sihag	5	Yes	3	1

* Excluding Private Limited Companies, Foreign Companies and Companies constituted under Section 25 of the Companies Act, 1956.

Including Chairmanship of one Committee.



c) Remuneration of Directors

- i) The remuneration paid to the Chairperson & Managing Director and Executive Director is within the ceiling as per the resolution approved by the shareholders. Details of remuneration paid to the Chairperson & Managing Director and Executive Director for the year ended 31st March, 2011 are given below :-

Name	Position	Salary Rs.	Contribution to PF & other Funds (Rs.)	Perquisites Rs.
Mrs. Jayashree Nair	Chairperson & Managing Director	16,20,000	2,74,359	2,43,000
Mr. S. C. Kachhara	Executive Director	16,20,000	2,74,358	2,43,000

- ii) Payments to Non Executive Directors :

The remuneration to Non Executive Directors consists only of sitting fees for attending Board Meetings of the Company. Except sitting fees, no other payment is made to Non- Executive Directors.

The details of amount paid as Sitting Fees to the Non-Executive Directors during the year 2010-11 are as follows :-

Sr. No.	Name of Director	Sitting Fees paid
1.	Mrs. Karthika Nair	Rs. 14,000/-
2.	Mr. A.V. Menon	Rs. 14,000/-
3.	Dr. Dinesh Variar	Rs. 12,000/-
4.	Mr. Bhagirath Singh Sihag	Rs. 14,000/-

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

Mrs. Karthika Nair, Non Executive Director of the Company holds 448980 (7.80%) Equity Shares of Rs. 10 each of the Company as on 31st March, 2011. The other Non Executive Directors i.e. Mr. A. V. Menon, Dr. Dinesh Variar and Mr. Bhagirath Singh Sihag do not hold any shares in the Company.

d) 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 to this effect signed by the Chairperson & Managing Director of the Company is given in this Annual Report.

BOARD COMMITTEES

a) Audit Committee

The Board of Directors have constituted the Audit Committee as required under Section 292A of the Companies Act, 1956 read with provisions of Clause 49 of the Listing Agreement with the Stock Exchange.

During the financial year 2010-11, four meetings of the Audit Committee were held on 30th April 2010, 30th July 2010, 29th October 2010 and 28th January 2011.

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

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

The Audit Committee meetings were attended by the Audit Committee members as stated above and the Statutory Auditors also attended. The Company Secretary is the Secretary of the Audit Committee.

The Audit Committee discussed the Company's accounts before it was placed before the Board of Directors and also overview the Company's financial reporting process. The Committee has also reviewed the Company's financial and risk management policies.

b) Shareholders / Investors Grievance Committee:

The Shareholders/ Investors Grievance Committee consist of the following members:-

- Mrs. Karthika Nair - Chairperson
 Mrs. Jayashree Nair - Member
 Mr. S. C. Kachhara - Member

Meetings of the Shareholders/ Investors Grievance Committee were held during the year 2010-2011 to review the complaints received from the investors/shareholders. There has been no complaint from any investor/shareholder, which has not been redressed.

There are no complaints from shareholders, which were pending as on 31st March, 2011.

c) Share Transfer Committee

The Company has also constituted Share Transfer Committee. The members of the Share Transfer Committee are Mrs. Jayashree Nair - Chairperson, Mr. S. C. Kachhara - Member and Mrs. Karthika Nair - Member. The Share Transfer Committee meets frequently to consider matter relating to the transfer / transmission of shares, issue of duplicate / new share certificates, sub-division and consolidation of share certificates etc.

DISCLOSURES:

a) Related Party Transactions

Transactions with related parties are disclosed in Note 13 of Notes to Accounts in Schedule 'S' annexed to the Financial Statements. There were no material significant transactions with the Directors or the management or subsidiaries or relatives that have any potential conflict with the interest of the Company.

b) Statutory Compliances, penalties, strictures

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

SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

DETAILS OF DIRECTORS TO BE APPOINTED/RE-APPOINTED

The details of Directors seeking Appointment / Re-appointment, to be provided pursuant to Clause 49 of the Listing Agreement are furnished alongwith the Notice of the Annual General Meeting.

CEO/CFO CERTIFICATION

The Chairperson & Managing Director and the Executive Director have certified to the Board as per the requirement of Clause 49 of the Listing Agreement.

MEANS OF COMMUNICATION:

The Company has reported all material information including unaudited quarterly results, half yearly results and audited annual results and press release to the Bombay Stock Exchange where the Company's securities are listed. The unaudited quarterly results, half yearly results and audited annual results were communicated to the shareholders by way of advertisement in a National daily and in vernacular language newspapers, namely, Free Press Journal and Navshakti.

The website of the Company is www.bdhind.com.

GENERAL BODY MEETINGS

The Twenty First Annual General Meeting of Company for the financial year 2010-11 shall be held on Wednesday, 28th September 2011 at 3.00 p.m. at Garden Court Banquets, Bageecha Complex, Marve Road, Malad (West) Mumbai-400 095.

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

A.G.M.	Financial Year	Date of A.G.M.	Time	Location
20th	2009-2010	24-09-2010	3.00 p.m.	Garden Court Banquets, Bageecha Complex, Marve Road, Malad West, Mumbai - 400 095
19th	2008-2009	25-09-2009	3.00 p.m.	Garden Court Banquets, Bageecha Complex, Marve Road, Malad West, Mumbai - 400 095
18th	2007-2008	26-09-2008	3.00 p.m.	Garden Court Banquets, Bageecha Complex, Marve Road, Malad West, Mumbai - 400 095



No Extra-ordinary General Meeting was held in the last three financial years.
No Special Resolution was passed in the 18th, 19th and 20th Annual General Meeting.

GENERAL SHAREHOLDERS INFORMATION

Day, date, time and venue of 21st A.G.M.	Wednesday, 28th September 2011 at 3.00 p.m. Garden Court Banquets, Bageecha Complex, Marve Road, Malad (West) Mumbai-400 095.
Date of Book Closure	From 22nd September 2011 to 28th September 2011
Listing on Stock Exchanges	Mumbai Stock Exchange (BSE)
ISIN No.	INE278D01018
BSE Stock Code	524828
Registered Office / Address for Correspondence	Nair Baug, Akurli Road, Kandivli East, Mumbai - 400 101
Registrar & Share Transfer Agent	TSR Darashaw Ltd., 6-10, Haji Moosa, Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011.
Compliance Officer	Ms. Nikita Phatak Nair Baug, Akurli Road, Kandivli East, Mumbai - 400101
Share Transfer System	The Company's shares are traded in the stock exchanges compulsorily in demat mode. Shares sent for physical transfer or dematerialisation requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
Dividend Payment Date	On or after 29th September, 2011
Dematerialisation of shares	As on 31-03-2011, 80.51% of the Company's shares representing 46,35,290 shares were held in dematerialised form.
Plant Location	Nair Baug, Akurli Road, Kandivli East, Mumbai - 400101

Financial Calendar (Tentative):

Financial Year of the Company	:	01-04-2011 to 31-03-2012
Financial Reporting for:		
Quarter ending June, 2011	:	On or before 31st July, 2011
Quarter ending September, 2011	:	On or before 31st October, 2011
Quarter ending December, 2011	:	On or before 31st January, 2012
Quarter/Year ending March, 2012	:	On or before 30th April, 2012 / 30th June 2012
Mailing of Annual Reports	:	End August, 2012

Categories of Shareholders as on 31st March, 2011:

Category	No. of shares	% of Shareholding
Directors, Relatives & Promoters	3050699	52.99
Companies/ Bodies Corporate	481940	8.37
General Public	2187091	37.99
NRI's	37570	0.65
TOTAL	5757300	100.00

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Distribution of shareholding as on 31st March, 2011:

Shareholding of nominal value (in Rs)	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
1	2	3	4	5
Upto 5000	3426	82.38	7396370	12.85
5001 - 10000	379	9.11	3249570	5.64
10001 - 20000	177	4.26	2794480	4.85
20001 - 30000	60	1.44	1565240	2.72
30001 - 40000	18	0.43	647160	1.12
40001 - 50000	30	0.72	1414820	2.46
50001 - 100000	33	0.79	2462970	4.28
100001 and above	36	0.87	38042390	66.08
Total	4159	100.00	57573000	100.00

Stock Market price data for the year 2010-2011.

Bombay Stock Exchange (BSE)

Month	High (Rs.)	Low(Rs.)	Month	High(Rs.)	Low(Rs.)
April, 2010	18.60	14.01	May, 2010	26.60	16.45
June, 2010	25.55	21.00	July, 2010	33.70	20.50
August, 2010	29.50	23.00	September, 2010	26.10	21.60
October, 2010	24.20	21.05	November, 2010	24.25	18.65
December, 2010	25.00	18.05	January, 2011	25.15	18.25
February, 2011	20.70	13.80	March, 2011	21.00	14.35

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

All the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for BDH Industries Limited for the financial year ended 31st March, 2011.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai.

Jayashree Nair

Date: 29th July, 2011

Chairperson & Managing Director

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

BDH INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by BDH Industries Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges of India.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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

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

For L. J. KOTHARI & CO.

Firm Registration No.105313W

Chartered Accountants

Lalit Kothari

Proprietor

Membership No.30917

Place: Mumbai

Date: July 29th, 2011

AUDITORS' REPORT

To the members of
BDH INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of BDH INDUSTRIES LIMITED (hereinafter called as "The Company") as at 31st March, 2011 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that: -
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in Section 211(3C) of the Act, to the extent applicable;
 - e. On the basis of the confirmations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2011 from being appointed as a director of the Company under section 274(1)(g) of the Act;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with "Significant Accounting Policies and Notes to Accounts" in Schedule 'S' and other notes appearing elsewhere in the accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (b) In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - (c) In respect of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Mumbai
Date: July 29th, 2011

Lalit Kothari
Proprietor
Membership No.30917

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 OF BDH INDUSTRIES LIMITED

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

- I. In respect of Fixed Assets
 - (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management at reasonable intervals during the year. No discrepancies were noticed on such verification.
 - (c) During the year the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- II. In respect of Inventories
 - (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of the verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.



- III. In respect of Loans
- (a) The rate of interest and other terms and conditions of unsecured loans continued by the company from its directors are prima facie not prejudicial to the interest of the company.
- (b) The Company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) The Company is regular in repaying the principal amounts as stipulated wherever applicable.
- IV. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to Purchases of Stores, Raw Materials including Components, Plant & Machinery, Equipment and other assets, and with regard to the sale of goods.
- V. In respect of transaction covered under section 301 of the Companies Act, 1956:
- (a) In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transaction of sale of goods made in pursuance of Contract or arrangement entered in the Register maintained u/s 301 of the Companies Act, 1956 as exceeding the value of Rs. 5,00,000/- (Rupees Five Lacs only) or made in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
- VI. In our opinion, the Company has not accepted any deposits from public.
- VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.
- IX. In respect of Statutory Dues:
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund Employees' State Insurance, Income Tax, Wealth Tax, service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Cess were outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess on account of dispute are as follows:

Nature of Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	91.04	1995-96, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2004-05, 2005-06, 2006-07, 2007-08	Appellate Authorities at various stages

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

For L. J. KOTHARI & CO.
Chartered Accountants

Lalit Kothari
Proprietor

Membership No.30917

Place: Mumbai
Date: July 29th, 2011

BALANCE SHEET AS AT 31st MARCH, 2011

	SCHEDULE		As at 31.03.11 Rs. in Lakhs	As at 31.03.10 Rs. in Lakhs
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	A	593.94	593.94	
b) Reserves and Surplus	B	1,424.94	2,018.88	1,391.14
				1,985.08
2. LOAN FUNDS				
a) Secured Loans	C	860.75		1,264.94
b) Unsecured Loans	D	13.81	874.56	13.81
				1,278.75
3. DEFERRED TAXATION (Net)				
			76.86	83.56
TOTAL			2,970.30	3,347.39
II. APPLICATION OF FUNDS				
1. FIXED ASSETS				
	E			
a) Gross Block		2,335.62		2,251.71
b) Less : Depreciation		724.45		685.24
c) Net Block			1,611.17	1,566.47
2. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	F	517.07		847.90
b) Sundry Debtors	G	887.29		1,024.36
c) Cash & Bank Balances	H	71.17		79.52
d) Loans & Advances	I	327.26		368.66
			1,802.78	2,320.44
LESS: CURRENT LIABILITIES AND PROVISIONS				
a) Current Liabilities	J	332.39		459.09
b) Provisions	K	111.26		80.43
			443.65	539.52
NET CURRENT ASSETS			1,359.13	1,780.92
TOTAL			2,970.30	3,347.39
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS				
	S			

The Schedules referred to above form an integral part of the Balance Sheet.

As per our attached report of even date
For L. J. Kothari & CO.
 Firm Registration Number: 105313W
 Chartered Accountants

For and on Behalf of the Board

L. J. KOTHARI
 Proprietor
 Membership No. 30917

JAYASHREE NAIR
 Chairperson & Managing Director

S. C. KACHHARA **KARTHIKA NAIR**
 Executive Director Director

NIKITA PHATAK
 Company Secretary

Mumbai, July 29th 2011


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
		Rs. in Lakhs		Rs. in Lakhs	
INCOME					
Sales	L	3,839.09		3,039.98	
Less: Excise Duty		108.19	3,730.90	80.29	2,959.69
Other Income	M		1.04		1.21
(Decrease)/Increase in Stock of Finished Goods And Semi - Finished Goods	N		(356.04)		(76.04)
			3,375.90		2,884.86
EXPENDITURE					
Materials Consumed	O		2,385.12		1,949.88
Employees Remuneration & Benefits	P		310.77		304.18
Manufacturing & Other Expenses	Q		409.99		374.30
Interest & Finance Charges	R		95.22		106.78
Depreciation		73.53		71.58	
Less : Depreciation on Revaluation		1.39	72.14	1.39	70.19
			3,273.24		2,805.33
Profit before Tax			102.66		79.53
Less : Provision for Taxation			31.72		24.57
Less : Deferred Taxation			(6.70)		0.66
Profit after Tax			77.64		54.30
Add : Balance b/f from previous year			672.42		618.12
Profit Available for appropriation			750.06		672.42
Less : Proposed Dividend			28.79		
Less : Tax on Dividend			4.78		---
Less : Transfer to General Reserve			---		---
Balance Carried to the Balance Sheet			716.49		672.42
Earning per share (EPS)			1.35		0.94
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS					
	S				

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our attached report of even date
For L. J. Kothari & CO.
 Firm Registration Number: 105313W
 Chartered Accountants

For and on Behalf of the Board

L. J. KOTHARI
 Proprietor
 Membership No. 30917

JAYASHREE NAIR
 Chairperson & Managing Director

S. C. KACHHARA **KARTHIKA NAIR**
 Executive Director Director

NIKITA PHATAK
 Company Secretary

Mumbai, July 29th, 2011

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	As at 31.03.11 Rs. in Lakhs	As at 31.03.10 Rs. in Lakhs
SCHEDULE A :		
SHARE CAPITAL		
AUTHORISED CAPITAL		
75,00,000 Equity shares of Rs.10 each (Previous Year : 75,00,000 Equity Shares of Rs.10 each)	<u>750.00</u>	<u>750.00</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
57,57,300 Equity Shares of Rs.10 each fully paid up (Previous Year : 57,57,300 Equity Shares of Rs. 10 each)	575.73	575.73
Add : Forfeited shares	18.21	18.21
3,64,200 Equity shares of Rs. 10 each, paid up to the extent of Rs.5 per share (Previous Year : 3,64,200 Equity Shares of Rs.10 each paid up to the extent of Rs.5 Per share)	<u>593.94</u>	<u>593.94</u>
TOTAL	<u><u>593.94</u></u>	<u><u>593.94</u></u>
Of the above :		
a) 22,42,860 Equity Shares were allotted as fully paid up pursuant to scheme of amalgamation without payment in cash.		
b) 22,70,860 Equity Shares were allotted as fully paid up by way of Bonus Shares by Capitalising Revaluation Reserves.		
c) 15,46,500 Equity Shares were allotted pursuant to Public Issue of which 3,64,200 Equity Shares have been forfeited.		
SCHEDULE B :		
RESERVES AND SURPLUS		
Capital Reserves	121.79	121.79
General Reserves	13.57	13.57
Add : Transfer during the year	<u>15.00</u>	<u>28.57</u>
Revaluation Reserves		
Balance as per last Year	174.04	175.43
Less : Transferred during the year	<u>1.39</u>	<u>1.39</u>
Less : Transferred during the year	<u>23.88</u>	<u>174.04</u>
Share Premium Account	409.32	409.32
Balance in Profit and loss account (As per Annexed Profit & Loss Account)	<u>716.49</u>	<u>672.42</u>
TOTAL	<u><u>1424.94</u></u>	<u><u>1391.14</u></u>
SCHEDULE C :		
SECURED LOANS		
FROM BANKS		
Central Bank of India		
(i) Packing Credit Hypothecation	246.01	491.31
(ii) Cash Credit Hypothecation	61.84	83.88
(iii) EBP/EBD	179.43	201.55
(iv) Term Loan	110.88	10.10
(v) Adv Agst FBC Andheri	59.45	110.15
(vi) Overdraft against Book Debts	1.20	100.62
(vii) Import L/c	108.90	181.72
(viii) Local L/c	93.04	85.61
TOTAL	<u><u>860.75</u></u>	<u><u>1,264.94</u></u>

NOTES :

Loans stated at (i) and (ii) above are secured by hypothecation of Stock.
 Loan stated at (iv) above is secured by Assets Acquired out of Term Loan.
 Loan stated at (v) above is secured by bill sent for collection of Exports.
 Loan stated at (vi) above is secured by book debts
 Loan stated at (vii) and (viii) above is secured by good purchased under Letter of Credit.
 Total credit facilities sanctioned by Central Bank of India are secured by first and exclusive charge on block of Fixed Assets of the Company and personal guarantee of Directors.



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	As at 31.03.11 Rs. in Lakhs	As at 31.03.10 Rs. in Lakhs
SCHEDULE D:		
UNSECURED LOANS		
From Directors	13.81	13.81
TOTAL	13.81	13.81

SCHEDULE E:**FIXED ASSETS**

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.10	Additions during the year	Deduc- tions	As at 31.03.11	Upto 1.4.10	Total For the Year	Adjustment	Upto 31.03.11	As at 31.03.11	As at 31.03.10
Land	601.80	-	-	601.80	-	-	-	-	601.80	601.80
Leasehold Land (Waluj)	10.65	-	-	10.65	-	-	-	-	10.65	10.65
Leasehold Land(Kudal)	2.28	-	-	2.28	-	-	-	-	2.28	2.28
Shed at Umbergaon	6.53	-	-	6.53	-	-	-	-	6.53	6.53
Building	439.82	-	-	439.82	168.62	14.69	-	183.31	256.51	271.20
Plant & Machinery	608.27	99.48	-	707.75	229.00	30.52	-	259.52	448.23	379.27
Punches ,Dies, blokes	36.16	4.32	-	40.48	16.78	4.45	-	21.23	19.25	19.38
Laboratory Apparatus	46.56	20.83	-	67.39	24.68	2.91	-	27.59	39.80	21.88
Air Conditioners	173.89	15.43	-	189.33	63.47	8.49	-	71.96	117.37	110.42
Motor Car	16.69	4.79	-	21.48	9.73	1.49	-	11.22	10.26	6.96
Furniture & Fixtures	37.84	0.33	-	38.17	30.23	2.41	-	32.64	5.53	7.61
Electrical Installation	149.56	-	-	149.56	62.29	7.10	-	69.39	80.17	87.26
Office Equipments	15.52	4.20	-	19.72	11.09	0.79	-	11.88	7.84	4.43
Computer	38.01	2.66	-	40.66	35.03	0.68	-	35.71	4.95	3.00
TOTAL	2,183.58	152.04	-	2,335.62	650.92	73.53	-	724.45	1,611.17	1,532.67
Previous Year	2,124.98	66.04	7.43	2,183.59	586.33	68.34	3.75	650.92	1,532.67	1,538.65

NOTE : ' Leasehold land comprising of land at Waluj and Kudal is in possession of the Company under agreement with M.I.D.C.

SCHEDULE F:**INVENTORIES**

(As Certified by the Management)

i) Raw Materials	147.13	127.10
ii) Packing Materials	128.20	123.02
iii) Stock in Process	129.98	363.12
iv) Finished Goods	111.76	234.66
TOTAL	517.07	847.90

SCHEDULE G:**SUNDRY DEBTORS**

(Secured and considered good)

i) Debts exceeding six months	-	-	-	-
ii) Other Debts	168.15	168.15	167.40	167.40

(Unsecured and considered good)

i) Debts exceeding six months	380.31	417.17	-	-
ii) Other Debts	338.83	719.14	439.79	856.96

TOTAL	887.29	1,024.36	-	-
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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	As at 31.03.11 Rs. in Lakhs	As at 31.03.10 Rs. in Lakhs
SCHEDULE H:		
CASH AND BANK BALANCES		
a) Cash in hand	0.72	0.73
b) Balances With Scheduled Banks		
- In current Accounts	5.45	7.86
- In Margin deposits	65.00	70.93
TOTAL	71.17	79.52
SCHEDULE I:		
LOANS AND ADVANCES		
(Unsecured but considered good)		
1. Advances recoverable in cash or in kind	49.21	51.93
2. Interest on fixed deposits accrued but not due	0.51	11.47
3. Advance Tax and T.D.S.	62.36	55.29
4. Export incentives receivable	92.54	82.87
5. Balances in Excise records	92.38	70.74
6. Security and other Deposits	30.26	41.61
7. Insurance Claims Receivables	-	54.75
TOTAL	327.26	368.66
SCHEDULE J:		
CURRENT LIABILITIES		
1. Sundry Creditors		
a) For Goods	186.04	223.88
b) For Expenses	58.34	125.02
c) For Capital Goods	0.42	4.63
2. Outstanding Expenses	67.08	91.75
3. Other deposits and advances	20.51	13.81
TOTAL	332.39	459.09
SCHEDULE K:		
PROVISIONS		
Provision for Taxation	25.02	24.57
Provision for Gratuity	52.67	55.86
Provision for Proposed dividend including Tax	33.57	---
TOTAL	111.26	80.43


SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	For the Year 2010-11 Rs. in Lakhs		For the Year 2009-10 Rs. in Lakhs	
SCHEDULE L:				
SALES				
1. Sales of products				
a) Domestic	2271.17		1,665.12	
b) Exports	1504.10	3775.27	1,330.30	2,995.42
2. Export Incentives		58.87		31.47
3. Job Work Receipts (Tax deducted at source Rs.12605 previous year Rs.32058)		4.95		13.09
TOTAL		<u>3839.09</u>		<u>3,039.98</u>
SCHEDULE M:				
OTHER INCOME				
1. Miscellaneous Receipts		1.04		1.21
TOTAL		<u>1.04</u>		<u>1.21</u>
SCHEDULE N:				
(INCREASE)/ DECREASE IN STOCK OF FINISHED GOODS AND SEMI-FINISHED GOODS				
Opening Stock				
'Stock in Process	363.12		365.13	
'Finished Goods	234.66	597.78	308.69	673.82
Less: Closing Stock				
Stock in Process	129.98		363.12	
Finished Goods	111.76	241.74	234.66	597.78
TOTAL		<u>356.04</u>		<u>76.04</u>
SCHEDULE O:				
MATERIALS CONSUMED				
1. Raw materials consumed				
Opening Stock	127.10		176.34	
ADD : Purchases				
Imported	958.68		764.76	
Indigenous	1,109.22		829.13	
	<u>2,067.90</u>		<u>1,593.89</u>	
LESS : Closing Stock	147.13	2,047.87	127.10	1,643.13
2. Packing Materials Consumed				
Opening Stock	123.02		140.69	
ADD : Purchases (Indigenous)	342.43		289.08	
	<u>465.44</u>		<u>429.77</u>	
LESS : Closing Stock	128.20	337.25	123.02	306.75
TOTAL		<u>2,385.12</u>		<u>1,949.88</u>

21st Annual Report 2010-2011

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	For the Year 2010-11 Rs. in Lakhs	For the Year 2009-10 Rs. in Lakhs
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SCHEDULE P :

EMPLOYEES REMUNERATION AND BENEFITS

Directors' remuneration and allowances	43.29	38.34
Salaries, Wages & Allowances	235.71	235.63
Staff welfare & other amenities	31.77	30.21
TOTAL	310.77	304.18

SCHEDULE Q :

MANUFACTURING AND OTHER EXPENSES

Power, Fuel and Water charges	123.47	115.30
Freight & transport charges*	63.72	54.18
Repairs & Maintenance :		
- factory building	18.11	13.64
- machinery	11.67	9.90
- others	6.76	5.76
Rent	0.12	0.12
Insurance	10.86	12.98
Rates & Taxes	6.85	8.84
Sales Tax	35.39	31.34
Legal & professional charges	6.90	6.68
Books, Stationery and Subscription	7.24	9.59
Postage, Telephone and Telex exp.	7.19	8.57
Conveyance and Motor expenses	2.72	3.62
Research development and Lab Exps	15.73	14.81
General Expenses	8.53	7.59
Travelling expenses	3.19	4.21
Auditors' Remuneration :		
- Audit Fees	0.90	0.83
- Certification Fees	0.29	0.07
- Out of pocket expenses	0.11	---
Vat Audit fees	0.30	0.15
Tax Audit Fees	0.22	0.22
Export General Expenses	32.41	32.37
Commission on Sales	39.28	31.40
Share Listing Fees	0.15	0.15
Loss on Sale of Plant and Machinery	7.88	1.98
TOTAL	409.99	374.30

SCHEDULE R :

INTEREST AND FINANCE CHARGES

1. To Banks	95.22	106.78
TOTAL	95.22	106.78



SCHEDULE S :

NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
Accounting Policies and Notes on Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The Financial statements are prepared in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards specified by the Institute of Chartered Accountants of India under section 211 (3c) of the Companies Act, 1956

2. METHOD OF ACCOUNTING

The Company is following accrual basis of accounting.

All expenses and income to the extent considered payable and receivable respectively are accounted on accrual basis.

3. REVENUE RECOGNITION

Revenue on sales are recognized net of returns and discounts, on dispatch of goods to customers and reflected in the accounts at gross realizable value i.e. inclusive of Excise duty and Sales tax.

4. FIXED ASSETS

Fixed assets acquired consequent to amalgamation are stated at the cost of acquisition at the time of amalgamation. The fixed assets which were revalued during earlier year(s) are stated at their revalued price. The other fixed assets are stated at cost inclusive of incidental expenses thereto. All fixed assets are stated at value less accumulated depreciation.

5. DEPRECIATION

Depreciation on fixed assets has been provided on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

6. INVENTORIES

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

7. PROVISION FOR TAXATION

Provision for taxation has been made in accordance with the provisions of Income Tax Act, 1961 and the rules made thereunder applicable for the relevant Assessment Year.

8. DEFERRED TAXATION

Deferred Tax resulting from timing differences between book profits and tax Profits is accounted for under the liability method, at the current rates of tax, to the extent that the timing differences are expected to crystallise.

9. FOREIGN CURRENCY TRANSACTIONS :

- Transactions in Foreign Currency are accounted at the Exchange rate prevailing at the time of transaction.
- Balance in EEFC account with Central Bank of India, Sundry Debtors and Creditors denominated in Foreign Currency have been converted at the rates prevailing on the date of the Balance Sheet.

B. NOTES FORMING PART OF ACCOUNTS

- In respect of the shed at Umbergaon, depreciation has not been provided since the shed was not put to use during the year under review. Depreciation pertaining to the revaluation of assets is credited back to the Profit & Loss account.
- In the opinion of the Board the Current Assets and Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and known liability is adequate and not in excess of the amount reasonably necessary.
- The stipulated time for construction of factory building in respect of Leasehold Land at Waluj and Kudal has been expired. However, the management has applied to MIDC for extension.
- During the year the company has taken credit of Excise Duty of Rs.81,91,272 (Previous Year - Rs. 59,52,709) on purchase of Raw Material and Packing Material under the CENVAT Scheme.

5. S.S.I. CREDITORS

Pursuant to the amendment to Schedule VI of the Companies Act, 1956 in March 1999 regarding disclosure of amount due to creditors which are Small Scale Industries (SSI's), the company has initiated the process of collecting the information from the creditors regarding their SSI status, which is still in progress, therefore the compilation of break-up of the sundry creditors between the SSI's and the others could not be made.

6. CONTINGENT LIABILITIES NOT PROVIDED FOR

	2010-11	2009-10
(a) Bank Guarantees	77.40	103.61
(b) Claims against the Company not acknowledged as debt	---	10.00
(c) Appeals filed in respect of disputed demands by government authorities against the company:		
- Income Tax	91.04	94.10

7. EARNINGS IN FOREIGN EXCHANGE :

FOB value of Exports	1457.35	1295.71
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8. EXPENDITURE IN FOREIGN EXCHANGE

Traveling Expenses	2.27	4.21
Commission on Exports	22.41	13.15

9. CIF VALUE OF IMPORTS :

Raw Materials	834.52	680.64
Capital Goods	18.77	10.84

10. AUDITORS' REMUNERATION

Audit Fees	0.90	0.83
Auditors Out of pocket expenses	0.11	---
Certification Fees	0.29	0.07
Vat Audit fees	0.30	0.15
Tax Audit Fees	0.22	0.22

11. DIRECTORS & MANAGING DIRECTORS REMUNERATION

Managerial remuneration under Section 198 of the Companies Act, 1956.

	2010-11 (Rs. in Lakhs)	
	Executive Director	Managing Director
Salary	18.63	18.63
	(16.56)	(16.56)
Gratuity	0.78	0.78
	(0.69)	(0.69)
Company's contribution to Provident Fund & other funds	1.69	1.69
	(1.72)	(1.73)
TOTAL	21.10	21.10
Previous year	(18.97)	(18.98)

12. EARNING PER SHARE (EPS)

	2010-11	2009-10
Net Profit for the year (Rs. In Lakhs)	77.64	54.30
No. of Shares	5757300	5757300
Basic EPS	1.35	0.94
Diluted EPS	1.35	0.94
Nominal Value per Share	Rs.10/-	Rs.10/-

13. RELATED PARTIES DISCLOSURES

A) Key Management Personnels

Name of Related Party

Mrs. Jayashree Nair	Chairperson & Managing Director
Mr. S. C. Kachhara	Executive Director
Mrs. Karthika Nair	Non-Executive Director

B) Relatives of Key Management Personnels

Name of Related Party

Mr. G. L. Kachhara
Mr. Ankit Kachhara



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	2010-11 Rs. in Lakhs	2009-10 Rs. in Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	102.66	79.53
ADD: LOSS ON SALE OF ASSETS	7.88	1.98
LESS : PROFIT ON SALE OF ASSETS	-	-
ADD: PROVISION FOR GRATUITY	5.29	5.21
	<u>115.83</u>	<u>86.72</u>
ADJUSTMENTS		
DEPRECIATION	72.14	70.19
INTEREST PAID	95.22	106.78
MISC. EXPENDITURE WRITTEN OFF	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>283.19</u>	<u>263.69</u>
ADJUSTMENTS		
(INCREASE)/DECREASE TRADE AND OTHER RECEIVABLES	184.98	(183.20)
(INCREASE)/ DECREASE INVENTORIES	330.83	142.95
INCREASE/ (DECREASE) TRADE PAYABLES	(135.17)	(5.14)
CASH GENERATED FROM THE OPERATIONS	<u>663.83</u>	<u>218.30</u>
INTEREST PAID	(95.22)	(106.78)
DIRECT TAX PAID	(30.50)	(17.85)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	<u>538.10</u>	<u>93.67</u>
EXTRA ORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>538.10</u>	<u>93.67</u>
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
PURCHASE OF FIXED ASSETS	(152.04)	(66.04)
SALE OF FIXED ASSETS	2.05	1.70
NET CASH FROM INVESTMENT ACTIVITIES	<u>(149.99)</u>	<u>(64.34)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM BORROWINGS - SHORT TERM	(404.19)	(8.40)
REPAYMENT OF TERM LOAN	-	-
	<u>(404.19)</u>	<u>(8.40)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(16.08)</u>	<u>20.93</u>
CASH AND CASH EQUIVALENTS OPENING BALANCE	79.52	58.59
CASH AND CASH EQUIVALENTS CLOSING BALANCE	63.44	79.52

For and on Behalf of the Board

NIKITA PHATAK
Company Secretary

JAYASHREE NAIR
Chairperson & Managing Director

S.C. KACHHARA
Executive Director

KARTHIKA NAIR
Director

*Mumbai, July 29th 2011

We have examined the attached Cash flow statement of BDH Industries Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report dated 29th July, 2011 to the Members of the Company.

As per our attached report of even date
For **L. J. KOTHARI & CO.**
Firm Registration Number.105313W

Chartered Accountants

L.J.KOTHARI
Proprietor

Membership No.30917

*Mumbai, July 29th 2011

ANNEXURE - I

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 5 9 2 9 9 State Code \ 1 1
 Balance Sheet Date 3 1 0 3 2 0 1 1

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue NIL Right Issue NIL
 Bonus Issue NIL Private Placement NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Rs.	2 9 7 0 3 0	Total Assets	Rs.	2 9 7 0 3 0
Sources of funds			Application of Funds		
Paid-up Capital	Rs.	5 9 3 9 4	Net Fixed Assets	Rs.	1 6 1 1 1 8
Reserves & Surplus	Rs.	1 4 2 4 9 4	Investments	Rs.	NIL
Secured Loans	Rs.	8 6 0 7 5	Net Current Assets	Rs.	1 3 5 9 1 3
Unsecured Loan	Rs.	1 3 8 1	Miscellaneous Expenditure	Rs.	NIL
Deferred Tax Liability	Rs.	7 6 8 6	Accumulated Losses	Rs.	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Rs.	3 8 4 0 1 3	Total Expenditure	Rs.	3 7 3 7 4 7
(Gross Revenue)					
Profit Before Tax	Rs.	1 0 2 6 6	Profit After Tax	Rs.	7 7 6 4
Earnings per Share	Rs.	1 . 3 5	Dividend Rate	%	5

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code) 3 0 0 4 9 0 7 9
 Product Description SULPHASALAZINE TABLETS
 Item Code No. (ITC Code) 3 0 0 4 9 0 4 2
 Product Description METHOTREXATE TABLETS
 Item Code No. (ITC Code) 3 0 0 4 9 0 7 1
 Product Description CAPTOPRIL TABLETS.

As per our attached report of even date
For L. J. KOTHARI & CO.
 Firm Registration Number: 105313W
 Chartered Accountants

For and on Behalf of the Board

L.J.KOTHARI
 Proprietor
 Membership No. 30917

JAYASHREE NAIR
 Chairperson & Managing Director

S. C. KACHHARA **KARTHIKA NAIR**
 Executive Director Director

NIKITA PHATAK
 Company Secretary

Mumbai, July 29th 2011



BDH INDUSTRIES LIMITED

Registered Office : Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL (Joint Shareholders may obtain additional attendance slips on request)

D.P. Id*	
----------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of share(s) held	
----------------------	--

NAME OF THE SHAREHOLDER

NAME OF THE PROXY

I hereby record my presence at the Twenty First Annual General Meeting of the Company at Garden Court Banquets, Bageecha Complex, Marve Road, Malad (West) Mumbai - 400 095 on Wednesday the 28th September 2011 at 3.00 p.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

*Applicable for investors holding shares in electronic form.

NOTE : THIS ATTENDANCE SLIP IS VALID IN CASE SHARES ARE HELD ON THE DATE OF MEETING.



BDH INDUSTRIES LIMITED

Registered Office : Nair Baug, Akurli Road, Kandivli (East), Mumbai - 400 101.

PROXY FORM

D.P. Id*	
----------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of share(s) held	
----------------------	--

I / We _____

of _____ in the district of _____ being a

Member(s) of the above named company, hereby appoint _____

of _____ in the district of _____

or failing him _____ of _____

_____ in the district of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company held on Wednesday, the 28th September, 2011 at 3.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Affix
Re. 1
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

Signature (s) of the Shareholder (s)

Note : 1. The Proxy Form duly completed should be deposited at the Registered Office of the Company at Mumbai not later than 48 hours before the time of the meeting.

2. Company reserves the right to ask for identification of the proxy.

3. Proxy cannot speak at the meeting.

BDH : Recent Achievements

- NIRYAT SHREE Award from FIEO (Federation of Indian Export Organisations)
- GOOD CORPORATE CITIZEN Award from BCCI (Bombay Chamber of Commerce & Industry)
- MERIT Award from SPC (State Pharmaceuticals Corporation of Sri Lanka)

BDH : Product Range

ANALGESIC

ANTI BACTERIAL

ANTI BIOTICS

ANTI CANCER

ANTI DEPRESSANT

ANTI DIABETIC

ANTI FUNGAL

ANTI INFLAMATORY

ANTI MALERIALS

ANTI SPASMODIC

ANTI TUBERCULOSIS

ANTI ULCERANT

CARDIOVASCULAR

DERMATOLOGICAL

NSAID

PSYCHOTROPIC

TRICHOLOGICAL

VITAMINS & MINERALS

BOOK-POST

To,



When you deal with **BDH INDUSTRIES LIMITED** you are backed by a proven and successful company that can deliver a wide range of pharmaceutical and healthcare products you can trust.



BDH
Industries Ltd.

Nair Baug, Akurli Road, Kandivli (East), Mumbai- 400101, India.
e-mail: bdhind@vsnl.com Website : www.bdhind.com