

A TRUSTED NAME FOR MORE THAN
100
YEARS

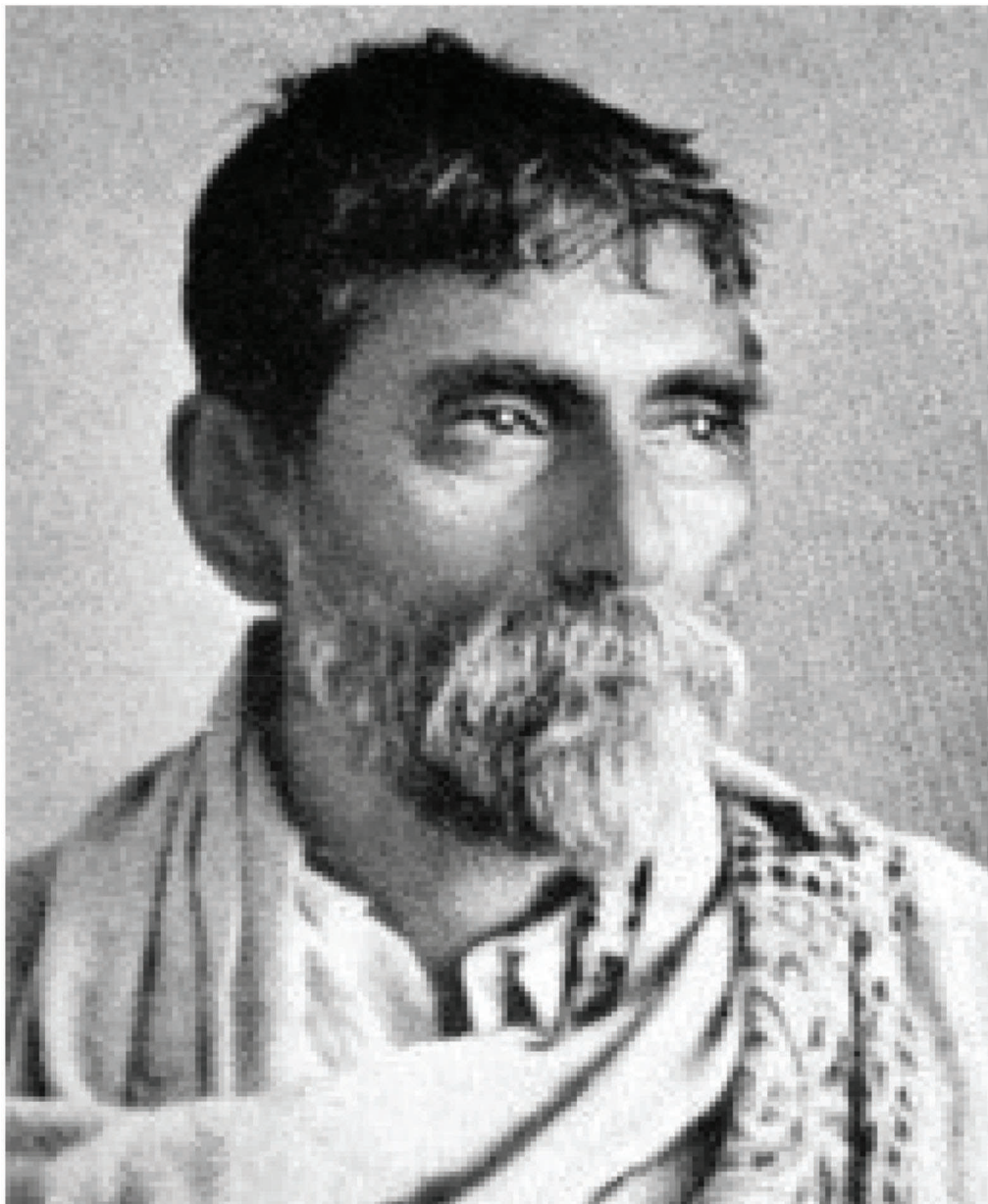
BENGAL CHEMICALS & PHARMACEUTICALS LTD.

(A Government of India Enterprise)



**35th Annual Report
2015-2016**

Our Founder... Our Inspiration



Acharya Prafulla Chandra Ray

(August 2, 1861 – June 16, 1944)

Eminent Chemist, Educator and Entrepreneur from Bengal. He was the founder of Bengal Chemicals & Pharmaceuticals which is the first Pharmaceuticals Company of India (Estd-1901). Today, Bengal Chemicals is a trusted name in the field of Home Products, Pharmaceuticals and Chemicals with a rich heritage for more than 100 years.



CONTENTS OF 35TH ANNUAL REPORT 2015-16

CONTENTS	PAGE NO.
Board of Directors	1
Vision, Mission & Objective and Quality Policy	2
Our Auditors and Bankers	3
Chairman's Address	4-7
Notice Of 35 th Annual General Meeting	8-16
Financial Highlights	17
Financial Charts	18-21
REPORTS:	
Directors' Report	22-39
Management Discussion and Analysis Report	40-50
Report on Corporate Governance	51-70
Extracts of the Annual Return in MGT-9	71-75
AUDITOR'S REPORT:	
Comments of Comptroller and Auditor General of India	76
Independent Auditor's Report	77-92
Reply to Auditors, Report	93-96
FINANCIAL STATEMENTS:	
Balance Sheet	97
Statement of Profit and Loss Account	98
Cash Flow Statement	99-100
Significant Accounting Policies (Note 1.0 to 1.23)	101-112
Notes to Financial Statements (Note 2.1 to 2.26(c))	113-135



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BOARD OF DIRECTORS
(AS ON 35TH ANNUAL GENERAL MEETING, HELD ON 11TH JULY 2016)



PM CHANDRAIAH
MANAGING DIRECTOR (ADDITIONAL CHARGE), And
DIRECTOR (FINANCE) & CFO



JITENDRA TRIVEDI
PART-TIME OFFICIAL DIRECTOR
(GOVERNMENT NOMINEE DIRECTOR)



ANIL GUPTA
BIFR NOMINEE DIRECTOR



Vision, Mission and Objectives of the Company:

VISION

To be a Globally Respected Organization by catering the needs of all Consumers for the Quality Medicines, Life Saving Drugs, Chemicals and Home Products at Affordable Prices.

MISSION

- To achieve Manufacturing Facilities complying with International Standards.
- To continuously improve the Quality of Products with Innovations and R&D initiatives, meeting International Standards, thereby enhancing Customer Satisfaction.
- To commit for Environmental Protection, Conservation and Green Initiatives for the Promotion of Sustainable Growth.
- To develop highly motivated and talented Human Resources to meet the needs of challenging business environment.
- To socially commit and maintain highest standards of Corporate Governance and Corporate Social Responsibility.
- To bring about cost efficiencies for improving net worth.

OBJECTIVES

Company will strive to fulfill its Vision /Mission by:

- ✓ Attaining rapid growth with high quality of products and cost competitiveness and leadership in the main product categories;
- ✓ Creating a culture of continuous innovation in R&D and Customer Care;
- ✓ Emphasizing on Environmental Friendly Activities that bring out Conservation of Resources and Waste Management leading Sustainable Development; and
- ✓ Improving Employee satisfaction levels by adopting modern Human Resource Management methods.

QUALITY POLICY:

- ❖ To produce drug items conforming to the prescribed standards.
- ❖ Maintenance of quality at all stages of manufacturing & quality control operations.
- ❖ To enhance consumers' satisfaction.
- ❖ To ensure continual improvement of the effectiveness of the quality management system, with the involvement of all employees.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



STATUTORY AUDITOR
Bhattacharya Das & Co.
Chartered Accountants
Kolkata

AUDITOR, MUMBAI BRANCH
M/s. Bramhecha Modi & Co.

BANKERS
UNITED BANK OF INDIA
STATE BANK OF INDIA
INDIAN BANK

REGISTERED OFFICE
6 Ganesh Chunder Avenue,
Kolkata 700013
E-mail:
secretariat@bengalchemicals.co.in
Website: www.bengalchemicals.co.in



CHAIRMAN'S ADDRESS

Dear shareholders,

1. On behalf of the Board of Directors and on my personal behalf, I take pleasure in extending a warm welcome to each of you to the 35th Annual General Meeting of your Company.

2. **Annual Financial Statements:**

I take immense pleasure in presenting the Annual Financial Statements of Bengal Chemicals and Pharmaceuticals Limited for the year 2015-16. The Directors Report which includes a report on Management Discussion & Analysis and a Report on Corporate Governance and also the Financial Statements of the Company for the year ended on 31st March, 2016 have already been provided to all the Shareholders and with permission of all the Shareholders present here, I shall consider them as "Read". Since last year, the Directors' Report continues to be far more comprehensive and gives an in-depth and detailed analysis of Company's working, its aim, and objectives and the hurdles and opportunities that we face. I will therefore only endeavor to present you briefly a few relevant and major issues that are before us.

3. **Operational Performance:**

Firstly, I would like to congratulate one and all in the Company and those associated with us on crossing the MoU targeted Production and Turnover of Rs. 8000 Lakhs and Rs. 7000 Lakhs respectively for the year ended on 31st March 2016. Further it also gives me immense pleasure to report to you on the excellent performance of the company during the financial year 2015-16, which reported a Production valuing Rs. 10670 Lakhs against a production of Rs. 6411 Lakhs during the previous year 2014-15, which is an increase of 66% over the previous year. During the period from 1st April, 2016 to 31st May 2016, your Company achieved a Production



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



of Rs. 906 Lakhs against Rs. 1424 Lakhs achieved during the corresponding period of previous year, which is a reduction of 36%.

4. Financial Performance:

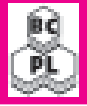
During the year 2015-16, your Company reported a Turnover of Rs. 8819 Lakhs against a Turnover of Rs. 4584 Lakhs achieved during 2014-15. Similarly, the Loss of the company has been reduced to Rs. 913 Lakhs in 2015-16 when compared to the Loss of Rs.1732 Lakhs in the previous year 2014-15. Pharmaceutical Products is the segment contributing highest to the turnover of the Company and this segment has contributed 64% to the total turnover during 2015-16 as compared to 60% during the previous year 2014-15 and 32% in 2013-14. The second largest segment has been Cosmetics and Home Products contributing 30% to the total turnover during 2015-16 compared to 33% during the previous year 2014-15 and 59% in 2013-14. During the period from 1st April, 2016 to 31st May, 2016 your Company achieved a Turnover of Rs. 872 Lakhs against Rs. 1072 Lakhs achieved during the corresponding period of previous year, which is a reduction of 19%.

5. MOU Rating:

Your company entered MOU with the Ministry wherein a Target Turnover of Rs. 7000 Lakhs and Target Production of Rs. 8000 Lakhs had been set for “Excellent Rating”, against which your company achieved a Turnover of Rs.8819 Lakhs and Production of Rs. 10670 Lakhs. Based on the ‘Self-evaluation’ as per the Audited Financial Statements, your Company is likely to be achieved “**EXCELLENT Rating**” for the year 2015-16. Further, the Department of Public Enterprises (DPE) has evaluated your Company with the “**GOOD**” rating for the year 2014-15.

6. R&D, Technology Up-Gradation and Project Implementation:

The formulations of the various Tablets, Capsules, and Ointments are now being produced in-house including the primary and secondary packaging and adapted for commercial productions which were earlier outsourced through Loan Licensing activities. Further, the Drug Control Authority, West Bengal has issued the license for production of Betalactum tablets & Capsules in the OSD section of Betalactum block on 26th May 2016.



7. Corporate Governance:

Your Company firmly believes that the path of good Corporate Governance leads to sustained growth for all stakeholders and has been maintaining the standard of “Good Corporate Governance”. Your Company has been adhering to the Corporate Governance Guidelines issued by the Department of Public Enterprises, Government of India. Based on the ‘Self-evaluation’, your Company is likely to be achieved “**EXCELLENT Grade**” for the year 2015-16 against a “FAIR Grade” in 2014-15. Your Company committed to sustain and improve Corporate Governance in the Organisation.

8. Corporate Social Responsibility (CSR) & Sustainability:

Since, BCPL is a Loss making BIFR Company, it does not require to conduct any CSR & Sustainability activities as per Statutory provisions of Companies Act, 2013 as well as guidelines issued by DPE. However, your Company has constituted a Board level CSR & Sustainability Committee and Company does also have a CSR & Sustainability Policy. In addition to this, your Company is planning to spend some amount voluntarily in 2016-17 by conducting CSR activities in the year 2016-17.

9. Human Resources:

Your company is in process of infusing fresh young talent apart from imparting training of existing employees in various fields. This approach would lead to a competent workforce in the coming years. Your Company has a strong work force of 370 employees on its role as on 31st March 2016 and imparted training for 102 man-days during 2015-16.

10. Acknowledgement:

At the outset, I gratefully acknowledge the continued support and help received from the Administrative Ministry, Department of Pharmaceuticals, various Other Departments of Government of India & various State Governments and more especially from the Department of Public Enterprises, Registrar of Companies, West Bengal, Ministry of Corporate Affairs and for the constant support guidance, which they have extended for improved performance of your Company. My deep gratitude is due to our valued “Customers and Suppliers” for their trust in doing business with the Company.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



I am failing in my duties if I do not convey my sincere thanks to the Directors of your Company for their valuable support and contribution in steering the company to achieve this glorious performance. Finally, I take this opportunity to convey my special thanks to the “Building Blocks” of your organization i.e. the “EMPLOYEES”.

Sd/-
(Anil Gupta)
Chairman

Place: Kolkata,

Date: 11th July 2016



NOTICE

Notice is hereby given to all the shareholders of Bengal Chemicals & Pharmaceuticals Limited that the 35th Annual General Meeting of the Company will be held on **Monday 11th July, 2016 at 12:30 Hrs.** at its Registered and Corporate office, 6 Ganesh Chunder Avenue, (1st Floor), Kolkata- 700013 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March 2016 comprising Balance Sheet as at 31st March 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company to be appointed by the Comptroller and Auditor General of India for auditing the accounts of the Company for the financial year 2016-17 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 142 of the Companies Act, 2013, Board of Directors, be and is hereby authorised to decide and fix the remuneration of Statutory Auditors and Branch Auditors of the Company to be appointed by Comptroller and Auditor General of India, for the financial year 2016-17.”

Special Business:

3. To approve the remuneration of the Cost Auditors of the Company for the Financial Year ending on 31st March 2017 and in this regard,



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri S.K. Chakravartty, Cost Accountant, appointed by Board of Directors as Cost Auditor for conducting the Cost Audit of the Company, for the financial year 2016-17, at a total fee of Rs. 55,000/- plus applicable service tax, excluding TA/DA and out of Pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of Board of Directors

Sd/-

(PM CHANDRAIAH)
Director (Finance)

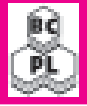
Date: 15th June 2016

Place: Kolkata



NOTES:

- 1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY IN WRITING DULY SIGNED BY HIM TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. (SECTION 105 OF THE COMPANIES ACT, 2013).**
2. Proxy Form in duplicate is attached herewith. It is requested that all the members of the Company return the same duly filled, signed and stamped (Section 113 of the Companies Act, 2013).
3. As per the provisions of Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member (Section 105 of the Companies Act, 2013). A proxy form which does not state the name of the proxy or undated shall not be considered valid (Secretarial Standard on General Meeting).
4. Every Member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
5. Members who have not yet registered their e-mail id or who want to change their e-mail id are requested to approach the Company so as to receive all communications electronically including Annual Report, Notices etc. sent by Company from time to time.
 6. The Shareholders may please write to the email-id **df@bengalchemicals.co.in** or **cs@bengalchemicals.co.in** for any queries/ complaints/ grievances.
 7. Route Map indicating venue of the AGM is given at the end of the Notice.



Statement Pursuant To Section 102(1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending on 31st March 2017 as per the following details:

Name of the Cost Auditor	Audit Fee (In Rupees)
Shri S.K. Chakravartty	55,000/-

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March 2017. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

To

All Shareholders of BCPL

1. The President of India
Through the Office of Secretary,
Department of Pharmaceuticals,
Ministry of Chemicals & Fertilizers
Shastri Bhavan New Delhi-110001



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



2. Shri R. K. Maggo
Director, Department of Pharmaceuticals,
Ministry of Chemicals & Fertilizers
Shastri Bhavan, New Delhi-110001

3. Shri Alok Kumar Karn
Under Secretary, Department of Pharmaceuticals,
Ministry of Chemicals & Fertilizers
Shastri Bhavan, New Delhi-110001

Copy to:

- i. All Directors of BCPL
- ii. Secretary to the Govt. of India,
Department of Pharmaceuticals Limited
Ministry of Chemicals & Fertilizers
Shastri Bhawan, New Delhi-110001

- iii. M/s. Bhattacharya Das & Co., Statutory Auditors

By Order of Board of Directors

Sd/-
(PM CHANDRAIAH)
Director (Finance)

Date : 15th June 2016

Place : Kolkata



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Form No. MGT-11
Proxy form

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

CIN: **U24299WB1981GOI033489**
Name of the company: **Bengal Chemicals & Pharmaceuticals Ltd.**
Registered office: **6, Ganesh Chunder Avenue, Kolkata – 700 013**

Name of the member(s):
Registered address:
E-mail Id:
Folio No/Client Id:
DP ID:

I/We, being the holder(s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:, or failing him

2. Name:
Address:
E-mail Id:
Signature:, or failing him



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



As my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 35th Annual General Meeting of the Company, to be held on the 11th day of July 2016 at 12:30 Hrs. at Registered Office of the Company at 6 Ganesh Chunder Avenue Kolkata-700013 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolutions:

Ordinary Business

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March 2016 comprising Balance Sheet as at 31st March 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To fix the remuneration of Statutory Auditor

Special Business

3. To approve the remuneration of the Cost Auditors of the Company for the Financial Year ended on 31st March 2017

Signed thisday of 20.....

Signature of Shareholder

Signature of Proxy holder(s)

**Affix Re. 1/-
Revenue
Stamp**

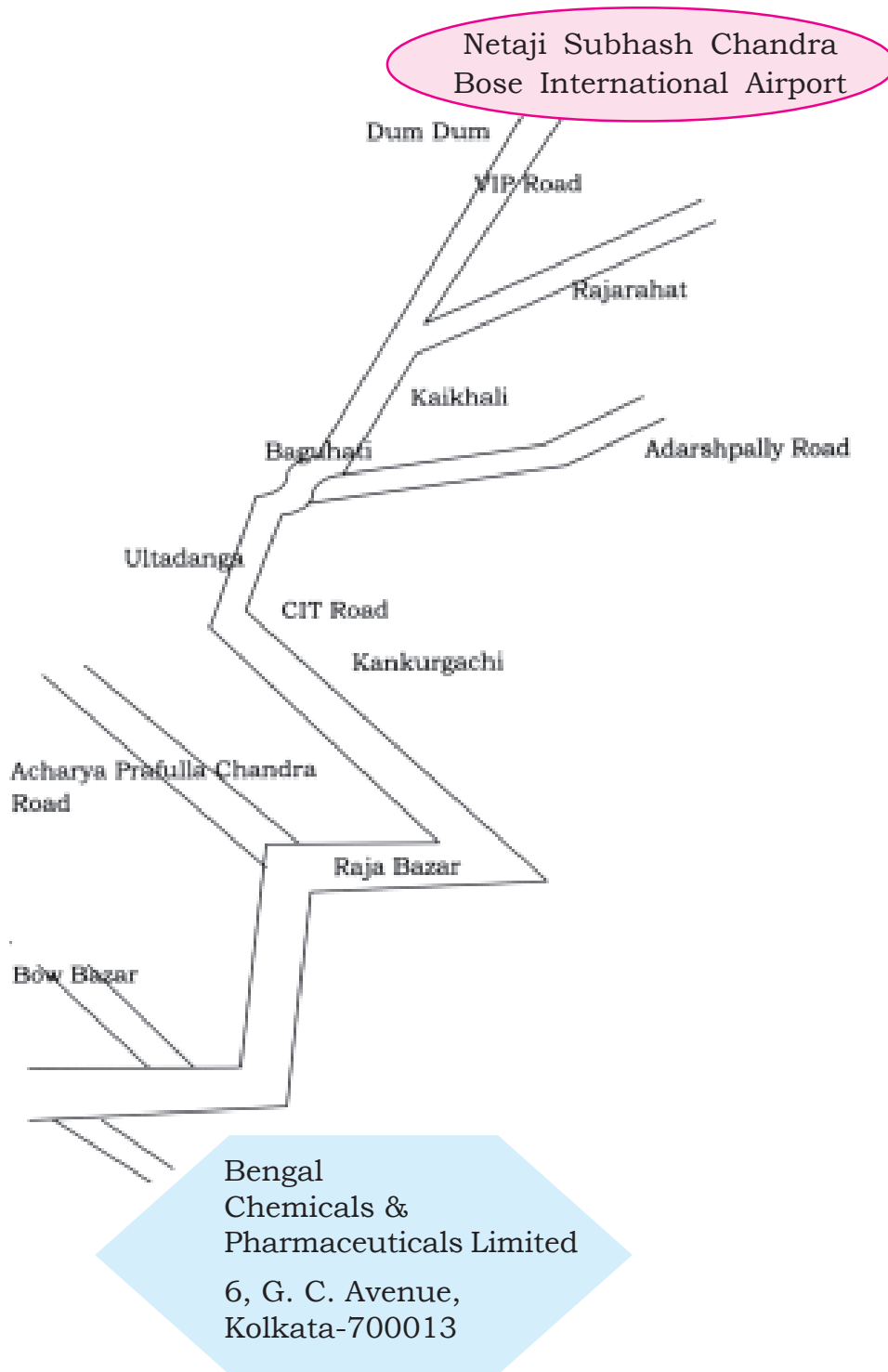
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



ROUTE MAP FOR THE VENUE OF 35th ANNUAL GENERAL MEETING





BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



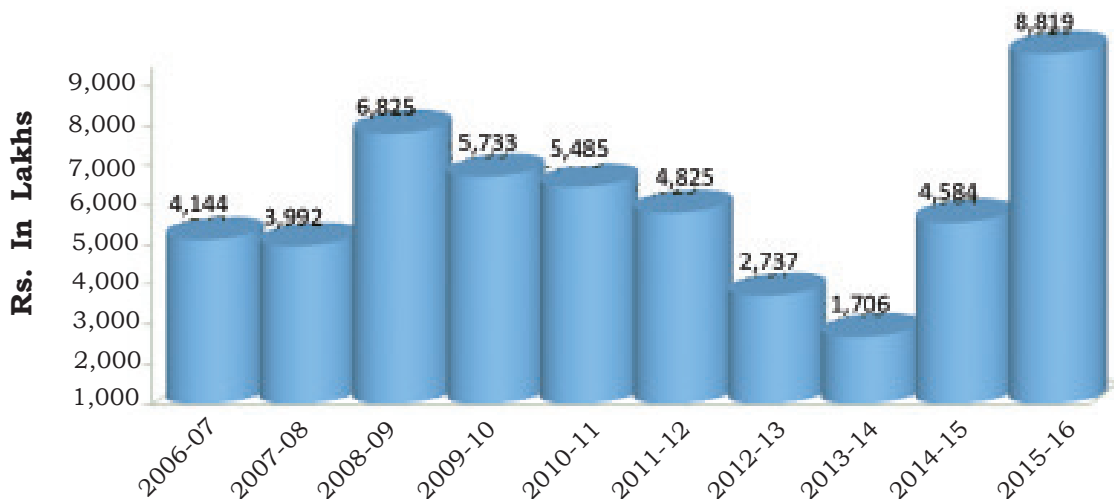
TEN-YEARS' FINANCIAL HIGHLIGHTS:

(Rs.in Lakhs)

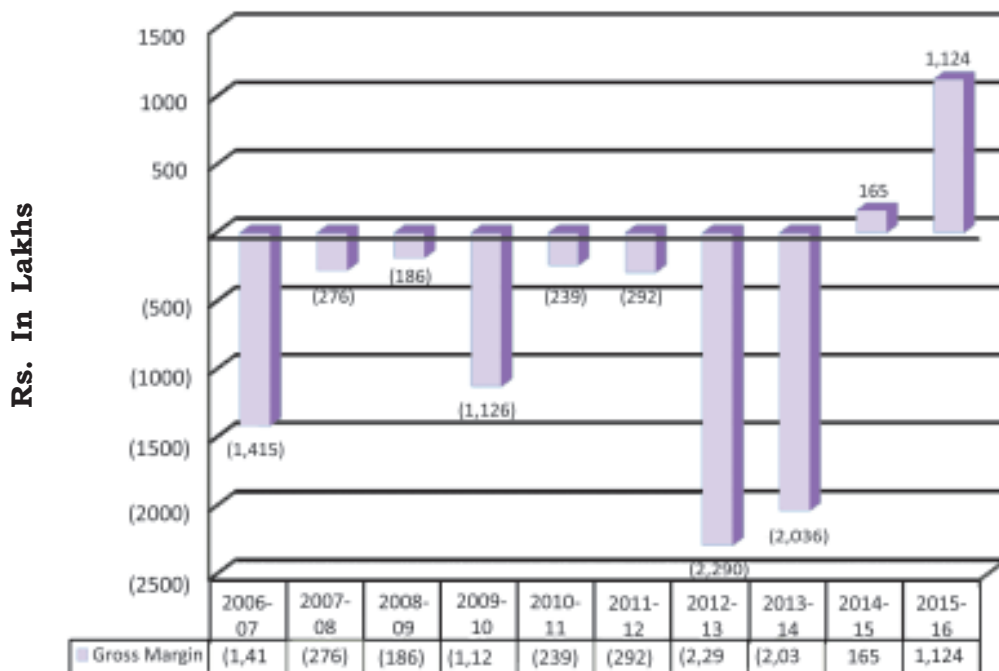
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
OPERATIONAL PERFORMANCE:										
Production	7,089	5,569	8,063	8,324	8,049	5,922	3,633	1,970	6,410	10,670
FINANCIAL PERFORMANCE:										
Gross Sales	4,867	4,643	7,347	6,065	5,867	5,176	3,003	1,904	4,959	9,623
Less : Excise Duty	723	651	522	332	382	351	266	197	375	804
Net Sales	4,144	3,992	6,825	5,733	5,485	4,825	2,737	1,706	4,584	8,819
Other Income	789	2,849	1,344	1,340	1,311	2,539	1,907	1,957	1,970	2,457
Total Income	4,933	6,841	8,169	7,073	6,796	7,364	4,644	3,663	6,554	11,276
Direct Costs	3,812	2,650	4,761	3,719	3,737	4,128	2,661	1,454	3,024	5,630
Employee Benefit Exp.	1,156	1,135	1,518	1,821	1,828	2,212	2,567	2,609	2,857	2,352
Other Expenses	1,882	1,367	1,728	1,822	1,788	1,316	1,705	1,636	1,583	2,170
Total Expenses	6,350	5,052	8,007	7,362	7,353	7,656	6,933	5,699	7,464	10,152
Gross Margin (PBDIT)	(1,415)	(276)	(186)	(1,126)	(239)	(292)	(2,290)	(2,036)	165	1,124
Depreciation	157	153	148	151	222	212	309	334	361	395
Profit Before Interest & Tax (PBIT)	(1,572)	(429)	(334)	(1,277)	(460)	(505)	(2,599)	(2,370)	(196)	729
Finance Cost	423	541	912	662	610	1,319	1,469	1,285	1,536	1,842
Profit Before Tax (PBT)	(1,995)	(970)	(1,246)	(1,939)	(1,070)	(1,823)	(4,069)	(3,655)	(1,732)	(913)
ASSETS & LIABILITIES:										
LIABILITIES:										
Share Capital	2,196	7,696	7,696	7,696	7,696	7,696	7,696	7,696	7,696	7,696
Free Reserves(Dr.Bal.in P&L A/c)	(9,933)	(10,913)	(12,169)	(14,108)	(15,178)	(17,002)	(21,070)	(24,725)	(25,243)	(26,156)
Networth	(7,737)	(3,217)	(4,473)	(6,412)	(7,482)	(9,306)	(13,374)	(17,029)	(17,547)	(18,460)
Capital Reserves	7,172	7,171	7,171	7,171	7,799	7,799	7,799	7,799	7,799	7,799
Long Term Borrowings	5,041	13,788	18,705	21,055	26,855	15,021	18,426	19,256	21,145	21,740
Capital Employed	(2,696)	10,571	14,232	14,843	19,373	5,715	5,053	2,227	3,598	3,280
Other Current Liabilities	3,000	8,859	18,973	7,531	5,547	12,408	7,868	8,534	9,283	9,317
Provisions	1,103	1,208	1,349	1,661	1,483	1,523	1,724	1,711	1,922	1,973
Total Liabilities	8,579	27,809	41,725	31,006	34,202	27,445	22,444	20,271	22,602	22,369
ASSETS:										
Fixed Assets (Gross Block)	3,351	3,427	3,459	4,630	4,634	4,744	5,901	6,519	6,886	12,501
Accumulated Depreciation	1,484	1,614	1,763	1,913	2,135	2,348	2,758	3,225	2,370	2,765
Net Block of Fixed Assets	1,867	1,813	1,696	2,717	2,499	2,396	3,143	3,294	4,316	9,736
Capital Work In Progress	92	108	1,768	3,880	7,025	11,418	11,092	10,973	10,923	5,718
Inventories	1,568	1,368	2,077	2,233	1,777	1,515	1,046	811	1,428	1,463
Trade Receivable	1,689	1,905	2,538	2,803	2,985	2,833	1,100	743	1,441	2,633
Cash and Bank Balance	1,819	18,802	29,935	16,127	672	395	4,234	3,009	3,698	1,865
Loans & Advances	1,544	1,813	3,711	3,246	18,535	8,094	994	1,140	564	504
Other Current Assets	-	2,000	-	-	709	793	855	301	231	448
Total Assets	8,579	27,809	41,725	31,006	34,202	27,445	22,444	20,271	22,602	22,369
OTHERS:										
No. of Employees	802	767	748	719	689	629	573	481	405	370
No. of Shares	219,604	769,604	769,604	769,604	769,604	769,604	769,604	769,604	769,604	769,604
RATIOS:										
Turnover Per Employee Rs. Lakhs	5.17	5.20	9.12	7.97	7.96	7.67	4.78	3.55	11.32	23.84
Earning Per share Rs.	(908.45)	(126.04)	(161.90)	(251.95)	(139.05)	(236.90)	(528.66)	(474.94)	(225.06)	(118.65)
Administrative Exp./Total Exp. %	43.84%	43.54%	35.80%	44.56%	44.18%	38.41%	49.04%	58.01%	47.43%	37.10%
Finance Cost/Total Expenses %	6.10%	9.42%	10.06%	8.10%	7.45%	14.35%	16.86%	17.56%	16.41%	13.47%
Direct cost / Gross Sales %	68.05%	54.92%	64.80%	61.32%	63.70%	79.75%	88.61%	76.38%	60.99%	58.50%



NET SALES

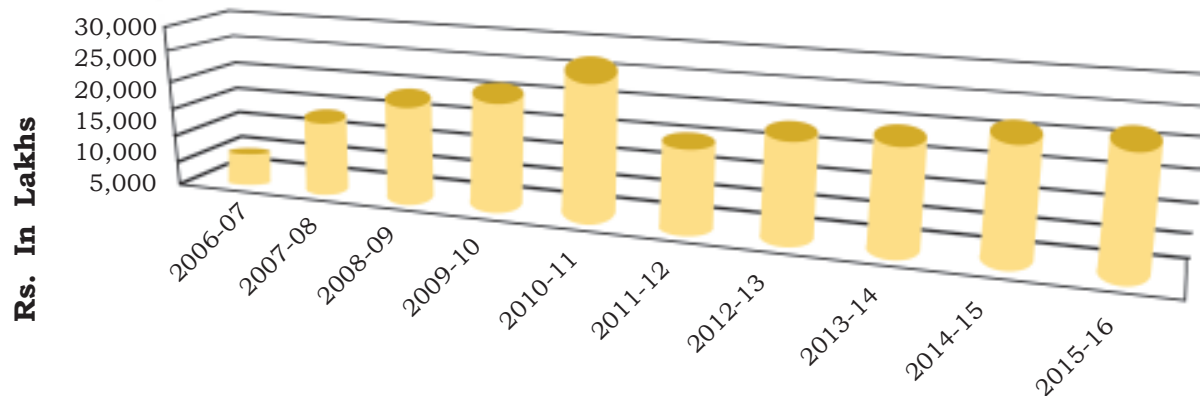


GROSS MARGIN



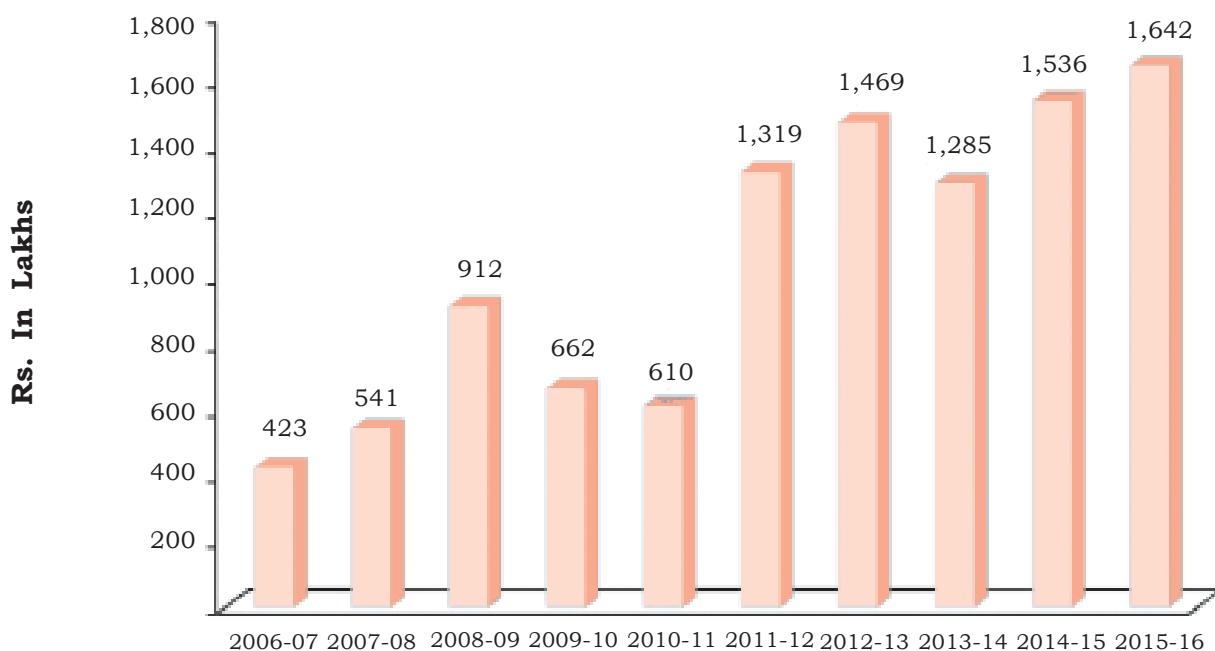


LONG TERM BORROWINGS



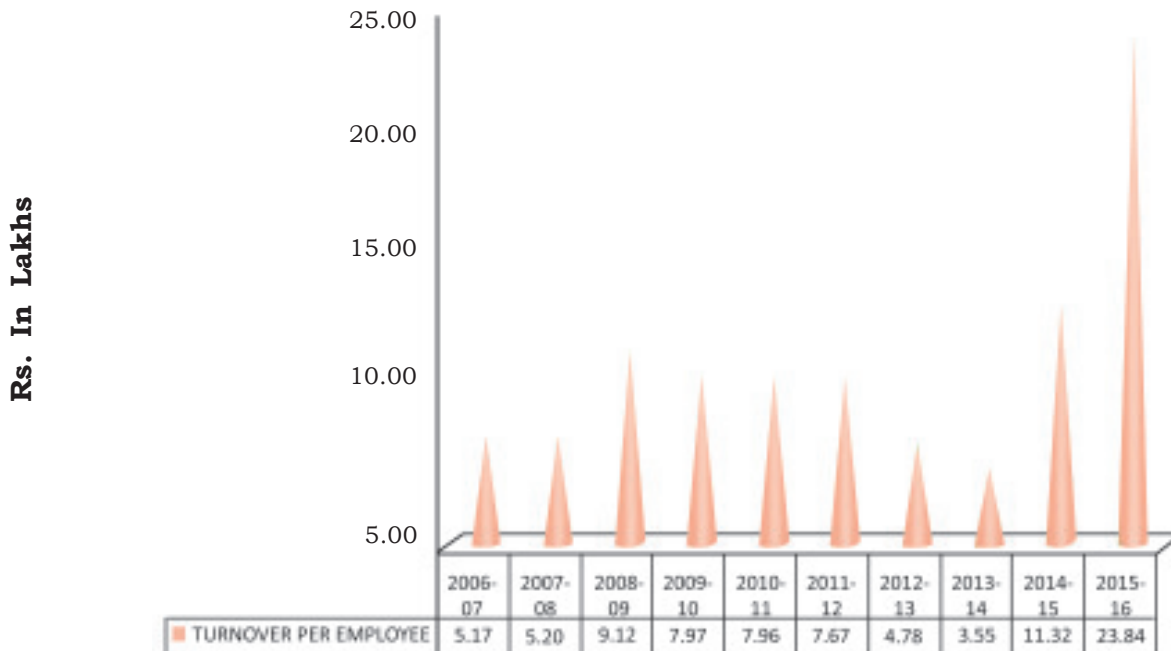
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
■ Long Term Borrowings	5,041	13,788	18,705	21,055	26,855	15,021	18,426	19,256	21,145	21,740

FINANCE COST

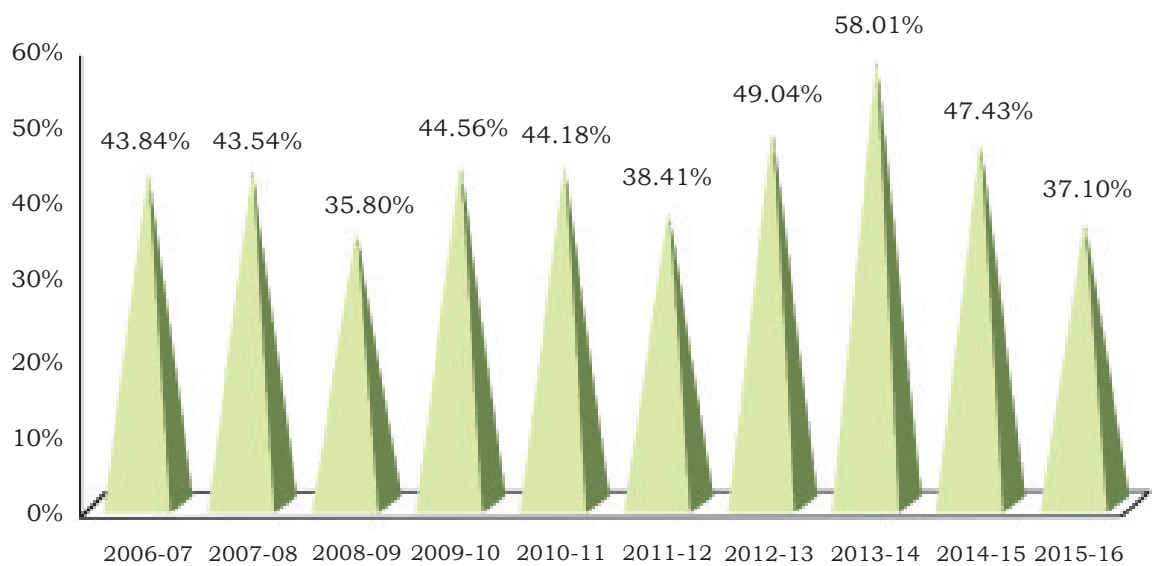




TURNOVER PER EMPLOYEE

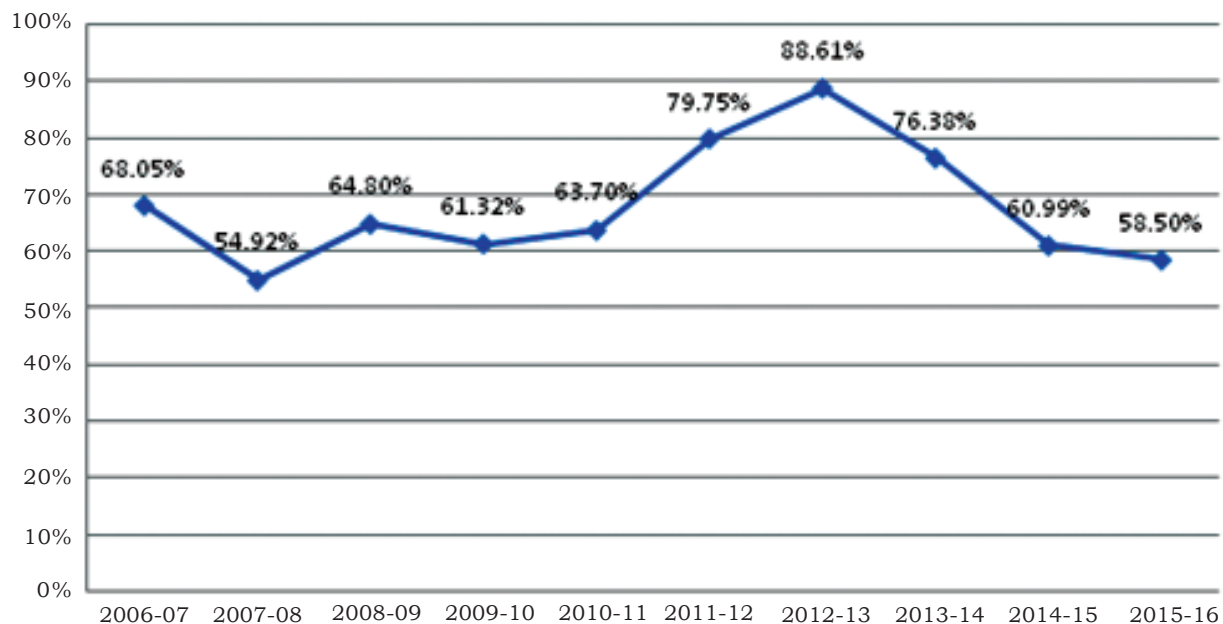


%age of Administrative Expenses to Total Expenses

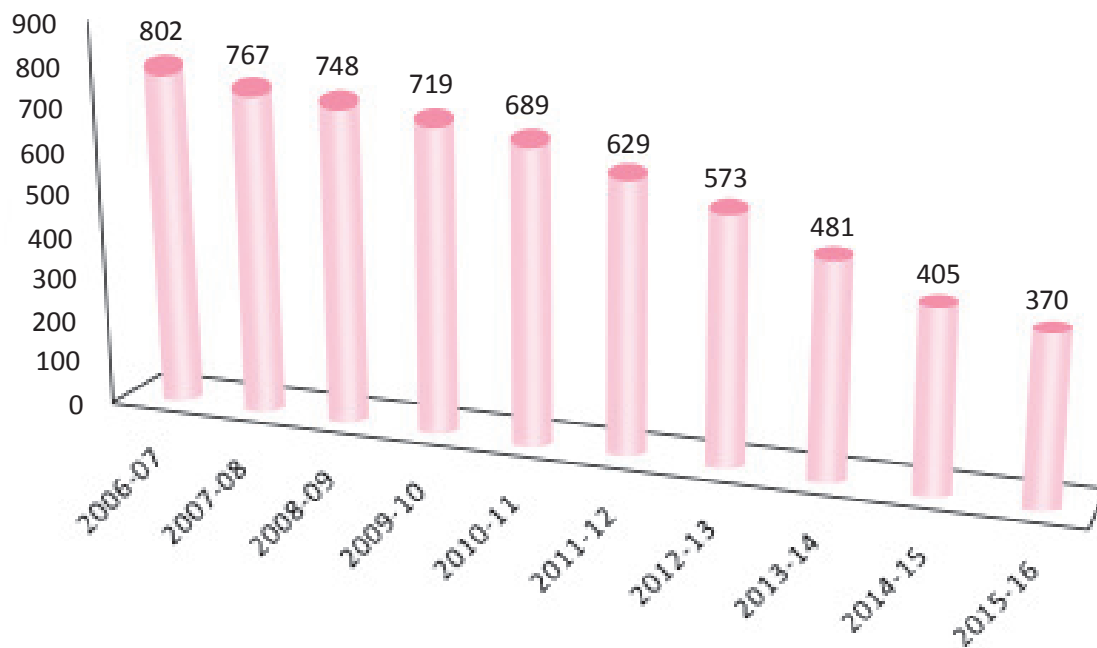




%age of Direct Cost to Gross Sale



Number of Employees





DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 35th Annual Report and Audited Financial Statements of the Company for the financial year ended on 31st March 2016.

1. FINANCIAL HIGHLIGHTS

During the year 2015-16, the Company achieved a turnover of Rs. 8819 Lakhs compared to Rs 4584 Lakhs achieved during 2014-15, which is an increase of 92% over the previous year. Similarly, Loss has been reduced to Rs. 913 Lakhs, compared to Rs 1732 lakhs in the previous year 2014-15.

The financial highlights of your Company during the year 2015-16 along with the corresponding previous year figures are as under:

(Rs. Lakhs)

Sl. No.	Description	2014-15	2015-16
1	Operating Income (Turnover)	4583	8819
2	Total Income	6553	11276
3	Profit/ (Loss) Before Tax	(1732)	(913)
4	Depreciation	360	395
5	Finance Cost	1537	1642
6	Gross Margin	165	1124
7	Paid-up Share Capital	7696	7696

2. CAPITAL STRUCTURE

The authorised share capital of the Company is Rs. 8000 Lakhs (divided into 800000 equity shares of Rs. 1000/- each) and paid-up share capital of the Company is Rs. 7696 Lakhs (divided into 769604 equity shares of Rs. 1000/- each).



3. DIVIDEND & RESERVES

In view of continuing Losses year after year, the Directors neither recommend payment of any Dividend for the year 2015-16 nor transfer any amount to the General Reserves of the Company.

4. PRODUCTION

During the financial year 2015-16, your Company achieved a production of **Rs. 10670 Lakhs** against Rs. 6410 Lakhs achieved during the previous year 2014-15, which is an increase of **66%** over the previous year.

5. OPERATIONS:

5.1 Industrial Chemical: Industrial Chemicals Division of your Company has achieved a net turnover of **Rs. 570 Lakhs** in 2015-16 against a turnover of Rs 338 Lakhs reported in the Financial Year ended on 31st March 2015, which is an increase of 69% over the Previous Year.

5.2 Pharmaceuticals Division: Pharmaceuticals Division of BCPL has reported a net turnover of **Rs. 5613 Lakh** in 2015-16 as compared to Rs. 2751 Lakh in 2014-15 which is a increase of **104%** over the Previous Year. The increase was due to commissioning of BETALACTUM and CEPHALOSPORIAN Blocks at Maniktala Factory.

5.3 Home Products: Home Products Division of Company has achieved a net turnover of **Rs. 2636 Lakhs** in 2015-16 against a turnover of Rs. 1494 Lakh reported in the Financial Year ended on 31st March 2015, which is an increase of **76%** over the Previous Year.

6. BIFR STATUS:

The Board for Industrial and Financial Reconstruction (BIFR) vide their letter dated 28th January 2004 forwarded the sanctioned scheme as approved at the hearing held on 14th January 2004, in terms of Section 19 of SICA, 1985. The impact of most of the reliefs and concessions given by Government of India, and Government of West Bengal and others as per the approved Rehabilitation Scheme has been considered in the Books of Accounts of the Company.

7. PERFORMANCE RATING UNDER MOU

Your Company has entered MoU for the year 2015-16 with the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals wherein a turnover



target of Rs 7000 Lakhs was fixed. During the year 2015-16, Your Company achieved a turnover of Rs. 8819 Lakhs. Based on the Audited Results of the Company, BCPL is likely to get **“EXCELLENT”** MoU Rating for the year 2015-16. Further, the first time in the history of the Company, your Company has been rated “GOOD” in the MoU 2014-15 by Department of Public Enterprises (DPE). The BCPL was not rated by DPE in the earlier years due to its poor performance and non-finalisation of Annual Accounts within stipulated time.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year 2015-16, as required under the Guidelines on Corporate Governance for CPSEs is placed at **Annexure-I** to this Report.

9. CORPORATE GOVERNANCE

BCPL is committed to follow Good Corporate Governance Practices in conducting business in a legal, ethical, and transparent manner. The Company believes that good corporate governance practices in the long run leads to creation of wealth for all its stakeholders. BCPL has been complying with the Corporate Governance Guidelines issued by DPE and submits quarterly/ annual Compliance Report to Department of Pharmaceutical. During the Year 2015-16, your Company got the **“EXCELLENT”** rating in self evaluation of compliance of Guidelines on Corporate Governance issued by DPE for CPSEs. The Report on Corporate Governance along with Compliance Certificate from the Practising Company Secretary has been placed at **Annexure-II** to this Report.

10. EXTRACT OF ANNUAL RETURN

The extract of Annual Return of your Company for the Financial Year 2015-16 in Form **MGT-9** as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 has been placed at **Annexure-III**.

11. VIGILANCE ACTIVITIES

The Vigilance Department plays an advisory role to the top management in matters pertaining to vigilance. It is headed by a Part-time Chief Vigilance Officer and One Part-time Vigilance Officer. The activities of Vigilance Department have been streamlined since 2000.



The Department ensures implementation of laid down guidelines/procedures through preventive checks like (i) Quarterly Notice of Transparency (ii) Use Website for tenders and contracts. During the year 2015-16, Eight surprise inspections were made by Department. Quarterly Returns viz. Annual Action and Anti Corruption measures, and Monthly Reports of CVO were sent to CVC in stipulated time.

12. HUMAN RESOURCE

The Company has been focusing on augmenting its manpower in the wake of increasing the production. The focus is to hire best talent with requisite specialized skills. During the year 2015-16, no permanent employee was recruited. The Company has 370 employees as on 31st March 2016, out of which 86 employees are technically and/ or professionally qualified. The Company has 52 women employees. Various social security schemes like Provident Fund, Gratuity and Group Accidental Insurance Schemes are also in place in the Company.

12.1 SC/ST/OBC Employees:

The strength of SC/ST/OBC employees on the rolls of the Company as on 31st March 2016 was 37, 1, and 11 respectively, which constituted 14.02%, 0.27%, and 2.97% of the total strength respectively. The Presidential Directive on reservation of SC/ST and OBC are 15%, 7.5%, and 27% respectively. Since BCPL being a Sick PSU for years together (BIFR listed) and the recruitment of employees is happening on Statutory/key functional areas, the Presidential Directives on reservation of SC/ST/OBC/PHC can't be complied to the full extent. But the process of inducting the required numbers will be done along with the improvement in performance of the Company.

12.2 Physically Challenged Persons:

The number of physically challenged persons as on 31st March 2016 were 9 which constituted 2.43% of the total strength of employees. The Presidential Directive on reservation of Physically Challenged Persons is 3% of the Total Strength. The Physically Handicapped employees are engaged in light jobs commensurate with their physical ability.



12.3 Manpower Status:

a) Total Employees as on 31st March 2016: 370

Group	Permanent Employees		Total Employees
	Male	Female	
A	77	9	86
B	89	6	95
C	116	15	131
D	36	22	58
Total	318	52	370
Percentage	85.94%	14.06%	100%

b) Representation of SCs/STs/OBCs/ Physically Challenged Persons as on 31/03/2016 is as under:

Group	Employees on Roll	SCs Nos.	STs Nos.	OBCs Nos.	Physically Challenged Nos.	Minority Nos.
A	86	8	0	5	0	1
B	95	5	0	2	0	0
C	131	18	1	3	9	4
D	58	6	0	1	0	1
Total	370	37	1	11	9	6
Percentage		10%	0.27%	2.97%	2.43%	1.62%

c) Promotion of SCs/STs/OBCs/ Physically Challenged Persons during the year 2015-16:

Group	Total Employees Promoted	SCs	STs	OBCs	Physically Challenged
A	15	0	1		0
B	7	1	1		0
C	18	5	0		9
D	9	0	0	2	0
Total	49	6	2	2	9
Percentage	100%	12.24%	4.08%	8.16%	18.37%

*A denotes to Level IX to XIX, B denotes to Level VII & VIII, C denotes to Level IV, V, & VI, D denoted to Level I, II, III



12.4 TRAINING OF EMPLOYEES AND SENIOR MANAGEMENT

The Company also takes initiatives for harnessing the inherent strength of its employees through training. Employees are sponsored for training programmes, seminars, workshops, etc. to enhance their technical, communication, personal skills. During the year 2015-16, the 102 Man Days training was imparted to 89 employees of the Company. A target of 100 Man Days was given in the MoU for the year 2015-16 signed with administrative Ministry.

a) In-House Training: During the year 2015-16, the Company organized an In-house training programmes on “Holistic Effectiveness & Professional Excellence through Human Values (Module-I)” at its City Office, Kolkata on 12th March 2016 in which 20 representatives of all unions (5 representatives from each union) participated. The “Rabindranath Tagore Centre for Human Values” was the Programme Coordinator of the aforesaid programme.

b) External Training: During the year, Your Company nominated many Officials for various external training programs/ courses organized by various reputed training institutions. The details of various external Training Programs are given as under:

Sl. No.	Date	Theme	Name of Trainer	No. of employees attended	Total Mandays
1	28/08/2015	Quality Management Standarads & Quality Technology Tools (QMS/ QTT)	BNCCI, Kolkata	2	2
2	08/09/2015	The Companies (Cost Records & Audit) Rules 2014	ICMA, Kolkata	2	2
3	16/09/2015 to 17/09/2015	Effective Shopfloor Management	West Bengal State Productivity Council	2	4
4	01/10/2015	North East Market Linkages and Vendor Development Programme	NFDFI, Guwahati	1	1
5	08/10/2015	Important Issues in Service Tax-2015	5 Knowledge Accademy	3	3
6	26/11/2015 to 27/11/2015	Supervisory Skill Development	West Bengal State Productivity Council	2	4



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



7	09/12/2015 to 10/12/2015	Management of Taxation: Customs, Central Excise, Service Tax, Foreign Trade Policy (Law & Procedure)	West Bengal State Productivity Council	1	2
8	09/01/2016	Life Style Oriented Diseases vis-à-vis prevention – isn't better than cure	Pushpanjali Hi-Tech Rehab Centre	26	26
9	15/01/2016	To create awareness within the organization about QCI-D.L. Shah Quality Award- To help organization understand the methodology for applying and preparing project report on a case study	BNCCI, Kolkata	2	2
10	16/01/2016	Start-up India Movement Meeting of BOPT	BOPT- ER Kolkata	24	24
11	05/02/2016 to 07/02/2016	AIMA's 6 th Senior Leadership Retreat "From Catch up to Leadership: Transforming Indian Outlook and Strategies"	All India Management Association (AIMA)	1	3
12	17/02/2016 to 18/02/2016	Women Empowerment & Harassment at Work Place	West Bengal State Productivity Council	2	4
13	18/02/2016 to 22/02/2016	Leadership and Performance Management in Social Sector	Administrative Staff College in Hyderabad	1	5
14	12/03/2016	Holistic Effectiveness & Professional Excellence through Human Values (Module-I)	Rabindranath Tagore Centre for Human Values	20	20
14		Total		89	102



13. PROPAGATION OF RAJBHASHA

BCPL follows all Government guidelines on implementation of Rajbhasha/ Hindi at its Corporate Office, all Factories and all Branch Offices. Section 3(3) of Official languages Act, 1963 (as amended) emphasizes mandatory use of Hindi and English language in various works of the Company.

Parliamentary Committee on Official Language visits the Company for inspection and review the progress on use of Hindi in the Company from time to time. They had taken into consideration the efforts of our company to promote the use of Hindi in official work. The Company had participated in Hindi Salahakar Samiti Meeting, where the progress on use of Hindi in the Company is also reviewed. The efforts of the Company is to promote the use of Hindi in official work, through Hindi notings, orders etc. printing in Hindi on the Stationery materials, Labels, Cartoons, packing of medicines etc., along with English, were acknowledged and taken note by the Committee. Service files of the Employees have also been prepared and printed in bilingual form.

Hindi books are being purchased for the company's library regularly. A bilingual sentence/ word is being written on the Notice Board of the Company on daily basis. Cash awards are being given to employees who have passed Probohdh, Praveen & Pragya examinations as per Government guidelines. Company also subscribes Hindi Newspapers and Magazines for its employees. Hindi version of Company's WEBSITE has been uploaded. The Company continued its endeavor to encourage the eligible employees by arranging Hindi Workshops, Seminars and Trainings etc. for its increased application in the official work.

14. ECONOMY IN ADMINISTRATIVE EXPENDITURE

Keeping in view the Government Directives, efforts were made to achieve economy in administrative expenditure in BCPL during the year 2015-16. During the year 2015-16, the percentage of Administrative/ Other Expenses was 24.60% to the Net Sales against the administrative expenses of 34.54% in previous year 2014-15.

15. SAFEGUARD OF WOMEN AT WORKPLACE

An Act to provide protection against sexual harassment of women at



workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto called “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”, has come into force from 9th December 2013 with notification of rules by Government of India, Ministry of Women and Child Development. The provisions of the Act and the rules thereon are being strictly complied with. In accordance with the Act, Internal Complaints Committee has been constituted. During the year 2015-16, one Workshops/ awareness programmes on Sexual Harassment have been conducted at Corporate Office of the Company. No complaint of sexual harassment is received during the year 2015-16. The official website of the Company also contains the “The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

16. BOARD OF DIRECTORS

a) Presently the Board of BCPL comprises the following:

S. No	Name	With effect from
1.	Shri E.A. Subramanian Managing Director	5 th February 2014
2.	Shri PM Chandraiah Director (Finance)	25 th November 2014
3.	Shri R.K. Maggo Part-time (Official) Director	9 th June 2015*
4.	Shri Anil Gupta BIFR Nominee Director	18 th July 2011

* Till 29th February 2016

b) The details of directors/ key managerial personnel appointed or have resigned during the year 2015-16 and policy relating to Directors’ Key Managerial Personnel and other employees are mentioned in Report on Corporate Governance attached to this report.

17. DIRECTORS’ RESPONSIBILITY STATEMENT

As required under Section 134 (3) (C) and 134 (5) of the Companies Act, 2013, your Directors hereby confirm:



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) That 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 for the year ended on 31st March 2016 and of the Profit and Loss of the Company for that period;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Annual Accounts have been prepared on a going concern basis;
- v) That the Directors have devised proper systems to ensure compliance with provisions of all applicable Laws and that such systems were adequate and operating effectively.

18. COST AUDIT

Pursuant to Section 148 of Companies Act 2013, Shri S.K. Chakravartty, Cost Accountant, was appointed as the Cost Auditor of the Company for the Financial Year 2015-16. The Cost Audit Report for the year 2015-16 will be filed with Central Government within the stipulated time. The Cost Audit Report for the year 2014-15 was approved by the Board in its 170th Board Meeting, held on 25th August 2015, and the same has been filed with the Ministry of Corporate Affairs within statutory time Limit.

19. AUDITORS

The Statutory and Branch Auditors of the Company appointed by the Comptroller and Auditor General of India (C&AG) for the year 2015-16 are as under-

S.No	Name of the Firm	Region
1.	M/s. Bhattacharya Das & Co., Kolkata, Statutory Auditor and all India consolidation)	Statutory Auditors (Audit of Corporate Office, H.O., Maniktala, Panihati, Delhi, Jaipur, Chennai, Hyderabad, Patna, Cuttack
2.	M/s. Bramhecha Modi & Co., Mumbai, Branch Auditor	Mumbai Factory



20. DISCLOSURE OF PARTICULARS

In accordance with the provisions of section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information on Conservation of Energy, technology absorption and Foreign Exchange earnings and outgo is detailed as under:

20.1 Energy Efficiency and its Conservation

Energy conservation is the top most priority of every sector to narrow the gap between demand and supply and to counter energy crisps arising primarily on account of increasing demand of energy in India.

BCPL is also contributing in this regard in the following ways-

- a) Energy conservation measures taken: The Company makes continuous efforts towards conservation of energy in view of rising cost of energy and keeping with Company's commitment to be an energy efficient entity. Specific energy consumption per unit of production was monitored regularly at all manufacturing plants and corrective actions taken as required.

Steps taken by the Company or impact on conservation of energy:

- Energy Audit is being conducted in Tablet production area and necessary steps are being taken to implement the suggestions offered by the Energy Audit Firm.
- Efforts are being made to replace the normal lights with the LED/ CFL. 100/200 Watt Lamps were replaced by 40 Watt Tube light fitting & 23 Watt CFL Lamp to minimize the Energy Consumption. Due to these efforts about 60% of Energy Consumption was reduced.
- Taking all precautions for optimum utilization of energy in office like switching off lights / fans / air conditioners, whenever the employees are not in his chamber.
- Some of old Window Air Conditioner Units were replaced by new Split Air Conditioners which reduced Energy Consumption.

Steps taken for Utilizing Alternate Sources of Energy:

- Your Company had already contacted West Bengal Green Energy Development Corporation Ltd. (A Govt. of West Bengal Enterprise) for installation of Grid Connected Solar Rooftop System. They



ensured BCPL that initially they will inspect the proposed area (i.e. Maniktala Factory) & make a Report on this proposal.

20.2 Technology Absorption

a) Research and Development:

The formulations of the following products developed in-house including the primary and secondary packaging and adapted for commercial production which were earlier outsourced through Loan License.

Tablets:

1. Norfloxacin & Tinidazole Tablets (Fixed Dose Combination)
2. Ibuprofen 200 mg & 400 mg Tablets
3. Tinidazole 500 mg Tablets
4. Chloroquine Phosphate 250 mg Tablets
5. Norfloxacin 400 mg Tablets
6. Nimesulide 100 mg Tablets
7. Calcium Carbonate with Vit.D3 Tablets (Raycal DS)
8. Metronidazole 200 mg Tablets

Capsules:

1. Amoxicillin & Cloxacillin Capsules
2. Ampicillin 500 mg Capsules
3. Ampicillin 250 mg Capsules

Ointments:

1. Diclofenac Gel – 30 gm (Benflam)

b) Technology Absorption

- The efforts made towards technology absorption: New Equipments for the production of Pheneol, Napthalene, & Alum were installed in Panihati Factory. The Company is also planning to install other new equipments



for White Tiger, Klin Toilet etc.

- The benefits derived like product improvement, cost reduction, product development or import substitution: Consequent upon installation of new equipments in the factory premises the quality of production has been improved and cost has also been reduced.
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): The Company has not imported any technology in the last three years.

21. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year 2015-16, the Company did not made any transactions in foreign currency. However, efforts are being made to enter into foreign markets, so that Company can earn some foreign exchange in the forthcoming years.

22. QUALITY MANAGEMENT: ISO 9001:2008 CERTIFICATION & GMP CERTIFICATION

Company is an ISO 9001:2008 certified organization from Bureau of Indian Standards (BIS), which is valid from 02.07.2014 to 01.07.2017. Apart from routine and planned Internal Audits for Quality Systems by our personnel, BIS has also organized Surveillance audit from time to time. Surveillance audit was conducted on 14th & 15th October 2015. They have recommended for continuation of our certificate as they were satisfied with the performance of our Quality System as per ISO requirements.

Your Company has also Obtained renewal of GMP certificate for Betalactam capsules, Non-Betalactam Tablets and Ointment Sections which remains valid up to 31st December 2016.

23. PROJECT IMPLEMENTATION

Government of India has approved Projects for upgradation and modernization of GMP compliant production facilities at Maniktala and Kanpur in addition to modernization of Chemical Plant at Panihati with CAPEX of Rs.145.00 Crore Civil construction has completed at Panihati and Civil construction is under progress at Maniktala and Kanpur. But the civil work at Kanpur is on hold due to shortage of fund. The work has been awarded to NBCC,



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



a Government of India undertaking. NNE PharmaPlan and M/s. Zen Marketing Technologies have been appointed as consultants for Pharma and Chemical Plants.

The Greenfield projects envisaged are as under:

Sl. No.	Location	Project	Status of Implementation
1	Maniktala	Plant capacity expansion of Ointment Section and External Preparations. Central Stores, Roads, drains, ETP, Power House, Other services etc.	Projects Completed
2	Maniktala	Setting up of Oral Liquid section	Project is held up due to litigation in initial stage. But later on the project got stopped due to shortage of fund. Budgetary support is required from Govt. of India to start this project.
3	Maniktala	Setting up of Cephalosporin and Betalactum blocks with integrated facilities for manufacture of Tablet, Capsule, Dry Powder, Injections and Dry syrup.	Installation work is Completed. Validation and Commissioning is in progress in Betalactum Block In Cephalosporin Block installation and commissioning work is under process.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



4	Maniktala	Setting up of Anti Snake Venom Serum (ASVS) manufacturing facilities, up-gradation of animal house etc.	Project is stopped due to litigation in the initial stage but later on the project got stopped due to shortage of fund. Budgetary support is required from Govt. of India to start the project.
5	Kanpur	Manufacturing facilities of Tablets, ORS, and Sterile products. QC block, Quarantine block, Stores. Administrative Office. ETP, Site development, Power House, Services etc.	The project is only 50% completed. The modular work, HVAC work yet to be carried out. To start the project, Budgetary Support is required from the Government of India.
6	Panihati	Setting up facilities for manufacture and filling of Phenol. Setting up Composite block for manufacture of white cleansing liquid (White Tiger), Toilet cleaners (Klin Toilet), Napthalene balls etc. Upgradation & modernization and expansion of Capacity of Alum Plant. Roads, drains, Site development, ETP, Power House, Administrative building & Other services.	The projects are completed.



24. STATUTORY INFORMATION REGARDING EMPLOYEES AS PER RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

No employee either in India or abroad has drawn remuneration of Rs.5,00,000/- per month or more or Rs. 60,00,000/- per annum or more during the year 2015-16.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

BCPL being a Sick Company, presently not conducting any CSR and Sustainability activities. However, Company is at the verge of turnaround and your Company has also reported positive gross margin of **Rs. 1124 Lakhs** in the year 2015-16 against a Gross Margin of Rs. 165 Lakhs in 2014-15. Further, the Company has Corporate Social Responsibility Committee. In addition to this Company has also kept a provision of Rs. 2 Lakh Voluntarily towards CSR & Sustainability activities for the year 2016-17.

26. INITIATIVE UNDER “SWACHH BHARAT ABHIYAN”

Your Company is already producing various disinfectant and cleanliness products e.g. Bleaching Powder, Pheneol, Napthlene Balls, Klin Toilet etc. under its “Home Products Division” and supplying these products in various hospitals and Government Organisations and contributing in the campaign of “**Swachh Bharat Abhiyan**”.

27. COMPLIANCE OF LAWS

Your Company complies all the applicable Laws. A certificate of compliance of all Laws from all the HoDs related their respective area/ field are to obtained on quarterly basis and a Report on Compliance of applicable Laws to the Company is to placed in the Board Meeting on quarterly basis.

28. COMPLIANCE OF GOVERNMENT GUIDELINES AND POLICIES

The guidelines and policies issued by Department of Public Enterprises and Department of Pharmaceuticals from time to time were complied with to the extent possible.



29. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

The Company has not given any loan/ provided any guarantee or security/ made any investment under section 186 of the Companies Act, 2013 during the year ended 31st March 2016.

30. DEPOSITS

The Company has not taken any deposit covered under or which are not in compliance with the requirement of Chapter V of the Companies Act, 2013.

31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

The Company has not entered into any contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013.

32. MICRO, SMALL AND MEDIUM ENTERPRISES

In line with the Public Procurement Policy for MSME's notified by Ministry of Small & Medium Enterprises, during the Financial Year 2015-16 procured out Rs. 810.88 Lakh of goods from Micro and small Enterprises, out of Rs.5647.91 Lakhs of total procurement, which is around 14.36% of total value for office consumption, out of which, a sum of Rs. 91.57 Lakh remain unpaid to the suppliers at the end of the financial year. Since your Company is a sick company, the MSME guidelines are complied to the maximum extent possible and your Company is confident to following MSME guidelines in full in the upcoming years.

33. RISK MANAGEMENT

Risk Management is an integral part of the Company's Strategic Planning. The Company has adequate internal financial controls in place. Your Company has adopted a Risk Management Policy duly approved by Board of Directors. A Risk Management Committee consisting six members has also been constituted. The status of implementation of such policy is placed before Audit Committee Meeting and Board Meeting on quarterly basis.



34. PUBLICITY & PUBLIC RELATION

Your Company has gained immense public visibility and brand promotion through following methods:

Method	Details
Print Media	Display in Dailys, Magazines, and Leading Newspapers like Times of India/ Ei Somoy/ Aajkal/ Saunanda/ AnandLok etc.
Exhibitions	Local Exhibitions: Panihati Utsav/ Fusion, West Bengal National Exhibitions: Indian Pharma, 2016 (Bangalore), AFMSD Conference etc.
Electronic Media	TVCs at ETV Bangla for a limited period
Field Team	Through Promotional Material like booklet/ danglers etc.

ACKNOWLEDGEMENT

Directors wish to place on record their appreciation to the valuable support extended by the members of the Company during the year 2015-16. Your Directors sincerely acknowledge the support, co-operation and guidance provided by the Government of India, particularly the Ministry Chemical and Fertilizers, Department of Pharmaceuticals, Department of Public Enterprises, and various State Governments, regulatory and statutory authorities, CAG of India, Statutory Auditors. We would also like to thank our bankers, stakeholders, customers, consultants, contractors and vendors for their continued support and confidence reposed in the Company. Your Directors also sincerely appreciate all the employees for their valuable contribution and support in the progress of the Company.

For and on behalf of the Board

Sd/-

(PM CHANDRAIAH)

Director (Finance)

DIN: 06970910

Place: Kolkata

Date: 27th May 2016

Sd/-

(E.A. SUBRAMANIAN)

Managing Director

DIN: 06818313



ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors inform all the shareholders that company has its own manufacturing facilities in Kolkata (Maniktala & Panihati), Mumbai and Kanpur for manufacture of Drugs and Formulations, Industrial Chemicals and Cosmetics & Health Care products. The products of Company has been categorised into three divisions i.e. Division I: Industrial Chemicals, Division II: Drugs and Pharmaceuticals, and Division III: Home Products. The Management Discussion and Analysis is given hereunder:

1.0 GLOBAL PHARMACEUTICAL INDUSTRY

The Indian Pharmaceutical Industry has witnessed a robust growth over the past few years moving on from a turnover of approx US \$ 1 billion in 1990 to over US \$30 billion in 2015 of which the export turnover is approximately US \$ 15 billion. The country now ranks 3rd globally by volume of production and 14th by value, thereby accounting for around 10% of world's production by volume and 1.5% by value. Internationally, it ranks 4th in terms of generic production and 17th in terms of export value of bulk actives and dosage forms. Indian exports are destined to more than 200 countries around the globe including highly regulated markets of US, West Europe, Japan and Australia. It has shown incredible progress in terms of infrastructure development, technology base creation and a wide range of products. The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies.

The market size of the global pharmaceutical industry is estimated to reach US\$ 1.2 trillion by 2017 growing at a Compound Annual Growth Rate (CAGR) of 3-6% and the emerging markets are likely to be the key growth drivers. Several factors like economic growth, demographic changes, transition in community health and policy responses and focus on healthcare funding are expected to lead to double-digit growth in the pharmaceutical markets.



Due to its direct link with the welfare and well being of human-beings, pharmaceutical industry is of strategic importance for the development of a healthy and productive nation. Today, pharmaceutical industry is considered to be one of the largest and rapidly growing global industries. It is a major source of employment generation and foreign exchange earnings for many countries around the globe.

1.1 GROWTH OF PHARMACEUTICAL AND CHEMICAL INDUSTRY

Factors Influencing Growth of the Pharmaceutical Industry in India

- India exports drugs worth US\$ 15 billion to more than 200 countries including highly regulated markets in the US, Europe, Japan and Australia
- Large domestic pharmaceutical companies have continued to grow, assuming leadership position in many therapies and segments in the Indian market as well as creating a strong international exports
- Indian players have also developed expertise in significant biologics capabilities
- Multinational companies have continued to invest significantly in India and are making their presence felt across most segments of the Indian pharmaceuticals market. Companies have also begun to invest in increasing their presence in tier II cities and rural areas and making medical care more accessible to a large section of the Indian population
- Low cost of production including low R&D costs
- Innovative and scientific manpower
- Excellent and world-class national laboratories specializing in process development and development of cost effective technologies
- Increasing balance of trade in Pharmaceutical sector
- An efficient and cost effective source for procuring generic drugs

Government Initiatives: Recognizing the potential for growth, the Government of India took up the initiative of developing the Indian Pharmaceuticals sector by creating a separate Department (i.e. Department



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



of Pharmaceuticals) in July 2008. The Department is entrusted with the responsibility of Policy, Planning, Development and Regulation of Pharmaceutical Industries. An assessment of the Indian Pharmaceutical Industry's strength reveals the following key features:

- Large Domestic Pharma companies have continued to grow, assuming leadership position in many therapies and segments in the Indian market as well as creating a strong international exports back-bone.
- Competitive market with the emergence of a number of second tier Indian companies with new and innovative business modules.
- Indian players have also developed expertise in significant biologics capabilities.
- Biologic portfolios while still nascent in India are being built with an eye on the future.
- Multinational companies have continued to invest significantly in India and are making their presence felt across most segments of the Indian pharma market. Companies have also begun to invest in increasing their presence in tier II cities and rural areas and making medical care more accessible to a large section of the Indian population.
- Low cost of production.
- Low Research & Development (R&D) costs.
- Innovative Scientific manpower.
- Excellent and world-class national laboratories specializing in process development and development of cost effective technologies.
- Increasing balance of trade in Pharma sector.
- An efficient and cost effective source for procuring generic drugs, especially the drugs going off patent in the next few years.
- An excellent centre for clinical trials in view of the diversity in population.

The Department of Pharmaceuticals has been entrusted with following responsibilities:



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- Drugs and Pharmaceuticals, excluding those specifically allotted to other departments.
- Medical Devices - Industry issues relating to promotion, production and manufacture; excluding those specifically allotted to other Departments.
- Promotion and co-ordination of basic, applied and other research in areas related to the pharmaceutical sector.
- Development of infrastructure, manpower and skills for the pharmaceutical sector and management of related information.
- Education and training including high end research and grant of fellowships in India and abroad, exchange of information and technical guidance on all matters relating to pharmaceutical sector.
- Promotion of public – private – partnership in pharmaceutical related areas.
- International co-operation in pharmaceutical research, including work related to international conferences in related areas in India and abroad.
- Inter-sectoral coordination including coordination between organizations and institutes under the Central and State Governments in areas related to the subjects entrusted to the Department.
- Technical support for dealing with national hazards in pharmaceutical sector.
- All matters relating to National Pharmaceutical Pricing Authority including related functions of price control/monitoring.
- All matters relating to National Institutes for Pharmacy Education and Research.
- Planning, development and control of, and assistance to, all industries dealt with by the Department.

Chemical Industry

The Indian chemical industry is among the established traditional sectors of the country that play an integral role in the country's economic development. This sector forms a part of the basic goods industry and is a critical input for industrial and agricultural development.

The Indian chemical industry is one of the oldest industries in India and has made immense contribution to the industrial and agricultural development



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



of India. It encompasses both large and small-scale units. The fiscal incentives granted to the small-scale units in the mid-1980s provided the thrust to the growth of MSMEs in the sector. The chemical industry serves the needs of sectors such as textiles, leather, plastics, paper, printing inks and food stuffs, among others.

The chemical industry is among the most diversified industrial sectors and includes basic chemicals and its products, petrochemicals, fertilisers, paints, gases, pharmaceuticals, dyes, etc. The sector covers over 70,000 commercial products, and provides the feedstock to many downstream industries such as finished drugs, dyestuffs, paper, synthetic rubber, plastics, polyester, paints, pesticides, fertilisers and detergents. Over the years, the industry has been evolving with a shift towards product innovation, brand building and environmental friendliness. Besides, customer focus is gaining significance in the Industry.

The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the gross domestic product (GDP). In terms of volume of production, Indian chemical industry is the third largest producer in Asia and sixth largest in the world.

The Government of India has been supportive to the sector 100 per cent FDI is permissible in the Indian chemicals sector while manufacturing of most chemical products is de-licensed. The government has also been encouraging Research and Development (R&D) in the sector. Moreover, the government is continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology up-gradation and modernisation.

The Government has launched the Draft National Chemical Policy, which aims to increase chemical sector's share in country's GDP.

Growth Drivers

Your Company expanded and has diversified into a multi-product conglomerate, having three Divisions. Division-I includes Aluminum Sulphate(Alum), Division-II has been categorized as Drugs & Pharmaceuticals, such as Analgesics & Antipyretics, Antitussive, Expectorants, Enzymes & Hepatobiliary Preparations, Diuretics, Topical Anti-infective & Antifungals, Non-steroidal Anti-inflammatory Drugs, Muscle Relaxants, Antibiotics & Antibacterials, Ant tubercular Drugs, Antimalarial Drugs, Vitamins, Oral



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Electrolytes, Antiasthmatic Preparations, Anti Venom Serum and Division-III includes Cosmetics & Home Products, namely Cantharidine Hair Oil, Disinfectant Fluid (Lamp Brand Pheneol), Moth Repellant Naphthalene Balls), Aguru (Perfume), Floor Cleanser (White Tiger) and Toilet Cleaner (Klin Toilet). The production of these products would open new vistas of opportunities in the field of Pharmaceutical, and Chemical Sector. Your Company is supplying/ distributing all its products to across the country. Stringent standards of Quality Control, infallible commitment to the consumers have enabled your company to receive WHO-GMP Certificate, DGQA Certificate and ISO 9001 Licence.

Further, Government of India has approved projects for upgradation and modernization of GMP Compliant production facilities at Maniktala and Kanpur, in addition to modernization of Chemical Plant at Panihati with a CAPEX of Rs.14500 lakhs. The projects at Panihati has completed and commercial production has already been started. The Projects of Plant capacity expansion of Ointment Section and External Preparations, Central Stores, Roads, drains, ETP, Power House, Other services etc. has also been completed during 2015-16

2.0 SWOT ANALYSIS

(i) Strengths

- BCPL is one of the most Renowned PSU being first Pharma & Home Products Company of India, founded by the legendary Acharya Prafulla Chandra Ray, the father of Indian Chemistry
- Diversified product range with some of our very old established brands like Cantharidine Hair Oil, Pheneol, Aqua Ptychotis, Napthalene etc.
- Heritage, inspiration & Ideology
- Strong and deep entrenched brands
- Strong marketing and sales capabilities
- Schedule-M Compliant Company
- Large and experienced sales force
- High standards of purity
- Owning Lands & Commercial Properties at Kolkata & Mumbai



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



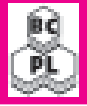
- The Factories are located in good areas i.e. Maniktala, Panihati, Kanpur, and Mumbai
- Strategic product development
- Commitment to quality manufacturing
- Flexible manufacturing strategy
- With a renowned “Brand Name” capable of entering in new market areas
- Positive Union Support

(ii) Weaknesses/Risk/Concern

- Low key promotion
- Distribution Channel
- Reach to our end users
- Most of the API/ Excipients are sourced from South/North, which increases supply lead time
- Interstate purchase increase landed cost because of CST & ET, which leads to lesser participation of bidders from other state
- Presently BCPL is dependent on Loan Licensing for some Injections & Oral Liquid PPP Orders
- No new product introduced for trade marketing
- Poor electricity supply in Kanpur Factory
- Old machines and equipments
- Operational Efficiency are not as good as our competitors
- Problem in attracting and retaining best professionals
- Operate in a highly competitive market
- Lack of strategic planning
- Dependent on Sales to Government Institutions
- Low R&D investments
- Absence of association between institutes and industry

(iii) Opportunities

- Life Style and cleanliness is the in thing
- Swachh Bharat Campaign
- Ever Growing Pharma Market even in PPP business model
- New Vendor/ Manufacturer Development in API segment



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- Implementation of GST
- In-House production of Dry Powder Injection is under commissioning & validation
- Trade Marketing
- Production Diversification
- Growing demands of LYSOL and Disinfectants
- Development of new generation formulations for life style diseases. Trade marketing,
- Implementation of ASVS project
- Preparing for obtaining WHO-GMP certification and expansion in capacities by implementing Projects at Maniktala.
- Doubling of disposable income and higher number of urban middle class households
- Expansion of medical infrastructure
- Greater penetration of health insurance
- Rising relevance of Chronic diseases
- Favorable Market Conditions in India or Foreign

(iv) Threats

- Many local players creating intense competition
- Major competitive brands have strong noise level fading our uniqueness
- Manpower/ field force to promote vis a vis competition
- Many leading suppliers choosing not to participate in tenders due to BIFR Status & their past experience
- API/ Excipients Manufacturer's lack of interest in BCPL
- Poor vendor support due to old unresolved issues
- Reduction in consumption of Black Pheneol & ALUM.
- Fake products (BCPL Stamped) in the Market
- Competition with big private sector companies and MNCs
- Outdated Sales and marketing methods
- Pricing Policies
- Higher cost of manufacturing



3.0 SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

Pharmaceutical Products is the segment contributing highest to the turnover of the Company and this segment has contributed **64%** to the total turnover during 2015-16 as compared to 60% during the previous year 2014-15 and 32% in 2013-14. The second largest segment has been Cosmetics and Home Products contributing **30%** to the total turnover during 2015-16 compared to 33% during the previous year 2014-15 and 59% in 2013-14. Segment-wise analysis of the operations of the Company is given below:

(Rs. in Lakhs)

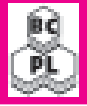
Sl. No	Products Segment	2013-14		2014-15		2015-16	
		Turnover	%	Turnover	%	Turnover	%
1	Chemicals	160.64	9%	338.18	7%	570.38	6%
2	Pharmaceuticals	548.77	32%	2751.09	60%	5612.79	64%
3	Cosmetic & Home Products	996.78	59%	1494.23	33%	2636.00	30%
	Total	1706.19	100%	4583.50	100%	8819.17	100

4.0 OUTLOOK

Your Company is earlier producing Sera/Anti Snake Venom. Steps are being taken to manufacture this product, having social importance after taking up the project, which is stopped as of now. It is planned increase Pharma products in the areas of Cardiovascular medicines, Hypolipidemic Drugs, Anticancer Drugs, new Cephalosporin Antibiotics.

5.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an in-house Internal Audit Department commensurate with its size of operations. It has Internal Audit Cell located at Main Office, Maniktala, Kolkata. The Internal Audit department checks the adequacy and effectiveness of internal control system through regular audits, system reviews and provide assurance on compliance to the legal, regulatory and internal policies of the Company.



Further the Internal Audit Team continue its efforts to ensure adequacy of such systems, controls and reports thereon which were subjected to periodical review by Audit Committee. Company is trying to further improve the Internal Control System in the Company.

6.0 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year 2015-16, your Company achieved a turnover of Rs. 8819 lakhs compared to previous year turnover of Rs 4584 lakhs and reduced the Loss to Rs 913 lakhs compared to Loss of Rs 1732 lakhs of previous year 2014-15.

7.0 MATERIAL DEVELOPMENT IN HUMAN RESOURCE, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF THE PEOPLE EMPLOYED

The Company continued its present focus on hiring best suited talent for growth of the Company as well as increase the quantity and quality of production.

Industrial relations remained peaceful and conducive during the year. Employees complemented efforts of the Management in developing and sustaining an enabling performance culture in the organization. Employees' views are also taken into consideration from time to time while finalizing various policies of the Company.

8.0 ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION

- (i) **Environmental Protection & Conservation:** To adhere to the need of Environment Protection and Conservation, due importance has been given on planting trees in and around the factory premises, use of environment friendly raw material, installation of energy efficient lighting system,



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



utilization of natural light. Zero discharge ETP Plants are under construction at Maniktala, Panihati, and Kanpur Factories of BCPL. Employees are sensitized towards reduction in energy consumption by switching off electrical appliances like lights, fans, computers when they are not in use.

- (ii) Technological Conservation:** As a part of Technological Conservation, BCPL has implemented aqueous coating in some non-beta lactum tablet products. The main advantages of this technology is reduction in the cost of production and this process is also environmental friendly.
- (iii) Foreign exchange conservation:** During the year 2015-16, the Company did not made any transactions in foreign currency. However, efforts are being made to enter into foreign market like Nepal, so that Company can earn some foreign exchange in the forthcoming years.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis report describing the Company's objectives, projections and expectations may be forward looking statements within the meaning of applicable Laws and Regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian demand-supply conditions and finished goods prices, competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic conditions in India.

For and on behalf of the Board

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN: 06970910

Sd/-
(E.A. SUBRAMANIAN)
Managing Director
DIN: 06818313

Place: Kolkata
Date: 27th May 2016



REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes that Good Corporate Governance generates value on a sustained basis for all stakeholders. Corporate Governance is primarily concerned with transparency, full disclosure of material facts, independence of Board, and fair play with all the stakeholders. The Company is committed to comply with the provisions of the Companies Act 2013, other Laws applicable to the Company and Guidelines on Corporate Governance issued by Department of Public Enterprises for CPSEs.

1. BOARD OF DIRECTORS

1.1. Composition of the Board

All the Directors on the Board of BCPL are appointed by the President of India through Administrative Ministry (i.e. Ministry of Chemical and Fertilizers, Department of Pharmaceuticals). Presently four Directors are in position viz. Managing Director, Director (Finance), one Part-Time Official Director [Government nominee] and one BIFR Nominee Director. The position of two Independent Directors is lying vacant.

1.2. Details of the composition of the Board of Directors, category of the Director, attendance at the Board meeting, and Annual General Meeting (AGM), and other Directorships held during the year 2015-16 are given below:



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Name of Directors	Category	Board Meetings attended	34 th AGM attended	No. of Directorships in other Companies (excluding BCPL)	Tenure
(i) Whole Time/Functional Directors					
Shri E.A. Subramanian DIN: 06818313	Managing Director	5/5	Yes	Nil	w.e.f 05/02/2014
Shri PM Chandraiah DIN: 06970910	Director (Finance)	5/5	Yes	Nil	w.e.f. 25/11/2014
(ii) Govt. Nominees/Part-Time Official Directors					
Ms. Monika Verma Director, Ministry of Chemicals & Fertilizers, Department of Pharmaceutical DIN: 06522079	Director	0/1	No	5 (HAL, RDPL, IDPL, KAPL)**	w.e.f. 08/01/2013 to 09/06/2015
Shri Awadhesh Kumar Choudhary Director (PSU), Ministry of Chemicals & and Fertilizers, Department of Pharmaceutical DIN: 06942194	Director	0/1	No	Nil	w.e.f. 23/06/2014 to 09/06/2015
Shri R. K. Maggo, Director Ministry of Chemicals & and Fertilizers, Department of Pharmaceutical DIN No.:07225615	Director	4/4	No	Nil	w.e.f. 09/06/2015 to 29/02/2016 (A/N)
(iii) BIFR Nominee Director					
Shri Anil Gupta BIFR Nominee Director DIN: 00283431	Director	5/5	Yes	4 (PCCSL, NEPA Limited, JKCL)**	w.e.f. 18/07/2011



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



** Abbreviations used are:

- HAL-Hindustan Antibiotics Limited
- RDPL-Rajasthan Drugs & Pharmaceuticals Limited
- IDPL-Indian Drugs & Pharmaceuticals Limited
- KAPL-Karnataka Antibiotics & Pharmaceuticals Limited
- PCCSL-Pee Cee Cosma Limited
- JKCL-J.K. Cotton Limited

Notes:

The details of Directors/ Key Managerial Personnel appointed or have resigned during the year 2015-16, and thereafter till the date of this report is mentioned below:

Appointments:

(a) Shri R. K. MAGGO

Part-time Official Director
Government of India Nominee
DIN : 07225615

Shri R.K. Maggo, Aged 59 Years, who is working with Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers has been appointed as Part-time Official Director vide Order F.No.25012/3/2010-PSU dated 9th June, 2015. He is working in Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers for the last 5 years and dealing with pricing of Pharma Products. He is serving Government of India for the last 40 Years in various Ministries.

Cessations:

(a) Shri Awadhesh Kumar Choudhary

Part-time Official Director
Nominee of Government of India
DIN : 06942194

Shri Awadhesh Kumar Choudhary, Director (PSU), Department of Pharmaceutical, was appointed as Part time Official Director on the Board



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



of the Company vide order No. 25012/3/2010-PSU dated 23rd June 2014 from Department of Pharmaceutical, Ministry of Pharmaceutical and Fertilizers. The nomination of Shri A.K. Choudhary was withdrawn by Department of Pharmaceuticals vide its letter No. “F.No. 25018/1/2015-PSU” dated 15th June 2015, and ceased to be Director of BCPL w.e.f 9th June 2015.

(b) Ms. Monika Verma

Part-time Official Director
Government of India Nominee
DIN : 06522079

Ms. Monika Verma, Director, Department of Pharmaceutical, was appointed as Part time Official Director on the Board of the Company w.e.f. 8th January, 2013, ceased to be a Director of the Company, consequent upon the appointment of Shri R. K. Maggo as Government Nominee Director on the Board of BCPL w.e.f. 9th June, 2015.

(c) Shri R.K. Maggo

Part-Time Official Director
Government of India Nominee
DIN: 07225615

Shri R.K. Maggo, Director, Department of Pharmaceutical, was appointed as Part time Official Director on the Board of the Company w.e.f. 9th June, 2015, ceased to be a Director of the Company, consequent upon his retirement from the service of Government of India w.e.f. 29th February, 2016.

1.3 Board Procedure

The Board of Directors play primary role in ensuring Good Governance and functioning of the Company. The meetings of the Board are normally held at the Company’s Registered Office in Kolkata. The Board meets at regular intervals to discuss the physical and financial progress of the Company. The agenda notes for the meeting are prepared by the concerned officials and signed and approved by the Managing Director before being sent to



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



all the Directors. The decisions are taken by the Board of Directors after deliberations. An “Action Taken Report” on the decisions of last Board Meeting is placed in every Meeting of the Board of Directors.

1.4 Number of Board Meetings:

During the year 2015-16, five (5) meetings of the Board of Directors were held, the details of which are given below:

Sl. No.	Date Of Meeting	Board Strength	No. of Directors Present
1.	14 th May 2015	5	3
2.	26 th June 2015	4	4
3.	25 th August 2015	4	4
4.	20 th November 2015	4	4
5.	17 th February 2016	4	4

1.5 Appointment of Directors

The appointment of all Directors including part-time directors is done by the administrative Ministry i.e. Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals. Further, as per notification no. “G.S.R.,163(E)” dated 5th June 2015 issued by Ministry of Corporate Affairs, the Section 152(6) of the Companies Act, 2013 shall not apply to the Government Companies in which the entire paid up share capital is held by the Central Government, or by any State Government or by the Central Government and one or more State Governments,

Since, the entire share capital of Bengal Chemicals & Pharmaceuticals Limited is held by the President of India through Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals, the Section 152(6) (Retirement of Director by Rotation) of the Companies Act 2013 does not apply to the BCPL.

2.0 COMMITTEES OF THE BOARD OF DIRECTORS

2.1 Audit Committee

The Audit Committee of the Company has been duly constituted by the



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Board with powers and role defined in accordance with DPE Guidelines on Corporate Governance and Section 177 of the Companies Act, 2013. The Audit Committee is reconstituted with change in Directors. The Committee has been reconstituted on 30th June 2014. During 2015-16, the Committee had five meetings on 14th May 2015, 26th June 2015, 25th August 2015, 20th November 2015 and 17th February 2016.

(i) The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Ms. Monika Verma Part-Time Official Director	1	0
Shri R.K. Maggo Part-Time Official Director	4	4
Shri Anil Gupta BIFR Nominee Director	5	5
Shri E.A. Subramanian Managing Director	5	5

(ii) Composition of Audit Committee is as under:

1	Shri Anil Gupta	BIFR Nominee Director	Chairman
2	Shri R.K. Maggo*	Govt. Nominee Director	Member
3	Shri E.A. Subramanian	Managing Director	Member

* Since, Shri R.K. Maggo has been retired from the services of Government India on 29th February 2016 (A/N). Hence, his office of Part-Time Official Director in BCPL has also been vacant. Till now, Ministry has not appointed another director in his place. The Audit Committee will be reconstituted on appointment of Part-Time Official Director in the Company.



(iii) Terms of Reference of Audit Committee

The terms of reference of Audit Committee in terms of Companies Act 2013 and DPE Guidelines on Corporate Governance include following:

1. The Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters, whenever applicable.
9. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
10. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in 177(4) of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
11. The Audit Committee of the company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
12. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



13. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
14. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with legal requirements relating to financial statements;
 - Disclosure/review of any related party transactions;
 - Qualifications in the draft audit report.
15. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
16. Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems
17. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
18. Discussion with internal auditors and/or auditors any significant findings and follow-up there on.
19. Reviewing the findings of any internal investigations by the internal auditors/ auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



20. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
22. To review the functioning of the Whistle Blower/Vigil mechanism.
23. To review the follow up action on the audit observations of the C&AG Audit.
24. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
25. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
26. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
27. Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
28. Consider and review the following with the management, internal auditor and the independent auditor:
 - Significant findings during the year, including the status of previous audit recommendations
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,
29. The Audit Committee shall also have powers:
 - To investigate any activity within its terms of reference.
 - To seek information on and from any employee.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - To protect whistle blowers.
30. The Audit Committee shall review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of related party transactions submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
 - Certification/declaration of financial statements by the Chief Executive/ Chief Financial Officer
31. Any other function(s) as may be specified in Companies Act 2013 and rules made there under, and the DPE Corporate Governance Guidelines.

The Audit Committee would have right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statements before their submission to the Board and may also discuss any related issues with the Internal Auditors and Statutory Auditors and the management of the company. The Audit Committee shall also have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose and shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the Auditors' report but shall not have the right to vote. The Board's report under sub-section (3) of section 134 shall disclose the



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons there for.

2.2 Remuneration Committee

Remuneration committee has been constituted pursuant to DPE Guidelines on Corporate Governance for deciding the annual bonus/variable pay pool and policy for its distribution across executives and non-unionized supervisors. The Committee has been reconstituted on 11th June 2015 with the following members:

1	Shri Anil Gupta	BIFR Nominee Director	Chairman
2	Shri R.K. Maggo*	Govt. Nominee Director	Member
3	Shri E.A. Subramanian	Managing Director	Member

**Since, Shri R.K. Maggo has been retired from the services of Government India on 29th February 2016 (A/N). Hence, his office of Part-Time Official Director in BCPL has also been vacant. Till now, Ministry has not appointed another director in his place. The Remuneration Committee will be reconstituted on appointment of Part-Time Official Director in the Company.

2.3 Corporate Social Responsibility And Sustainability Committee

The Company has constituted a below Board Level Corporate Social Responsibility and Sustainability committee on 10th December 2013. BCPL is a sick Company and presently not conducting any CSR and Sustainability activities. However, Company is at the verge of turnaround and is planning to undertake certain CSR activities as part of “Swatch Bharat” in the coming years. Further, Company has also made voluntarily provisions of Rs. 2,00,000/- in its Budget for the year 2016-17. Company has also constituted a Board Level CSR & Sustainability Committee on 27th May 2016 with the following members:

1	Shri Anil Gupta	BIFR Nominee Director	Chairman
2	Shri PM Chandraiah	Director (Finance)	Member

3.0 SHAREHOLDING PATTERN

The shareholding pattern of the company as on 31st March 2016 was as under:



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Sl. No	Name of Shareholder	No. of Shares held (Face Value Rs.1000 each)
1	The President of India	769601
2	Mr. R.K. Maggo	2
3	Mr. Alok Kumar Karn	1
	Total	769604

4.0 POLICY ON TRAINING OF BOARD MEMBERS

BCPL has formulated Policy on Training of Board Members to facilitate the understanding of the business and industry in which the Company is engaged including risk profile of the business, to familiarize all the new Directors with their role, responsibilities, duties and functions in the governance of the Company and to make Directors aware about the Corporate Governance, Business Ethics, Code of Conduct, etc. which they are required comply with.

5.0 DISCLOSURES

5.1 Details of the remuneration paid to the Key Managerial Personnel and sitting fees paid to Independent Directors during the year 2015-16 are as under:

i) Functional/Whole-time Directors/KMP:

(Rs. In Lakhs)

Name of KMPs	Salary	Benefits	Total
Shri E.A. Subramanian, Managing Director	13.15	1.55	14.70
Shri PM Chandraiah Director (Finance)	11.99	1.48	13.47
Shri Satish Kumar, Company Secretary	3.05	-	3.05



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



ii) BIFR Nominee Director:

(In Rupees)

Name of Director	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Shri Anil Gupta	22500	22500	45000

BIFR Nominee Directors and Independent Directors are entitled for sitting fee of Rs. 5000/- per Board Meeting and Board Level Committee Meetings attended by them.

- 5.2** All the directors are appointed by the Government of India, Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals in the fixed pay scales. Their other terms and conditions of appointment are also fixed by the Department of Pharmaceuticals.
- 5.3** Apart from the remuneration to Directors as per the terms and conditions of their appointment and entitled sitting fee to BIFR Nominee Directors, none of the Directors have any material or pecuniary relationship with the Company which can affect their independence of judgment.
- 5.4** During the year, there were no materially significant related party transactions that might have potential conflict with the interest of the Company at large. Details of the related Party transactions as per Accounting Standard 18 form part of the Notes to the Accounts. Further, Form AOC-2 is also attached as Annexure to this Report.
- 5.5** There has been no instance of any penalty or strictures imposed by any statutory body.
- 5.6** The Company is complying with all the requirements of the Guidelines on Corporate Governance for CPSEs issued by the DPE except the composition of Board and its Committees as Administrative Ministry is in the process of filling the vacancies of Independent Directors.
- 5.7** Company complies with all the Presidential Directives issued by the Central Government from time to time.



- 5.8** During the year, no expenditure is debited to the books and accounts which are not for the purpose of business and no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.
- 5.9** Administrative expenses as a percentage of total expenses has been **37.10% in 2015-16**, compared to 47.43 % in 2014-15. Finance Expenses as a percentage of total expenses has been 13.47 % in 2015-16, compared to 16.41 % in 2014-15.
- 5.10** Website of the company i.e. **www.bengalchemicals.gov.in** (After 1st June 2016 **www.bengalchemicals.co.in**) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.

6.0 GENERAL BODY MEETINGS:

- 6.1** The details of the last three Annual General Meetings (AGM) of the Company are given below:-

AGM	Financial Year	Date and Time of AGM	Date and Time of Adjourned AGM
34 th	2014-15	25 th August 2015 at 12:30 Hrs. at Company's Registered Office	NA
33 rd	2013-14	24 th September 2014 at 11:30 Hrs. at Company's Registered Office	4 th May 2015 at 12:00 Hrs.
32 nd	2012-13	9 th September 2013 at 13:00 Hrs. at Company's Registered Office	27 th March 2015 at 10:30 Hrs.

Notice of 35th Annual General Meeting for the financial year 2015-16 contains details about day, date, time and venue of the AGM.

- 6.2** Details of Special Resolutions passed at last three AGMs-

AGM	Financial Year	Details of Special Resolution passed
34 th	2014-15	NIL
33 rd	2013-14	NIL
32 nd	2012-13	NIL



7.0 RIGHT TO INFORMATION (RTI)

All the provisions laid down under RTI Act, 2005 have been complied with. The Company has appointed its Assistant Manager level official as Public Information Officer (PIO). A Deputy General Manager of the Company is the Appellate Authority in accordance with the RTI Act.

The details of RTI applications received and disposed off during the year 2015-16 are as under:

1	No. of RTI Applications Pending as on 1 st April 2015	Nil
2	No. of RTI applications received during the year 2015-16	12
3	No. of RTI applications disposed-off during the year 2015-16	12
4	No. of RTI applications pending on 31 st March 2016	Nil
5	No. of RTI applications referred to Appellate Authority during the year 2015-16	Nil

8.0 MEANS OF COMMUNICATION WITH SHAREHOLDERS

Bilingual Annual Report (i.e. Hindi & English) is posted on the website of the Company along with other relevant information. Annual Reports also being sent to all shareholders in physical form.

9.0 AUDIT QUALIFICATIONS

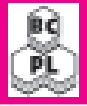
Replies to Statutory Auditor observations/qualifications on Accounts, and/or replies on the comments of Comptroller & Auditor General of India would be attached as addendum to the Directors' Report.

10.0 CODE OF CONDUCT

The Board has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company.

11.0 COMPLIANCE CERTIFICATE

This Report duly complies with the applicable requirements of Guidelines on Corporate Governance for CPSEs and covers all the applicable suggested



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



items mentioned in Annexure-VII of the Guidelines. The report on compliance with the Corporate Governance requirements prescribed by DPE is also sent to Administrative Ministry. The certificate obtained from Practicing Company Secretary regarding compliance of conditions of guidelines of Corporate Governance of CPSEs has been annexed to the Report.

For and on behalf of the Board

Sd/-

(PM CHANDRAIAH)

Director (Finance)

DIN: 06970910

Place: Kolkata

Date: 27th May 2016

Sd/-

(E.A. SUBRAMANIAN)

Managing Director

DIN: 06818313



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



D. DUTT & CO.

Company Secretaries

Swastic Centre, 3rd Floor, Room No. 3E
P-8, Chowringhee Square, Kolkata – 700 069
☎ : (033) 2213-5482 ♦ ☎ : (033) 2248-5482
☎ : 94330 35482 ♦ 98311 10275
email: debabrata@ddc.org.in

Ref:

Date:

Certificate on Corporate Governance

To
The Members of
Bengal Chemicals and Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by Bengal Chemicals and Pharmaceuticals Limited ('the Company'), a Central Public Sector Enterprise [CPSE] for the financial year ended on 31st March 2016 as stipulated and made applicable by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India through its Office Memorandum dated 14th May 2010.

The Company is not listed on any recognized Stock Exchange. Para 2.3 of the Guidelines prescribes that 'the non listed CPSE's shall follow the Guidelines on Corporate Governance given in the subsequent Chapters, which are mandatory'. Pursuant to above stipulation, BCPL being a non-listed CPSE, is required to follow the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Guidelines. 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 the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Guidelines and Annexes *except the Composition of Board and its Committees*.

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

Place: Kolkata

Date: 27.05.2016

For D. DUTT & CO.

Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

Debabrata Dutt

(DEBABRATA DUTT)

Proprietor
FCS-5401
C.P. No.-3824





Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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	No Related Party Transactions was made during the year 2015-16
2	Details of material contracts or arrangement or transactions at arm's length basis	No Related Party Transaction was made during the Year 2015-16.

For and on behalf of the Board

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN: 06970910

Sd/-
(E.A. SUBRAMANIAN)
Managing Director
DIN: 06818313

Place: Kolkata
Date: 27th May 2016



CERTIFICATION/ DECLARATION OF FINANCIAL STATEMENTS BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We have reviewed the financial statements and the cash flow statement of Bengal Chemicals & Pharmaceuticals Limited for the year ended 31st March 2016 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;
- (iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal of the Company's Code of Conduct;
- (iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
- (v) We have indicated to the auditors and Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year 2015-16;
 - b) Significant changes in accounting policies during the year 2015-16 and the same have been disclosed in the notes to the financial statements; and



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- c) 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.

Sd/-

PM CHANDRAIAH)
Director (Finance) and
Chief Financial Officer

Sd/-

E.A. SUBRAMANIAN
Managing Director and
Chief Executive Officer

Place: Kolkata

Date: 27th May 2016



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March 2016

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U24299WB1981GOI033489
ii	Registration Date	27th March 1981
iii	Name of the Company	Bengal Chemicals & Pharmaceuticals Ltd.
iv	Category/Sub-category of the Company	Government Company, Limited by Shares
v	Address of the Registered office & contact details	6, Ganesh Chunder Avenue, Kolkata-700013 Tel: +91-033 2237-1525 / 1526 / 7667
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	No

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Contribution of all the business activities to the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service*	% to total turnover of the company
1	Cosmetics & Home Products	2023-manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	30%
2	Pharmaceuticals	210-Manufacture of pharmaceuticals, medicinal chemical and botanical product	64%
3	Industrial Chemical	202-Manufacture of other chemical products	6%

*AS per National Industrial Classification- Ministry of Ministry of Statistics and Programme Implementation

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

Sl No	Name & Address of the Company	CIN/GLN	Holding / Subsidiar / Associate	% age of shares held	Applicable Section
1	NOT APPLICABLE				



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-Wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	NIL								
(1) Indian	NIL								
a) Individual/HUF	NIL								
b) Central Govt. or State Govt.	NIL	769604	769604	100	NIL	769604	769604	100	NIL
i) Central Government In the name of The President of India									
ii) Govt. Nominees (a) Mr. R.K. Maggo, Director, Department of Pharmaceuticals (also Director, Bengal Chemicals & Pharmaceuticals Limited) holding 2 shares and (b) Shri A.K. Karn, Under Secretary, Department of Pharmaceuticals holding 1 share)									
c) Bodies Corporates	NIL								
d) Bank/FI	NIL								
e) Any other	NIL								
SUB TOTAL (A) (1)	NIL	769604	769604	100		769604	769604	100	NIL
(2) Foreign	NIL								
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)	NIL								
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	NIL	769604	769604	100		769604	769604	100	NIL
B. PUBLIC SHAREHOLDING	NIL								
(1) Institutions	NIL								
a) Mutual Funds									
b) Banks/FI									
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FII/S									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	NIL								
(2) Non Institutions	NIL								
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs									
c) Others (specify)									
SUB TOTAL (B)(2):	NIL								
Total Public Shareholding (B)= (B)(1)+(B)(2)	NIL								
C. Shares held by Custodian for GDRs & ADRs	NIL								
Grand Total (A+B+C)	NIL	769604	769604	100	NIL	769604	769604	100	NIL



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	The President of India	769604	100	NIL	769604	100	NIL	NIL
	Total	769604	100	NIL	769604	100	NIL	NIL

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)			NIL	
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			NIL	
3	At the end of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	2 Shares (as Govt. Nominee)	0.00026	2 Shares (as Govt. Nominee)	0.00026
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)			NIL	
	At the end of the year	2 Shares (as Govt. Nominee)	0.00026	2 Shares (as Govt. Nominee)	0.00026



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



V INDEBTEDNESS

Rs. In Lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				13,034.48
i) Principal Amount	82.48	12,952.00		5,553.39
ii) Interest due but not paid	285.52	5,267.87		94.46
iii) Interest accrued but not due	368.00	94.46		18,682.33
Total (i+ii+iii)		18,314.33		
Change in Indebtedness during the financial year				
Additions	7.21	1,263.25	NIL	1,270.46
Reduction	Nil	Nil		NIL
Net Change	7.21	1,263.25		1,270.46
Indebtedness at the end of the financial year				
i) Principal Amount	82.48	12,952.00		13,034.48
ii) Interest due but not paid	292.73	6,531.13		6,823.86
iii) Interest accrued but not due	NIL	94.45		94.45
Total (i+ii+iii)	375.21	19,577.58		19,952.79

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director/ Company Secretary:

Rs. In Lakhs

Sl.No	Particulars of Remuneration	Name of the MD/WTD/CS			Total Amount	
	Gross salary	Shri E.A. Subramanian Managing Director & CEO	Shri PM Chandraiah Director (Finance) & CFO	Shri Satish Kumar Company Secretary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.		13.15	11.99	3.05	28.19
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		1.55	1.48	Nil	3.03
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock option	NIL				
3	Sweat Equity	NIL				
4	Commission as % of profit	NIL				
	others (specify)					
5	Others, please specify					
	Total (A)		14.70	13.47	3.05	31.22
	Ceiling as per the Act	Not Applicable, Directors are appointed by Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals in fixed pay scale				

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	BIFR Nominee Director	Shri Anil Gupta	
	(a) Fee for attending Board and Board Level Committee Meetings	45000	45000
	(b) Commission		
	(c) Others, please specify		
	Total (1)		
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify.		
	Total (2)		
	Total (B)-(1+2)	45000	45000
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.	Rupees one lakh Per Meeting as per Companies (Appointment and Remuneration) Rules 2014	



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board

Sd/-

(PM CHANDRAIAH)
Director (Finance)
DIN: 06970910

Sd/-

(E.A. SUBRAMANIAN)
Managing Director
DIN: 06818313

Place: Kolkata
Date: 27th May 2016



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF BENGAL CHEMICALS AND
PHARMACEUTICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of Bengal Chemicals and Pharmaceuticals Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(b) of the Act of the financial statements of Bengal Chemicals and Pharmaceuticals Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

Place: Kolkata
Dated: The 8th of July, 2016

(Praveer Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board – II
Kolkata



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BENGAL CHEMICALS AND PHARMA- CEUTICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BENGAL CHEMICALS AND PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the matters specified in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and Cash flow of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities, selection and application of appropriate accounting policies for making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial control that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified u/s. 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Audit Opinion:

In our opinion and to the best of our information and according to the explanations given to us and subject to our comments in para nos.3(e), (h), and (j) in Report on Other Legal and Regulatory Requirements, the aforesaid



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)
Kolkata: 700 001
Tel/Fax : 2213 -7668
Tel: 2248-3020
E-mail:
bhattacharyadas@gmail.com

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2016; and
- (b) In case of the statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matters

1. We did not audit the financial statements/information of Mumbai factory included in the financial statements of the Company whose financial statements / financial information have been audited by the branch auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by section 143 (5) of the Act, we give in the **Annexure – I**, a statement on the Directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.
2. 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



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

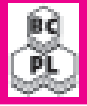
E-mail:

bhattacharyadas@gmail.com

143 of the Companies Act 2013, we give in the **Annexure-II**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent possible.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- c. The reports on the accounts of Mumbai factory of the Company audited under section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
- d. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us and with the returns received from branches not visited by us.
- e. *In our opinion, the aforesaid financial statements complied with the accounting standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 except GOI Grant of Rs.2470.00 lacs, Rs.2000.00 lacs and Rs.629.00 lacs received towards meeting Arrear Salary, VRS payment and implementation of QC and R&D system respectively has not been kept separately and Interest earned on such deposits cannot be ascertained and has not been credited to Grant account. Total interest earned on such deposits has been considered as income of the Company. The treatment is not in conformity with AS-12 – Accounting for Government*



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)
Kolkata: 700 001
Tel/Fax : 2213 -7668
Tel:2248-3020
E-mail:
bhattacharyadas@gmail.com

Grants.

- f. On the basis of written representation received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-III**.
- h. *All balances in respect of Trade Receivables, Trade Payables, Advance from Customers, Deposit Recoverable, Deposit Refundable and Plan & Non Plan Loans from GOI remain unconfirmed, which may lead to losses(Amount uncertainable).*
- i. Being a fully owned Government Company, the Company is not required to transfer any amount to the Investor Education and Protection fund.
- j. *Inspite of the comments of CAG last year and without establishing and identifying the source, the Company had withdrawn the FDR amount of Rs.10.42 Crores and as a result of such premature withdrawal, the Company had incurred interest loss of Rs.0.56 Crores.*

for Bhattacharya, Das & CO.
Chartered Accountants
Firm Registration No. 307077E

2, Garstin Place, (4th Floor)
Kolkata, the 27th day of May, 2016.

Sd/-
CA ANJAN SHEE
Partner
Membership No. 052870



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT
(As referred to in Paragraph-1-Report on Other Legal & Regulatory Requirements)

Report on Directions under section 143(5) of Companies Act 2013 in respect of Bengal Chemicals & Pharmaceuticals Ltd. for the year 2015-16

SI No.	Directions	Action taken & Auditor's Reply	Impact on A/cs and financial statements
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company owns a total of 99.46 acres of land of which 37.48 acres of land is leasehold. Lease deed in respect of leasehold land measuring 14.18 acres and title deed in respect of Freehold land measuring 6.29 acres are not on record. In respect of 8.29 acres of Freehold land, documents in the form of certified copy of BLR records are available.	Proper disclosure is made in the accounts and lease rentals are properly accounted for.
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	No waiver/ write off of debts/ loans/ interest etc. during the year.	There is no impact on the financial statements.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	No inventories are lying with third parties and no assets were received as gift from government or other authorities.	There is no impact on the financial statements.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)
Kolkata: 700 001
Tel/Fax : 2213 -7668
Tel:2248-3020
E-mail:
bhattacharyadas@gmail.com

Report on Additional directions under section 143(5) of the Companies Act, 2013 in respect of Bengal Chemicals & Pharmaceuticals Ltd. for the year 2015-16

SI No.	Directions	Action taken & Auditor's Reply	Impact on A/cs and financial statements
I.	State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.	There is no encroachment of Land of the Company.	There is no impact on the financial statements.
II.	Whether subsidy received/recoverable from Government of India has been properly accounted for as per claims admitted.	Company has not received any subsidy during the current financial year.	There is no impact on the financial statements.

for Bhattacharya, Das & CO.
Chartered Accountants
Firm Registration No. 307077E

2, Garstin Place, (4th Floor)
Kolkata, the 27th day of May, 2016.

Sd/-
CA ANJAN SHEE
Partner
Membership No. 052870



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

ANNEXURE-II TO THE INDEPENDENT AUDITORS' REPORT
(As referred to in Paragraph-2-Report on Other Legal & Regulatory Requirements)

1. (a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of Fixed Assets.
(b) Physical Verification of Fixed Assets has been conducted by the Management during the year and no material discrepancy was observed.
(c) Original Lease deed in respect of leasehold land measuring 14.18 acres and title deed in respect of Freehold land measuring 6.29 acres are not on record. In respect of 8.29 acres of Freehold land, documents in the form of certified copy of BLR records are available.
2. Stock of goods has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the Company and the nature of its business. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
3. 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 Companies Act.
4. In absence of any loan, investment, guarantees and security to other Companies, the provision of sec.185 & 186 is not applicable.
5. As per information and explanations given to us the company has not accepted any deposits covered under Secs. 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed hereunder.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

6. Cost Records has been maintained by the Company as specified by the Central Government under sub section (1) of section 148 of the Companies Act.
7. (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other Statutory Dues to it except in case of Provident Fund dues where Company is irregular in depositing amount with appropriate authority because of financial stringencies. As on 31st March 2016, Rs.418.37 lakhs on account of Municipal Tax in respect of Kolkata and Mumbai properties of the Company are in arrear for more than 6 months.
- (b) According to the information and explanations given to us, there are no dues of the Company in respect of Sales Tax or Income-tax or Wealth Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Cess under dispute except as detailed in ANNEXURE – A.
8. As per the books and records maintained and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders. However, it has defaulted in repayment of following Loans from GOI and Government of West Bengal :

Sl. No.	Particulars	Principal (Rs In lacs)	Interest accrued and due (Rs In lacs)
1	Government of India – Plan Loan	8,518.00	4,159.25
2	Government of India – Non-plan Loan	2,310.00	2,284.49
3	Government of West Bengal – Term Loan	82.48	292.73



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

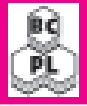
Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

9. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including Debt Instrument) and no Term Loan was applied for the purpose.
10. Based upon the audit procedures performed and as per information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
11. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of sec.197 read with Schedule-V to the Companies Act.
12. The Company is not a Nidhi Company and as such this clause is not applicable to it.
13. According to the information and explanations given to us, and on the basis of examination of books and records of the Company, there is no transaction with the Related Parties as defined in sec.177 and 188 of Companies Act, 2013.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or Private placement of shares and/ or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, the Company has not entered into any non cash transaction with any of its Directors or persons connected with him.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

16. According to the information and explanations given to us, Company is not required to be registered u/s.45-IA of the Reserve Bank of India Act, 1934.

for Bhattacharya, Das & CO.
Chartered Accountants
Firm Registration No. 307077E

2, Garstin Place, (4th Floor)
Kolkata, the 27th day of May, 2016.

Sd/-
CA ANJAN SHEE
Partner
Membership No. 052870



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

ANNEXURE-III TO THE INDEPENDENT AUDITORS' REPORT

(As referred to in Paragraph-2-Report on Other Legal & Regulatory Requirements)

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 Bengal Chemicals & Pharmaceuticals Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended as 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 component 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.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

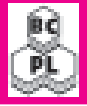
bhattacharyadas@gmail.com

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 judgment, 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.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)
Kolkata: 700 001
Tel/Fax : 2213 -7668
Tel: 2248-3020
E-mail:
bhattacharyadas@gmail.com

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 authorizations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 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.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.

CHARTERED ACCOUNTANTS

Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 Bhattacharya, Das & CO.

Chartered Accountants

Firm Registration No. 307077E

2, Garstin Place, (4th Floor)

Kolkata, the 27th day of May, 2016.

Sd/-

CA ANJAN SHEE

Partner

Membership No. 052870



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Kolkata

2, Garstin Place, (4th Floor)

Kolkata: 700 001

Tel/Fax : 2213 -7668

Tel: 2248-3020

E-mail:

bhattacharyadas@gmail.com

ANNEXURE – A

Statement of disputed dues as on 31st March, 2016
(Not provided for in the accounts)

Name of the Statute	Nature of dues	Amount (Rs In lacs)	Period to which the dues relate	Forum where dispute is pending
Central Excise Act	Excise Duty	41.82	July, 1997 to June, 2001	Appellate Tribunal, Kolkata
		36.49	July, 2001 to April, 2003	Appellate Tribunal, Kolkata
		21.41	March, 1985 to July, 1986	Commissioner (Appeals), Kolkata
		10.94	April, 1988 to March, 1990	Appellate Tribunal, Kolkata
		41.06	July, 1987	Commissioner (Appeals), Kolkata
Sales Tax	Central Sales Tax	21.42	2003-2004	Appellate and Revision Board, Commercial taxes, West Bengal
		292.5	2004-2005	Appellate and Revision Board, Commercial taxes, West Bengal
		440.53	2005-2006	Appellate and Revision Board, Commercial taxes, West Bengal
		294.97	2006-2007	Appellate and Revision Board, Commercial taxes, West Bengal
		16.36	2008-2009	Appellate and Revision Board, Commercial taxes, West Bengal
		5.63	2009-2010	Appellate Authority
		92.13	2010-2011	Appellate Authority
		3.01	2011-12	Appellate Authority
	Value Added Tax	2.22	2012-13	Appellate Authority
		119.58	2004-2005	Appellate and Revision Board, Commercial taxes, West Bengal
		101.61	2005-2006	Appellate & Revision Board, Commercial taxes, W.B.
		49.52	2006-2007	Appellate and Revision Board, Commercial taxes, West Bengal
		265.27	2007-2008	Appellate and Revision Board, Commercial taxes, West Bengal
		629.83	2008-2009	Appellate and Revision Board, Commercial taxes, West Bengal
		205.66	2009-2010	Appellate Authority
88.21	2010-2011	Appellate Authority		
93.45	2011-12	Appellate Authority		
42.29	2012-2013	Appellate Authority		



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Reply to Auditor's Comments on Annual Accounts of 2015-16

Sl.No.	Auditor's Comment	Management Reply
1.	We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.	No Comments
2.	In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.	No Comments
3.	The reports on the accounts of Mumbai factory of the Company audited under section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with by us in preparing this report.	No Comments
4.	The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us and with the returns received from branches not visited by us.	No Comments
5.	<i>In our opinion, the aforesaid financial statements complied with the accounting standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 except GOI Grant of Rs.2470.00 lacs , Rs.2000.00 lacs and Rs.629.00 lacs received towards meeting Arrear Salary, VRS payment and implementation of QC and R&D system respectively has not been kept separately and Interest earned on such deposits cannot be ascertained and has not been credited to Grant account. Total interest earned on such deposits has been considered as income of the Company. The treatment is not in conformity with AS-12 – Accounting for Government Grants.</i>	Historically, from 2007-08 onwards, Company is not maintaining any separate bank account for the grants received from the GOI. Moreover, as on date balance in Grants pertaining to VRS only available with the Bank in the form of FDRs.
6.	On the basis of written representation received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of section 164(2) of the Act.	No Comments
7.	With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-III .	No Comments



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Sl.No.	Auditor's Comment	Management Reply
8.	<i>All balances in respect of Trade Receivables, Trade Payables, Advance from Customers, Deposit Recoverable, Deposit Refundable and Plan & Non Plan Loans from GOI remain unconfirmed, which may lead to losses(Amount uncertain able).</i>	Management issued letters to various Debtors, Creditors for Balance confirmation. Response from many of the parties has not been received till date.
9.	Being a fully owned Government Company, the Company is not required to transfer any amount to the Investor Education and Protection fund.	No Comments
10.	<i>In spite of the comments of CAG last year and without establishing and identifying the source, the Company had withdrawn the FDR amount of Rs.10.42 Crores and as a result of such premature withdrawal, the Company had incurred interest loss of Rs.0.56 Crores</i>	Company has been availing Cash credit limits of Rs.26 crores from United Bank of India at 13.50% interest rate, whereas on these FDRs company was earning only 8% to 9% interest. Therefore, after taking approval from Board and after informing to Ministry, the FDRs were prematurely encashed in July 2015 and transferred to Cash Credit Account to save interest.
11.	(a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of Fixed Assets. (b) Physical Verification of Fixed Assets has been conducted by the Management during the year and no material discrepancy was observed. (c) Original Lease deed in respect of leasehold land measuring 14.18 acres and title deed in respect of Freehold land measuring 6.29 acres are not on record. In respect of 8.29 acres of Freehold land, documents in the form of certified copy of BLR records are available.	No Comments
12.	Stock of goods has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the Company and the nature of its business. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.	No Comments
13.	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 Companies Act.	No Comments
14.	In absence of any loan, investment, guarantees and security to other Companies, the provision of sec.185 & 186 is not applicable.	No Comments
15.	As per information and explanations given to us the company has not accepted any deposits covered under Secs. 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed hereunder.	No Comments
16.	Cost Records has been maintained by the Company as specified by the Central Government under sub section (1) of section 148 of the Companies Act.	No Comments



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Sl.No.	Auditor's Comment	Management Reply												
17.	<p>(a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other Statutory Dues to it except in case of Provident Fund dues where Company is irregular in depositing amount with appropriate authority because of financial stringencies. As on 31st March 2016, Rs.418.37 lakhs on account of Municipal Tax in respect of Kolkata and Mumbai properties of the Company are in arrear for more than 6 months.</p> <p>(b) According to the information and explanations given to us, there are no dues of the Company in respect of Sales Tax or Income-tax or Wealth Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Cess under dispute except as detailed in ANNEXURE – A.</p>	<p>Company could not pay Municipal Tax to Kolkata & Mumbai Municipality due to acute financial crunch.</p> <p align="center">No Comments</p>												
18.	<p>As per the books and records maintained and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders. However, it has defaulted in repayment of following Loans from GOI and Government of West Bengal :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th align="center">Principal (Rs In lacs)</th> <th align="center">Interest accrued and due (Rs In lacs)</th> </tr> </thead> <tbody> <tr> <td>GOI – Plan Loan</td> <td align="center">8.518.00</td> <td align="center">4,159.25</td> </tr> <tr> <td>GOINonPlan Loan</td> <td align="center">2,310.00</td> <td align="center">2,284.49</td> </tr> <tr> <td>GWB– Term Loan</td> <td align="center">82.48</td> <td align="center">292.73</td> </tr> </tbody> </table>		Principal (Rs In lacs)	Interest accrued and due (Rs In lacs)	GOI – Plan Loan	8.518.00	4,159.25	GOINonPlan Loan	2,310.00	2,284.49	GWB– Term Loan	82.48	292.73	No Comments
	Principal (Rs In lacs)	Interest accrued and due (Rs In lacs)												
GOI – Plan Loan	8.518.00	4,159.25												
GOINonPlan Loan	2,310.00	2,284.49												
GWB– Term Loan	82.48	292.73												
19.	<p>According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer(including Debt instrument) and no Term Loan was applied for the purpose</p>	No Comments												
20.	<p>Based upon the audit procedures performed and as per information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.</p>	No Comments												
21.	<p>According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of sec.197 read with Schedule-V to the Companies Act.</p>	No Comments												
22.	<p>The Company is not a Nidhi Company and as such this clause is not applicable to it.</p>	No Comments												



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Sl.No.	Auditor's Comment	Management Reply
23.	According to the information and explanations given to us, and on the basis of examination of books and records of the Company, there is no transaction with the Related Parties as defined in sec.177 and 188 of Companies Act, 2013.	No Comments
24.	According to the information and explanations given to us, the Company has not made any preferential allotment or Private placement of shares and/ or fully or partly convertible debentures during the year.	No Comments
25.	According to the information and explanations given to us, the Company has not entered into any non cash transaction with any of its Directors or persons connected with him.	No Comments
26.	According to the information and explanations given to us, Company is not required to be registered u/s.45-IA of the Reserve Bank of India Act, 1934.	No Comments

Sd/-
(E.A. SUBRAMANIAN)
Managing Director



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



BALANCE SHEET AS AT 31ST MARCH 2016

Rs. In Lakhs

Particulars	Notes	As at 31st March 2016	As at 31st March 2015
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Fund:</u>			
Share Capital	3	7,696.04	7,696.04
Reserves & Surplus	4	(18,357.31)	(17,444.14)
		(10,661.27)	(9,748.10)
<u>Non Current Liabilities :</u>			
Long Term Borrowings	5	19,858.34	18,587.87
Other Long Term Liabilities	6	444.49	495.40
Long Term Provisions	7	1,813.20	1,698.77
		22,116.03	20,782.04
<u>Current Liabilities:</u>			
Short Term Borrowings	8	1,881.68	2,557.30
Trade Payables	9	4,541.78	4,301.89
Other Current Liabilities	10	4,330.46	4,486.01
Short Term Provisions	11	159.85	222.99
		10,913.77	11,568.19
TOTAL LIABILITIES		22,368.53	22,602.13
<u>ASSETS</u>			
<u>Non-Current Assets :</u>			
<u>Fixed Assets:</u>			
Tangible Assets	12	9,736.38	4,316.00
Capital Work in Progress	13	5,718.20	10,922.93
		15,454.58	15,238.93
Long Term Loans and Advances	14	28.28	24.83
<u>Current Assets :</u>			
Inventories	15	1,463.29	1,428.46
Trade Receivables	16	2,632.94	1,441.40
Cash and Cash Equivalents	17	1,865.37	3,698.48
Short Term Loans and Advances	18	476.21	539.33
Other Current Assets	19	447.86	230.70
		6,885.67	7,338.37
TOTAL ASSETS		22,368.53	22,602.13

Significant Accounting Policies 1

Notes on Accounts 2

Notes referred to above are an integral part of the Financial Statements

In terms of our report of even date

For Bhattacharya Das & Co.
Chartered Accountants
(FRN. 307077E)

On Behalf of the Board

Sd/-
(ANJAN SHEE)
Partner
Membership No. 052870

Sd/-
(PM CHANDRAIAH)
Director (Finance)

Sd/-
(E.A. SUBRAMANIAN)
Managing Director

Sd/-
(SATISH KUMAR)
Company Secretary

Sd/-
(S. SENGUPTA)
AGM (Finance)

Place: Kolkata
Date: 27th May 2016



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2016

Rs. In Lakhs

Particulars	Notes	For the year ended 31st March 2016	For the year ended 31st March 2015
INCOME			
Revenue from Operations(Gross)	20	9,623.37	4,958.63
Less: Excise Duty		804.20	375.13
Revenue from Operations(Net)		8,819.17	4,583.50
Other Income	21	2,457.13	1,969.95
TOTAL INCOME		11,276.30	6,553.45
EXPENSES			
Raw Material Consumed	22	5,589.80	3,532.05
Changes in Inventory	23	40.22	(507.62)
Employee Benefit Expenses	24	2,351.89	2,856.80
Finance Costs	25	1,641.99	1,536.63
Other Expenses	26	2,170.45	1,583.20
Depreciation	12	395.02	360.61
Total Expenses		12,189.37	9,361.67
Loss Before Extra- ordinary Income		(913.07)	(2,808.22)
Extra-ordinary Income	2.4		1,076.17
Profit/(Loss) Before Tax		(913.07)	(1,732.05)
Tax Expenses		-	-
PROFIT/(LOSS) AFTER TAX		(913.07)	(1,732.05)
Earning per share (Basic & Diluted in Rs.)		(118.64)	(225.06)

Significant Accounting Policies 1

Notes on Accounts 2

Notes referred to above are an integral part of the Financial Statements

In terms of our report of even date

For Bhattacharya Das & Co.

Chartered Accountants

(FRN. 307077E)

Sd/-

(ANJAN SHEE)

Partner

Membership No. 052870

Place: Kolkata

Date: 27th May 2016

On Behalf of the Board

Sd/-

(PM CHANDRAIAH)

Director (Finance)

Sd/-

(SATISH KUMAR)

Company Secretary

Sd/-

(E.A. SUBRAMANIAN)

Managing Director

Sd/-

(S. SENGUPTA)

AGM (Finance)



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2016

(Rs. In lakhs)

Particulars	For the year	
	2015-16	2014-15
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net (Loss) before extraordinary items and tax (i)	(913.07)	(2,808.22)
<u>Adjustments for:</u>		
Depreciation and amortization	395.02	360.60
(Profits)/ loss on sale / write off of assets	(0.18)	(0.19)
Finance cost	1,641.99	1,536.63
Interest income	(167.09)	(180.82)
Rental From properties	(993.04)	(930.52)
Others	(258.15)	(302.03)
Provisions no longer required written back	(954.50)	(41.27)
Provisions for doubtful receivables, loans and advances	106.26	370.71
Other (Live stock Write-off)	1.26	0.46
Prior Period Adjustments	(59.69)	58.89
(ii)	(288.13)	872.46
Operating Loss before working capital change (iii)=(i + ii)	(1,201.20)	(1,935.76)
<u>Changes in working capital:</u>		
Adj. for (increase) / decrease in operating assets:		
Inventories	(34.83)	(617.44)
Trade Receivables	(944.77)	(769.27)
Short-term loans and advances	229.82	269.69
Long-term loans and advances	(3.45)	6.87
Other current assets	(60.58)	36.12
(iv)	(813.80)	(1,074.03)
Adj. for (increase) / decrease in operating liabilities:		
Trade payables	712.91	725.42
Other current liabilities(other payables)	(155.55)	(72.87)
Short-term provisions	(63.14)	(160.21)
Long-term provisions	114.43	371.20
Extra ordinary items		1,076.17
(v)	608.64	1,939.71
Cash generated from operations (vi) = (iii)+(iv)+(v)	(1,406.36)	(1,070.08)
Net cash flow from / (used in) operating activities (A)	(1,406.36)	(1,070.08)
B) CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditure on fixed assets, including CWIP	(611.93)	(116.21)
Bank balances not considered as Cash and cash equivalents		
-Matured	1,769.81	(552.63)
Deposit from tenants	(50.91)	96.51
Interest received	167.09	52.89
Rental income from investment properties	798.88	951.84
Others(Claim)	220.57	315.04
Other Income		74.38
Net cash flow from / (used in) investing activities (B)	2,293.51	821.82



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



C) CASH FLOWS FROM FINANCING ACTIVITIES:			
Long Term Borrowings	-	700.00	
Short-term borrowings	(675.62)	28.59	
Finance cost	(274.84)	(470.98)	371.76
Net cash flow from / (used in) financing activities (C)		(950.46)	257.61
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)			
		(63.30)	9.35
Cash and cash equivalents at the beginning of the year		216.79	207.44
Cash and cash equivalents at the end of the year		153.49	216.79
Reconciliation of Cash and cash equivalents:			
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		1,865.37	3,698.48
Less: Term Deposit not considered as Cash and Cash equivalents as defined in AS-3 cash Flow Statement Net Cash and Cash Equivalent (as defined in AS-3 Cash Flow Statement) included in Note-16		1,711.88	3,481.69
Cash and cash equivalents at the end of the year*		153.49	216.79
* Comprises:			
(a) Cash on hand	2.98		5.68
(b) Cheques in hand	2.55		3.21
(c) Balance with banks - In Current Accounts	147.96		207.90

For Bhattacharya Das & Co.

Chartered Accountants
(FRN. 307077E)

Sd/-

(ANJAN SHEE)

Partner

Membership No. 052870

Place: Kolkata

Date: 27th May 2016

On Behalf of the Board

Sd/-

(PM CHANDRAIAH)

Director (Finance)

Sd/-

(SATISH KUMAR)

Company Secretary

Sd/-

(E.A. SUBRAMANIAN)

Managing Director

Sd/-

(S. SENGUPTA)

AGM (Finance)



1.0 SIGNIFICANT ACCOUNTING POLICIES 2015-16

1.1 Basis for preparation of financial statements:

These Financial Statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the Provisions of the Act (to the extent notified). The financial statements are prepared on accrual basis under the historical cost convention. The 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. The Financial Statements are presented in Indian Rupee rounded off to the nearest Rupee in Lakhs.

1.2 Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



1.3 Classification of Assets and Liabilities as Current/ Non-Current:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realized within 12 months after the reporting date; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liabilities

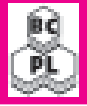
A liability is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be settled in the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is due to be settled within 12 months after the reporting date; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and Current Liabilities include the current portion of the financial assets and liabilities respectively. All other assets/ liabilities are classified as non-current.

Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.



1.4 Fixed Assets:

(A) Tangible Assets

- (i) Tangible fixed assets are stated at the cost of acquisition or construction and include amounts added on revaluation of an asset, less accumulated depreciation and impairment losses, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs 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. Advances paid towards acquisition of tangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period end, are shown as “Capital Work in Progress”.
- (ii) Subsequent expenditure related to an item of tangible fixed asset is capitalized only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.
- (iii) Incidental expenditure during construction period incurred up to the date of commissioning is capitalized.

(B) Intangible Assets

- (i) Intangible fixed assets comprise brands, trademarks and computer software, which are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs 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. Advances paid towards acquisition of intangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period end, are shown as intangible fixed assets under development.
- (ii) Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.



1.5 CENVAT:

- (i) The value of CENVAT benefits eligible is reduced from the value of purchase of materials. Consumption of materials is arrived accordingly
- (ii) The value of CENVAT Credit in respect of fixed assets is being reduced from the cost of such fixed assets which is equally spread over two years from the year of purchase and the fixed asset is being put to use.

1.6 Depreciation/ Amortization:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

In respect of Tangible Fixed Assets (other than Freehold Land and Capital Work-in-Progress) acquired during the year, Depreciation/Amortisation is charged on a Straight Line basis so as to write-off the cost of the Assets over the useful lives and for the Assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life. The useful life is same as prescribed in Part-C of Schedule-II to the Companies Act, 2013.

Intangible Fixed Assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

1.7 Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets, up to the date of capitalization of such assets, are capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred and charged Profit and Loss Statement.



1.8 Liability:

Liability in respect of purchase of both capital and revenue nature are accounted for on the basis of date of issue of Material Inward Slips.

1.9 Impairment of assets:

As asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.10 Investments:

- (i) Investments that are readily realizable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- (ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.
- (iii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- (iv) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



1.11 Government Grants:

- (i) **Capital grants / subsidy:** Capital grants / subsidy relating to specific assets is reduced from the gross values of assets and capital grants for project capital subsidy are credited to capital reserve and retained till the requisite conditions are fulfilled.
- (ii) **Revenue grants / subsidy:**
 - a) Grant-in-aid received from Government of India for implementation of Voluntary Retirement Scheme and Salary Arrears is matched with related costs through Profit & Loss Account. Unutilized grants are shown under Current Liabilities.
 - b) All other revenue grants are credited to profit & Loss Account.

1.12 Revenue Recognition:

- (i) Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods, or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods as well as regarding its collection. Revenue includes excise duty and is net of applicable sales tax / value added tax and also net of applicable discounts and allowances.
- (ii) Sales return is accounted for in the year of such returns from the customers
- (iii) Income from royalty, milestone payments, technical know-how arrangements, exclusivity and patents settlement and licensing arrangements is recognised on an accrual basis in accordance with the terms of the relevant agreement. Any non-compete fee is recognised over the term of the agreement on a straight line basis.
- (iv) Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



- (v) Profit on disposal/ sale of investments is recognised as income in the period in which the investment is sold/disposed off.
- (vi) Dividend income is recognized when the right to receive the income is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.
- (vii) Rental Income from renting of properties is recognized on accrual basis as per agreements entered with the tenants.

1.13 Foreign Currency Transactions and Translations:

Transactions in foreign exchange other than those covered by forward contracts are accounted for at the exchange rates prevailing on the date of transactions. Foreign currency receivables/payables other than those covered by forward contracts are translated at the year- end exchange rates. Gain or losses arising out of such transaction are adjusted to the Profit and Loss Account. Foreign Currency loans are valued at year end exchange rates.

Outstanding forward contracts, if any, as at the Balance Sheet date are reinstated at the exchange rate prevailing on the date.

1.14 Inventories:

Finished Stocks are valued at the lower of cost and net realizable value (Trade Price minus 16% of Trade Price). Raw, Packing materials and stores and spares are valued at cost. Work in progress is valued on the basis of raw material cost plus 30% of raw material cost on account of labour. In case of bulk finished stock 41% of raw material cost is added as cost of overhead. Stock valuation of raw material and packing materials are determined on First in First out basis and that for stores and spares determined on weighted average cost basis.



1.15 Cash and Cash Equivalents:

- (i) Cash and bank balances comprise of cash at bank, cash in hand, Cheques in hand, demand deposits and bank deposits with maturity period up to 12 months from Balance Sheet date.
- (ii) For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand and demand deposits net of bank overdrafts.

1.16 Research and Development costs:

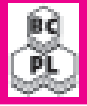
Research and development costs, incurred for development of products are expensed as incurred. Development costs which relate to the design and testing of new or improved materials, products or processes or for existing products in new territories are recognised as an intangible asset when the company can demonstrate all the following:

- (i) It is technically feasible to complete the development of asset and it will be available for sale / use.
- (ii) It is expected that such development will be completed and used / sold
- (iii) It is expected that such assets will generate future economic benefits.
- (iv) There are adequate resources to complete such development.
- (v) It is possible to measure reliably the expenditure attributable to the asset during development.

Research and development expenditure of a capital nature is added to fixed assets. Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. The carrying value of the development cost is tested for impairment annually.

1.17 Employees Benefits:

- (i) **Provident Fund:** The Company makes specified monthly contribution towards the employees' provident fund to the provident fund trust



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



administered by the Company. The minimum interest payable by the provident fund trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on respective investments of the trust and the notified interest rate.

- (ii) **Gratuity:** The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Company provides liability towards Gratuity as per actuarial valuation determined by an independent actuary at the balance sheet date.
- (iii) **Compensated Absence/ Leave Salary:** As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilized during the service, or encashed. Encashment can be made during service, on retirement/ early retirement, on withdrawal of scheme, at resignation and upon death of the employee. The value of benefits is determined based on the seniority and the employee's salary. Accordingly, Company records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlements. Company provides liability towards Gratuity as per actuarial valuation determined by an independent actuary at the balance sheet date.

1.18 Leases:

- (i) **Where the Company is a Lessee**
Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.



(ii) **Where the Company is a Lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating Leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense. Initial direct costs such as legal costs, brokerage costs, etc are recognized immediately in the statement of profit and loss.

1.19 Segment Reporting:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company and the company has identified three primary reporting segments viz Chemicals, Pharmaceuticals and Cosmetics & Home products.

1.20 Taxes on Income:

- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- (ii) Deferred income-tax on timing differences is computed using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax asset is recognized and carried forward for timing differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realized in future. However, if there is unabsorbed depreciation or carry forward of losses deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed as at each balance sheet date for their realisability.



1.21 Provisions, Contingent Liabilities and Contingent Assets:

- (i) **Provisions:** A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) **Contingent Liabilities:** A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- (iii) **Contingent Assets:** Contingent assets are not recognized 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 recognized in the period in which the change occurs.

1.22 Prior Period & Prepaid Transactions and Extra ordinary items:

- (i) Income/expenditure relating to prior period and prepaid expenses not exceeding Rs.25,000/- in each case are treated as income/expenditure of the current year.
- (ii) Extra ordinary items has been disclosed on the statement of profit and loss account as a part of net profit or loss for the period .The nature and the amount of each extra ordinary item has been separately disclosed in the statement of profit and loss in manner that its impact on current profit and loss can be perceived.



1.23 Earnings per share:

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss 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. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.



2.0 NOTES ON ACCOUNTS

2.1 Funds provided by Govt. of India under BRPSE Scheme & its Utilisation

- a) The balance in the Plan and Non Plan loan as on 31-03-2006 was Rs. 3816.00 Lakhs and Rs.4326.67 Lakhs respectively. Out of which the Plan loan of Rs.3404.00 Lakhs and Non Plan loan amounting to Rs. 3765.67 Lakhs pertaining to the period from 01.04.94 to 31.03.05 was waived by the Govt. of India during the year 2006-07 as per waiver scheme of BRPSE. The said amount was transferred to Capital Reserve Account and the balance of Rs.412.00 Lakhs as Plan Loan and the balance of Rs 561.00 Lakhs as Non-Plan were reflected under “Unsecured Loan”. Further, GOI has released the Plan fund of Rs 700.00 Lakhs during 2006-07 has been shown under the same head.

As per the approval of BRPSE Scheme, Govt. of India has released the funds amounting to Rs. 13,719.00 Lakhs and the same were received in 2007-08. The details are as follows:

Share Capital: Rs. 5,500.00 Lakhs
Interest free Plan Loan: Rs. 2,000.00 Lakhs
(Repayable in 5 equal instalments starting from the first anniversary)

Interest free Non-Plan Loan: Rs. 1,749.00 Lakhs
(Repayable in 5 equal instalments starting from the first anniversary)

Grant in Aid (V.R.S): Rs. 2,000.00 Lakhs
Grant in Aid (Salary Arrears): Rs. 2,470.00 Lakhs

As per the approved BRPSE Scheme, Govt. of India had released a further amount of Rs. 2000.00 Lakhs, Rs.2940.00 Lakhs, Rs. 2000.00 Lakhs & Rs. 60 Lakhs against Plan Loan during the year 2008-09, 2009-10,



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



2010-11 & 2011-12 respectively. An amount of Rs.170.00 Lakhs had been repaid out of Plan Loan during 2010-11. Further, an amount of Rs.700.00 Lakhs Interest bearing Plan Loan has been released by GOI during the year 2014-15.

b) Utilisation of fund received from Government of India:

Out of the Plan Loan outstanding amounting to Rs 10642.00 Lakhs (Previous Year Rs.9942.00 Lakhs), Equity fund amounting to Rs.5500 Lakhs(Previous Year Rs. 5500 Lakhs) & Grant for R&D amounting to Rs.629.00 Lakhs(Previous Year Rs.629.00 Lakhs), company has utilised upto 2015-16 in the following manner-

(Rs.in Lakhs)

Description	Plant & Machinery	Buildings	Total	Capital WIP	Grand Total
Maniktala Factory	706.57	4822.75	5529.32	4149.98	9679.30
Panihati Factory	1346.02	1699.93	3045.95	99.11	3145.06
Kanpur Factory	0.00	107.82	107.82	1387.90	1495.72
Head Office	0.00	0.00	0.00	81.21	81.21
Total	2052.59	6630.50	8683.09	5718.20	14401.29

c) Utilisation of Grant In Aid:

Out of GOI grant of Rs.2470.00 Lakhs received in the year 2007-08, Company has utilised a sum of Rs.1709.15 Lakhs on account of Wage Revision of employees of 1997 pay scale w.e.f. 01-01-1999 to 31-03-2007(including PF of Rs.150.23 Lakhs and after adjustment of dues of Festival Advance & Special Advance amounting Rs. 148.36 Lakhs). Balance in this account as on 31.03.2016 is Rs.760.85 Lakhs (Previous Year Rs.760.85 Lakhs) which is subject to reconciliation pending settlement of a case filed by employees' union.

Payment to employees of the Company under VRS scheme (constituting of Exgratia, Gratuity and Leave Salary) amounting to Rs.1471.00 Lakhs (Previous Year Rs 1386.84 Lakhs) has been paid till 31.03.16 out of GOI Grant of Rs 2000 Lakhs received in the year 2007-08, which is also subject to reconciliation. Balance in this account as on 31.03.2016 is Rs.529.00 Lakhs (Previous Year Rs.613.16 Lakhs)



- d) Short Term Fixed Deposit with various Banks at the end of the year is Rs.1711.88 Lakhs including accrued interest (Previous Year Rs.3481.69 Lakhs) which is subject to Reconciliation/ Confirmation.

2.2 Capital Reserve Account

Government Grants received for procurement of HPLC System amounting to Rs. 7.00 lakhs. Depreciation charged for the machine has been reduced from Capital Reserve. Depreciation charged for the year is Rs.0.10 Lakhs (Previous Year Rs. 0.10 Lakhs). Balance of Grant as on 31st March 2016 amounts to Rs. 0.40 lakhs (Previous year Rs.0.50 Lakhs). The waiver of Principal amount of Plan loan of Rs.3404.00 Lakhs & Non Plan loan of Rs. 3765.67 Lakhs has been transferred to Capital Reserve Account as per the approved BRPSE Scheme in the year 2006-07. Grants received from Government of India amounting to Rs.629 Lakhs on account of QC and R&D Blocks has also been transferred to this account.

2.3 Depreciation on Fixed Assets

Management has conducted physical verification of Fixed Assets at all of its units and discrepancies as observed in such verification were properly dealt with in the books of accounts.

2.4 (a) Unaccounted FDRs:

While obtaining balance confirmations from the Banks during 2014-15, the company noticed FDRs valuing Rs.1076.17 lakhs with Indian Bank and the same was accounted for in 2014-15. Subsequently, FDRs were prematurely encashed and the penalty amount on premature encashment is accounted for in 2015-16. Further, as per directions of Board and the Ministry, Company engaged the services of an independent Audit firm to verify the source of funds of the FDRs and other related issues. The firm submitted its report dated which is put up in the 174th Board Meeting on 27th May 2016.



(b) Write-back of old unclaimed liabilities:

During the year 2015-16, company had undertaken to scrutinise the Debtors & Creditors balances and appointed an independent Chartered Accountant firm for examining the old unclaimed balances lying in Sundry Creditors. On the basis of their report, necessary adjustments/write backs have been accounted for during the finalisation of Annual Accounts of 2015-16.

2.5 Employee benefits under AS-15

- (a) (i) Company has an exempted Provident Fund maintained by PF Trust.
(ii) During the year the Company has recognised Rs.75.12Lakhs (Previous Year Rs.83.27Lakhs) as Employer's Contribution to Provident Fund in the statement of Profit & Loss.
(iii) In addition, during the year, the Company has recognised Rs.59.58 Lakhs (Previous Year Rs.50.94Lakhs) as contribution to EPS-95 in the statement of Profit & Loss.
- (b) Defined Benefit Plan / Long term Employee benefits in respect of Gratuity & Leave Encashment are recognised in the statement of Profit & Loss on the basis of Actuarial valuation done at the year end. The details of such employee benefits as recognised in the financial statement are given below:-



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



(Rs.in Lakhs)

Sl. No	Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)		Leave Travel Concession #	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1.	Amount recognised in the Balance Sheet						
	Present value of obligations	1502.18	1289.85	407.57	408.92	-	-
2.	Reconciliation of Opening & Closing balance of obligations						-
	Opening Balance	1502.18	1289.85	407.57	408.92	-	-
	Benefits Paid	232.79	481.35	112.45	133.46	23.39	-
	Actuarial Gain/(Loss)	96.56	(212.33)	(140.68)	1.35	-	-
	Closing Balance	1405.62	1502.18	548.25	407.57	19.17	-
3.	Expenses recognised in P&L Account						-
	Actuarial Gain/(Loss)	96.56	(212.33)	(140.68)	1.35	-	-
4.	Assumptions:						-
	Mortality Table	2006-08	2006-08	2006-08	2006-08	2006-08	-
	Superannuation Age	58&60yrs	58yrs	58&60yrs	58 yrs	58&60yrs	-
	Attrition Rate	2%pa	2%pa	2%pa	2%pa	2%pa	-
	Discount Rate	7.80%pa	7.98%pa	7.80%pa	7.98%pa	7.80%pa	-
	Inflation Rate	12.50%pa	12.50%pa	12.50%pa	12.50%pa	-	-

#Actuarial valuation was not done.

(c) Wage revision of the employees of BCPL of 2007 pay scale could not be implemented due to financial sickness of the Company and as such no provision on this account has been made in the accounts.



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



2.6 Segment Reporting- Primary segment information are as below

(Rs.in Lakhs)

Particulars	Chemicals		Pharmaceuticals		Cosmetic & H.P.		Unallocated		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue										
External Sales	570.38	338.18	5612.79	2751.09	2636.00	1494.23	-	-	8819.17	4583.50
Other Income	1.25	46.78	7.20	23.89	1.02	0.84	2447.66	1898.44	2457.13	1969.95
Total Revenue	571.63	384.96	5619.99	2774.98	2637.01	1495.07	2447.66	1898.44	11276.29	6553.45
Result										
Segment Result	677.60	428.42	6687.67	3485.21	3131.51	1892.96	-	-	10476.97	5806.59
Interest Expense	155.29	151.20	1232.44	1137.85	254.27	247.57	-	-	1642.00	1536.62
Depreciation	71.43	74.42	235.17	188.61	56.40	80.59	32.04	16.98	395.03	360.60
Provisions	(21.00)	42.92	(206.60)	349.14	(97.02)	189.63	37.57	-	(324.63)	581.69
Extra Ordinary Items	-	-	-	-	-	-	-	(1076.17)	-	(1076.17)
Net Profit before Tax	(311.70)	(312.00)	(2308.88)	(2385.83)	(708.13)	(915.68)	2378.05	1881.46	(913.08)	(1732.05)
Taxes	-	-	-	-	-	-	-	-	-	-
Net Profit after Tax	(311.70)	(312.00)	(2308.88)	(2385.83)	(708.13)	(915.68)	2378.05	1881.46	(913.08)	(1732.05)
Other Information										
Segment Assets	1537.96	1771.57	10747.32	10864.25	1529.07	3198.34	8554.16	6767.99	22368.51	22602.15
Addition to Fixed Assets	0.34	9.08	5699.98	109.51	5.02	42.24	111.33	8.54	5816.66	169.37
Segment Liabilities	2270.98	2535.63	15869.71	15549.89	2257.85	4577.75	12631.24	9686.96	33029.79	2350.23

2.7 As per Accounting Standard -18 the disclosures of transaction with the related party as defined in the Accounting Standard are given below:-

- i) Mr.E.A.Subramanian - Managing Director w.e.f. 05.02.2014
- ii) Mr.P.M.Chandraiah - Director(Finance) w.e.f. 25.11.2014



Remuneration to Directors:

(Rs.in Lakhs)

Particulars	Shri. E.A.Subramanian Managing Director		Shri. P.M.Chandraiah Director (Finance)	
	2015-16	2014-15	2015-16	2014-15
Salary	11.93	11.19	10.89	3.69
Contribution To PF	1.22	1.18	1.10	0.36
Perquisites	1.55	1.25	1.48	0.37
Total	14.70	13.62	13.47	4.42

Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

2.8 Disclosure of Leases as per Accounting Standard-19- Operating leases as lessors

The lease Rentals recognised as income in these statements as per the Rentals stated in the respective Agreements-

(Rs.in Lakhs)

Particulars	2015-16	2014-15
a) Lease Rental recognised as Income during the Period	809.91	930.52
b) Lease Rentals(Office premises):-		
Gross Carrying Amount	1104.82	1104.82
Accumulated Depreciation	269.10	268.74
Depreciation recognised in Profit & Loss Account	16.95	17.29

2.9 The Company is a Sick Unit and has significant amount of carried forward losses and unabsorbed depreciation under the Income Tax Act. The management feels that such losses may not be covered up by the surplus in the near future. In view of this, the management, as a matter of prudence, has not recognised deferred tax assets in respect of carried forward losses and unabsorbed depreciation as per Accounting Standard – 22 on “Accounting for Taxes On Income”.

2.10 Clearing & Forwarding Agents have been appointed at Ranchi, Raipur, Ahmedabad, Nagpur, Indore, Vijaywada, Yamuna Nagar, Bhubaneswar,



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



Cochin and Chadigarh. The accounts of these ten C & F Agents have been incorporated in the accounts as certified by the Management.

2.11 During the year 2007-08, a fraud case was lodged against Shri S.Kar, Works Manager, Kanpur. The effect of such fraud has not been reflected in the Accounts since the matter is sub-judice till date.

2.12 As per existing practice, debts outstanding for more than three years as on 31.03.2016 has been provided for in the Accounts.

2.13 Details of Stock, Sale & Raw Material Consumed

a) Finished Stock & Sale of Goods Manufactured:-

(Rs.in Lakhs)

Class of Goods	Opening Value		Closing Value		Sales Value	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Chemicals:						
Alum Ferric	15.03	8.34	7.65	15.03	408.94	507.33
Pharmaceuticals:						
Eutheria	42.54	15.88	10.70	42.54	346.65	616.59
Aqua Ptyocitis	6.47	0.58	3.20	6.47	50.43	49.53
Others	168.32	21.95	306.79	168.32	5976.20	604.50
Cosmetic & Home Products:						
Cant Hair Oil	148.19	10.23	91.73	148.19	603.04	670.30
Pheneol	85.09	132.76	167.04	85.09	1357.90	1265.90
Napthalene Ball	48.87	1.74	31.68	48.87	33.30	363.09
Others	102.85	61.84	69.32	102.85	846.91	881.39
Bulk Finished (Pheneol)	75.79	23.31	7.65	75.79	-	-
Total	693.15	276.63	695.76	693.15	9623.37	4958.63

b) Work in Progress:-

(Rs.in Lakhs)

Class of Goods	Opening Value		Closing Value		Sales Value	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Pharmaceuticals	102.38	13.10	40.55	102.38	-	-
Cosmetic & H.P.	1.81	-	20.80	1.81	-	-
Total	104.19	13.10	61.35	104.19	-	-



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



c) Break up of Raw & Packing Materials Consumed:-

(Rs.in Lakhs)

Particulars	2015-16	2014-15
Crude Drugs & Extracts	1278.77	541.41
Organic Chemicals & solvent	1659.31	438.97
In Organic Chemicals & solvent	932.10	88.45
Oils, Vegetables & Minerals	475.03	763.11
Minerals	258.30	440.21
Packing Materials	652.95	678.44
Others	333.34	581.46
Total	5589.80	3532.05

2.14 Contingent Liabilities not provided for in respect of:

(a) Contingent Liabilities

(i) In respect of claims under Sales Tax Act : Rs. 2764.20 Lakhs (P.Y.- Rs.2636.91 Lakhs)

(ii) In respect of claims under Central Excise Act: Rs. 151.72 Lakhs (P.Y.- Rs.153.93 Lakhs)

(iii) Claims by Contractors/Landlord/Employees pending in Arbitration/ Courts :
Rs.318.09 Lakhs (P.Y.- Rs.439.79 Lakhs)

(iv) Counter guarantee given to bank against guarantee issued by them on behalf of the Company Rs. 30.18 Lakhs (P.Y.- Rs. 7.65 Lakhs)

(b) Claims against the company not acknowledged as debts :- NIL

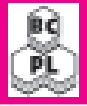
2.15 Estimated amount of contracts remaining to be executed on Capital Account not provided for

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for is Rs.2930.43 Lakhs (PY Rs.5663.34 Lakhs)

2.16 Basis for calculation of Basic & Diluted Earning per Share is as below

(Rs. In Lakhs)

	2015-16	2014-15
Profit/(Loss) after Tax as per Profit & Loss Account	(913.07)	(1732.05)
Weighted average no. Of Equity Shares (in Numbers)	769604	769604
Basic & Diluted Earnings per Share (in Rs)	(118.64)	(225.06)



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



2.17 The names of Small Scale Undertakings to whom the Company owes sums, which are outstanding for more than 30 days at the Balance Sheet date are stated as below:

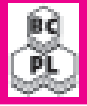
Sl. No.	Name of the Party	Sl. No.	Name of the Party
1	Aparna Carbons Pvt Ltd	2	Ashok Kumar Raj Kumar
3	Balaji International	4	Banhita Packaging Industries
5	J.M.Traders	6	ASL Plastic
7	P.B.Holotech	8	S.D.& Co
9	Shiv Shakti Trading Corporation	10	S.R.Packaging
11	Tarchem Pvt Ltd	12	Mangalam Plastic
13	Box Works	14	Modern Paper pack
15	Bhavesh Products Pvt.Ltd.	16	Makesworth Enterprises
17	Print Home	18	T.M.Thakore Pharmaceuticals Lab
19	Aparna Industries	20	Bombay Carbon & Metcaps Pvt.Ltd
21	Pearl Polymers	22	Savita Chemicals
23	Shree Gurukrupa Octroi Service		

The above information has been compiled in respect of parties to the extent to which they could be identified as small scale and ancillary undertakings on the basis of information available with the Company.

2.18 During the year 2015-16, the movement of various Provisions, is given as under:-

(Rs. in Lakhs)

Particulars:	Opening Balance	Additions	Utilizations/ Write back	Closing Balance
Provision for -				
Gratuity	1502.18	136.23	232.79	1405.62
Leave Salary	407.57	253.13	112.45	548.25
Leave Travel Concession	0.00	19.17	0.00	19.17
Fringe Benefit Tax	12.01	Nil	12.01	Nil
Doubtful Debts	338.41	Nil	246.77	91.64
Doubtful advances	341.74	Nil	166.71	175.03
Slow and non-moving inventories	11.00	Nil	Nil	11.00
Claims Recoverable	89.43	37.57	Nil	127.00
Total	2702.34	446.10	770.73	2377.71



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



2.19 Previous year's figures have been regrouped and rearranged, wherever considered necessary to make it comparable with those of the current year.

Signed for identification

For Bhattacharya Das & Co,
Chartered Accountants
(FRN.307077E)

On behalf of the Board

Sd/-

(ANJAN SHEE)

Partner
Membership No. 052870

Sd/-

(P.M. CHANDRAIAH)

Director (Finance)

Sd/-

(E.A. SUBRAMANIAN)

Managing Director

Sd/-

(SATISH KUMAR)
Company Secretary

Sd/-

(S.SENGUPTA)
Asst. Gen. Mgr(Fin)

Place: Kolkata
Date: 27th May, 2016



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



3 SHARE CAPITAL

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
(A) Authorised Capital : 800000 equity shares of Rs.1000/- each	8,000.00	8,000.00
(B) Issued, Subscribed & Paid up Capital: 769604 Equity Share of Rs. 1,000/- each fully paid	7,696.04	7,696.04
Total Paid-Up Share Capital	7,696.04	7,696.04

3(a) Reconciliation of the number of shares outstanding

Particulars	As at 31st March 2016	As at 31st March 2015
Number of Shares outstanding at the beginning of the year	769604	769604
Add: Shares issued during the year	-	-
Number of shares outstanding at the end of the year	769604	769604

3(b) Shareholders holding more than 5% shares specifying the No. of shares held

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Hon'ble President Of India & his nominees	769604	100	769604	100
Total	769604	100	769604	100

4 RESERVES AND SURPLUS

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
(A) Capital Reserves :		
Opening Balance	7,799.17	7,799.27
Less : Deductions / Transfers during the year Depreciation on Fixed Assets Acquired from Government	0.10	0.10
Closing Balance (A)	7,799.07	7,799.17
(B) Surplus/(Deficit) Debit Balance in P&L account :		
Opening Balance	(25,243.31)	(24,725.37)
Less: Adjustments (Ref. Note-2.3 & Note-12)		1,214.11
Add :Loss for the year	(913.07)	(1,732.05)
Closing Balance (B)	(26,156.38)	(25,243.31)
Total (A)+(B)	(18,357.31)	(17,444.14)



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



5 LONG TERM BORROWINGS

	Rs. In Lakhs	
Particulars	As at 31st March 2016	As at 31st March 2015
Term Loans		
(i) Secured		
Govt of West Bengal Sales Tax	82.48	82.48
Interest Accrued & Due on above (Secured by hypothecation of Fixed Assets)	292.73	285.52
(ii) Unsecured		
(a) Government of India - Plan Loan	10,642.00	10,642.00
Interest Accrued on Government of India - Plan Loan	4,246.64	3,391.01
Date Rt. Of Int. Loan Loan Default		
30.09.05 17.00% 130.00 130.00		
06.03.06 17.00% 112.00 112.00		
08.08.06 17.00% 350.00 350.00		
20.10.06 14.50% 350.00 350.00		
27.12.07 Nil 2,000.00 2,000.00		
30.12.08 Nil 1,000.00 1,000.00		
19.03.09 Nil 1,000.00 1,000.00		
03.06.09 Nil 1,000.00 800.00		
23.12.09 Nil 490.00 392.00		
28.01.10 Nil 950.00 760.00		
15.03.10 Nil 500.00 400.00		
20.05.10 Nil 2,000.00 1,200.00		
02.12.11 Nil 60.00 24.00		
04.03.15 11.50% 700.00 -		
<hr/>	<hr/>	<hr/>
	10,642.00	8,518.00
(b) Government of India - Non Plan Loan	2,310.00	2,310.00
Interest Accrued on Government of India - Non Plan Loan	2,284.49	1,876.86
30.03.06 17.00% 500.00 500.00		
30.03.06 17.00% 61.00 61.00		
30.03.07 Nil 1749.00 1749.00		
<hr/>	<hr/>	<hr/>
	2310.00	2310.00
Total	19,858.34	18,587.87

All Loans are repayable in 5 Equal Annual Instalments on the Anniversary Dates.

6 OTHER LONG TERM LIABILITIES

	Rs. In Lakhs	
Particulars	As at 31st March 2016	As at 31st March 2015
Deposit from Tenants	444.49	495.40
Total	444.49	495.40

7 LONG TERM PROVISIONS

	Rs. In Lakhs	
Particulars	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits	1,813.20	1,698.77
Total	1,813.20	1,698.77



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



8 SHORT TERM BORROWINGS

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Secured		
Working Capital Loan From United Bank of India	1,881.68	2,557.30
Total	1,881.68	2,557.30

Note: The Cash Credit Account is secured by hypothecation of Raw Materials, WIP, Finished Goods & Receivables and all other Current Assets of the Company. The overall limit is additionally secured by mortgage over immovable properties belonging to the Company.

9 TRADE PAYABLES

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Small Scale Industrial Undertakings #	91.57	154.12
Others	4,450.21	4,147.77
Total	4,541.78	4,301.89

The names of MSMEs to whom amounts are due for more than 30 days are furnished in Note-2.17

10 OTHER CURRENT LIABILITIES

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Interest Accrued but not due on Borrowings	94.45	94.46
Interest Accrued on MSMEs	46.17	43.59
Interest Accrued on Security Deposits of C&F	6.54	7.93
<u>Other Payables :</u>		
Statutory Liabilities	363.90	278.10
Liability for Expenses and Others	1,939.82	2,316.59
Payable to Employees and Others	98.13	121.79
Unutilized Grant-in-Aid	1,289.84	1,374.01
Deposits Refundable	491.61	224.22
Others		25.32
Total	4,330.46	4,486.01

11 SHORT TERM PROVISIONS

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits	159.85	210.98
Fringe Benefit Tax Payable	-	12.01
Total	159.85	222.99



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



12 FIXED ASSETS (Tangible)

Rs. In Lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-04-15	Addition	Sold/ Adjusted	As at 31st March 2016	As at 01-04-15	For the Year	Sold/ Adjusted	upto 31-03-16	As at 31st March 2016	As at 01-04-15
1	2	3	4	5(2+3-4)	6	7	8	9(6+7-8)	10	11
Freehold Land	124.74	-		124.74				-	124.74	124.74
Leasehold Land	63.55	-		63.55				-	63.55	63.55
Freehold Building										
- Manufacturing	1,410.68	4,873.02		6,283.70	391.01	171.49		562.50	5,721.20	1,019.67
-Non- Manufacturing	186.75	72.68		259.43	45.49	3.50	(0.09)	49.08	210.35	141.26
- Office Building	1,659.59	35.14		1,694.73	311.21	25.93	0.10	337.04	1,357.69	1,348.38
Chemical Machinery	1,266.31			1,266.31	775.78	43.89		819.67	446.64	490.53
General Machinery	1,670.94	767.35		2,438.29	621.34	135.01	0.10	756.25	1,682.04	1,049.60
Computer	84.07	10.32		94.39	71.17	3.30		74.47	19.92	12.90
Cooler, Refrigerator & AC	65.69	9.25		74.94	37.06	5.21		42.27	32.67	28.63
Printing Equipments	6.44			6.44	6.11	-		6.11	0.33	0.33
Fire Appliances	2.99			2.99	1.42	0.10		1.52	1.47	1.57
Furniture & Fittings	87.37	46.39		133.76	70.72	3.59		74.31	59.45	16.65
Machine & Equipments	31.11	1.05		32.16	26.33	0.60		26.93	5.23	4.78
Live Stock	7.63		1.26	6.37	-	-		-	6.37	7.63
Library Books	3.99			3.99	3.79	-		3.79	0.20	0.20
Laboratory	14.12	1.45		15.57	8.54	2.50		11.04	4.53	5.58
Total	6,685.97	5,816.65	1.26	12,501.36	2,369.97	395.12	0.11	2,764.98	9,736.38	4,316.00
Previous Year	6,519.24	169.34	2.61	6,685.97	3,225.38	360.61	1,216.02	2,369.97	4,316.00	3,293.81

13 CAPITAL WORK IN PROGRESS

Rs. In Lakhs

Particulars	As at 1st April 2015	Additions	Adjustment/ (Deletion)	Capitalised during the year	As at 31st March 2016
Building	5,803.82	113.08	-	3,896.89	2,020.01
P & M	1,945.15	252.49	85.98	706.57	1,405.09
Civil	2,294.82	37.61	-	939.43	1,393.00
Electrical	836.57	60.01	-	77.69	818.89
Interest Expenses	6.18	81.21	6.18	-	81.21
Others	36.39	8.67	28.50	16.56	-
Total	10,922.93	553.07	120.66	5,637.14	5,718.20
Previous Year	10,973.40	47.94	(51.65)	(46.76)	10,922.93



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



14 LONG TERM LOANS AND ADVANCES

Particular	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Income Tax - Deductible from employees on retirement	28.28	24.83
Total	28.28	24.83

15 INVENTORIES

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
(A) RAW MATERIAL & PACKING MATERIALS:		
[a] Raw Materials	418.74	332.65
[b] Packing Material	234.34	239.95
Raw Materials & Packing Materials (A)	653.08	572.60
(B) FINISHED GOODS & WIP INVENTORY:		
[a] Finished Goods	695.77	693.15
(b) Work-In-Progress	61.35	104.19
[c] Stores and Spare Parts	64.09	69.52
Less : Provision for slow/ non- moving and others	<u>11.00</u> 53.09	<u>11.00</u> 58.52
Finished Goods & WIP Inventory (B)	810.21	855.86
Total (A+B)	1,463.29	1,428.46

16 TRADE RECEIVABLES

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
(Unsecured)		
More than six months:		
considered good	284.06	288.03
considered doubtful	91.64	338.41
	375.70	626.44
Others (less than six months)	2,348.88	1,153.37
	2,724.58	1,779.81
Less: Provision for doubtful debts	91.64	338.41
Total	2,632.94	1,441.40



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



17 CASH AND CASH EQUIVALENTS

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
(a) Cash and Cash equivalents		
(i) Cash in Hand	2.98	5.68
(ii) Cheques in Hand	2.55	3.21
(iii) Balances with Banks:		
In Current Accounts	147.96	207.90
In Term Deposits	1,711.88	3,481.69
Total	1,865.37	3,698.48

18 SHORT TERM LOANS AND ADVANCES

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Unsecured, considered Good :		
Security Deposit Recoverable	229.64	226.37
Advance to Suppliers/Project Advances	236.28	110.45
Prepaid Expenses	9.05	15.31
Advance payment of Statutory Dues, Duties & Taxes	176.27	528.94
	651.24	881.07
Less : Provision for Doubtful Advance	175.03	341.74
Total	476.21	539.33

19 OTHER CURRENT ASSETS

Particulars	Rs. In Lakhs	
	As at 31st March 2016	As at 31st March 2015
Rent and Other Receivables	384.96	190.81
Less : Provision for Claims Receivables	127.00	89.43
	257.96	101.38
Income Tax and Other Deposits	160.27	103.98
Others	29.63	25.34
Total	447.86	230.70



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



20 REVENUE FROM OPERATIONS

Particulars	Rs. In Lakhs	
	As at 31st March 2016	For the year ended 31st March 2015
Sale of Products #	9,623.37	4,958.63
Sale of Trading Materials	-	-
	9,623.37	4,958.63
Less : Excise Duty	804.20	375.13
Total	8,819.17	4,583.50

Includes Loan Licensing Production of Rs.2663.51 Lakhs (Rs.656.42 Lakhs in 2014-15)

21 OTHER INCOME

Particulars	Rs. In Lakhs	
	As at 31st March 2016	For the year ended 31st March 2015
A. Interest Income :		
On Bank Deposits	167.09	180.82
Other Interest	-	-
B. Other Non-Operating Income :	167.09	180.82
Rent from Properties	993.04	930.52
Others	258.15	376.90
Provision no longer required written back	954.50	41.27
Loss on sale of Fixed Assets	0.18	0.19
	2,205.87	1,348.88
Grants-in-Aid (for VRS recd. from GOI)	84.17	440.25
Total	2,457.13	1,969.95

22 COST OF MATERIALS CONSUMED

Particulars	Rs. In Lakhs	
	As at 31st March 2016	For the year ended 31st March 2015
Opening Stock of -		
Raw Materials	332.65	297.96
Packing Materials	239.95	168.97
	572.60	466.93
Add : Purchase of -		
Raw Materials	5,001.07	3,115.18
Packing Materials (Production)	647.84	511.10
Freight Charges - Inward	21.37	11.44
	5,670.28	3,637.72
Less : Closing Stock of -		
Raw Materials	(418.74)	(332.65)
Packing Materials (Production)	(234.34)	(239.95)
	(653.08)	(572.60)
Total	5,589.80	3,532.05



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



23 CHANGES IN INVENTORY OF FINISHED GOODS & WORK-IN-PROGRESS

Rs. In Lakhs

Particulars	As at 31st March 2016	For the year ended 31st March 2015
A. Finished Goods : Opening Stock	693.15	276.63
Less: Closing Stock	695.77	693.15
Decrease / (Increase)	(2.62)	(416.52)
B. Work In Progress : Opening Stock	104.19	13.09
Less: Closing Stock	61.35	104.19
Decrease / (Increase)	42.84	(91.10)
Total	40.22	(507.62)

24 EMPLOYEE REMUNERATION & BENEFITS EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries & Wages	1,539.72	1,566.27
Contribution to P.F. and Other Funds	138.04	139.89
Employees Retirement Benefits	486.41	614.80
Staff Welfare Expenses	103.55	95.59
Grants-in-Aid received from Govt. of India	84.17	440.25
Total	2,351.89	2,856.80

25 FINANCE COSTS

Rs. In Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest to Bank	263.35	337.41
Interest on Government of India - Plan	774.41	701.77
Interest on Government of India - Non Plan	407.63	363.85
Interest on West Bengal Sales Tax Loan	7.21	7.22
Interest to Others	189.39	126.38
Total	1,641.99	1,536.63



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



26 OTHER EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A : Manufacturing Expenses		
Power & Fuel	190.32	157.60
Repairs:		
Plant and Machinery	29.25	14.68
Building	11.15	24.35
Others	21.94	69.52
Insurance	11.21	6.99
Factory Production Other Expenses	66.65	21.01
Sub-Total [A]	330.52	294.15
B : Administrative Expenses		
Rates and Taxes	132.93	75.26
Provisions and Write Offs	107.52	371.17
Professional Fees	25.94	35.55
Rent to others	23.07	3.83
Auditors Remuneration [Ref. Note 26(a)]	2.38	1.76
Mscellaneous Expenses [Ref. Note 26(b)]	335.01	271.58
Prior Period Expenses [(Ref. Note 26(c)]	(14.70)	87.98
Sub-Total [B]	612.15	847.13
C : Selling Expenses		
Sales Tax	194.69	2.75
Liaison & Distribution Commission	582.31	169.75
Freight Charges	345.16	174.26
Other Selling Overheads	105.62	95.16
Sub-Total [C]	1,227.78	441.92
Total (A+B+C)	2,170.45	1,583.20

26(a) AUDITORS REMUNERATION & EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Audit Fee	1.36	1.36
Tax Audit Fees #	0.29	0.20
Certification Fees	0.43	-
Reimbursement of Expenses	0.30	0.20
Total	2.38	1.76

Tax Audit is being done by Company's Tax Consultants.



26(b) MISCELLANEOUS EXPENSES

Particulars	Rs. In Lakhs	
	For the year ended 31st March 2016	For the year ended 31st March 2015
Advertisement, Press & Publicity	27.58	30.35
Printing & Stationery	14.96	13.47
Postage	3.27	1.81
Website Maintenance & Internet Charges	2.42	1.80
Telephone	12.69	10.46
Vehicles Running & Maintenance Expenses	25.87	19.57
Bank Charges & Commission	3.21	20.07
Legal Expenses	10.48	1.76
Entertainment Expenses	6.51	4.43
Books and Periodicals	0.36	0.40
Membership Subscription	0.67	0.45
Service tax	2.92	0.61
Brokerage on Rent	6.63	10.87
Filing Fees	11.25	2.81
Travelling Expenses	65.14	36.52
Security Service Charges	105.59	90.87
Gifts and donation	0.01	0.02
Miscellaneous Expenses	35.45	25.31
Total	335.01	271.58

26(c) PRIOR PERIOD ITEMS

Particulars	Rs. In Lakhs	
	For the year ended 31st March 2016	For the year ended 31st March 2015
<u>Net Debit Items</u>		
Interest on Loans /STDs	8.87	94.82
Rates, Taxes & Duties	134.80	4.49
Salary, Wages & PF	7.59	1.57
Others	34.49	23.03
Sub-Total [A]	185.75	123.91
<u>Net Credit Items</u>		
Freight	33.74	-
Sales	59.51	-
Rent	11.40	35.93
Sundry Creditors & LD	50.79	-
Capital W.I.P	25.81	-
Others	19.20	-
Sub-Total [B]	200.45	35.93
Total (A+B)	(14.70)	87.98



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



OUR OFFICES:

<p>Registered Office/Corporate Office: 6, Ganesh Chandr Avenue, Kolkata-700013 Dial:(033)2237-1525/1526 Fax: (033) 2225-7697 Website: www.bengalchemicals.co.in Email :secretariate@bengalchemicals.co.in</p>	<p>Main Office: 168 Manicktala Main Road, Kolkata-700 054 Tel No. 033 -2320 4153/4157/4158 Fax No. 033-2320 4156 E-mail: systems@bengalchemicals.co.in</p>
--	---

OUR FACTORIES:

<p>Maniktala Factory: 164 Manicktala Main Road, Kolkata-700 054 Tel No. 033-2320 4153/4157/4158 & 2334 4154 Fax No. 033-23204156 Email: works._mfy@bengalchemicals.co.in</p>	<p>Panihati Factory: B.T. Road, P.O. - Panihati, Kolkata-700 1 14, 24 Pgs. (North) Tel No. 033 - 2553 1234/1924/2017/4541 Fax No. 033-2523 1018 E-mail: works .pfy@bengalchemicals.co.in</p>
<p>Mumbai Factory : 502, S.V. Savarkar Marg, Prabhadevi, Mumbai - 400 025 Tel No. 022-2430 2081 / 1492,2437-0428 Fax No. 022-2432 1632 E-mail: works_mumfy@bengalchemicals.co.in</p>	<p>Kanpur Factory: 84/23, Factory Area, Fazlganj Kanpur- 208012 Tel No. 512- 221 6292 Fax No. 512-221 7794 E-mail: works_kfy@bengalchemicals.co.in</p>

OUR DEPOTS:

<p>Chennai Depot: No. 19A/88, Venkatesh nagar, extension-1, ii nd cross, 2nd street, virugambakkam, Chennai - 600 092 Tel No. 044- 2376-4510 Fax No. 044- 2376-4510 E-mail: chennai@bengalchemicals.gov.in</p>	<p>Delhi Depot : DI-DII, Shivlok house – ii Karampura commercial complex Opp: Milan cinema complex New Delhi - 110 015 Tel No. 011- 2592 0486 Fax No. 2519-4742 E-mail: delhi@bengalchemicals.gov.in</p>	<p>Guwahati Depot : 136, Motilal Nehru Road, Pan Bazar Guwahati - 781 001 Assam Tel no. 361- 254 7825 E-mail: guwahati@bengalchemicals.gov.in</p>
<p>Hyderabad Depot: Door no. 4-98-1-6 New Narasimha Nagar Main Road ,Malapuram Near - Noma kalayan vedeka Hyderabad - 500 076 Tel No. 040- 2717 0569 E-mail: hyderabad@bengalchemicals.gov.in</p>	<p>Jaipur Depot : F-75-B, Kartarpura Industrial Area, 22 Godown, Jaipur - 302 006 Tel No. 141- 221 1086 Fax No. 141- 221 4324 E-mail: jaipur@bengalchemicals.gov.in</p>	<p>Kolkata Depot: (i) 83 Rashbehari Avenue, Kolkata – 700 026 Tel No. 033 – 2464 3770 E-mail: kolkata@bengalchemicals.gov.in (ii) 164 Maniktala Main Road, Kol-54 Tel No. 033-23204153/57/58/23344154 Fax No. 033-23204156 E-mail: works_mfy@bengalchemicals.co.in</p>
<p>Patna Depot : D/24, P.C. Colony, Kankarbagh Patna - 800 020 Tel No. 612- 236 2253 E-mail: patna@bengalchemicals.gov.in</p>	<p>Kanpur Depot: 84/23, Factory Area, Fazlganj, Kanpur-208012 Tel No. 512-2216292 Fax No. 512-2217794 E-mail: works_kfye@bengalchemicals.co.in</p>	<p>Mumbai Depot: 502, S.V. Savarkar Marg, Prabhadevi Mumbai-400025 Tel No. 022-24302081/1492, 2437-0428 Fax No. 022-24321632 E-mail: works_mumfy@bengalchemicals.co.in</p>



BENGAL CHEMICALS & PHARMACEUTICALS LTD, KOLKATA
(A Government of India Enterprise)



OUR C&F AGENTS:

<p>M/S Swaran Pharmaceuticals Ltd. SuvamSuraviNiwas, KetariBagan, Swarnerekha Nagar Main Road, Namkum, Ranchi - 834010 Mobile no. 9471514783 E-mail: prasanta_prasun@yahoo.co.in</p>	<p>M/S Chopda Enterprises Kedia Business Park, Plot no.11 Near Bhansali Marriage Palace Opp. National Garage G.E. Road, Tatibandh Raipur - 492 001 (Chattisgarh) Tel No.771-225-5782, 646-0459 E-mail: gautam.das07@rediffmail.com</p>	<p>M/s. Thor Distributors 17,Radhey Estate, Near Shell Petrol Pump N.H. NO. 8, Aslali - 382 427 Ahmedabad Tel No. 079-3241-7399 & 2718- 26 1628 Fax No. 651-2550205 E-mail: thordistributors@gmail.com</p>
<p>M/s. R.D.H Company 39, Varma Layout, Khadgaon Road Wadi, Nagpur - 440 023 Maharashtra Tel No. 7104-22 4913 Fax No. 7104-22 4913</p>	<p>M/s Biofil Chemicals &Pharma Ltd. Khasra No. 252, Kelodhala, Near Dewasnaka, Indore - 452010 Mobile no. 8878866694, 9406949894 E-mail: bcplindoremp@gmail.com</p>	<p>Sri Sainath Agencies D. No. 76-43-397, Hig Duplex, A.P. Housing Board Colony, Bhavanipuram, Vijayawada - 520 012 Tel No. 866-241 2092 E-mail: bcplvijayawada@gmail.com</p>
<p>Kritika Remedies Private Limited 1187, Sector 17, Urban estate,Jagadhri, Yamunanagar, Haryana - 135 003 Mobile no. 9812004830 E-mail: bcpl.warehouse@hotmail.com</p>	<p>M/s Indimpex Megatrade Pvt. Ltd. Plot No: 2132/5115, Ground Floor, Jaydev Nagar, Bhubaneswar - 751014. Dist: Khurda, Odisha. Telefax: 0674-2434135</p>	<p>M/s Narnkar & Co. B/6 (B) Basement, 17th Main Road, V-Block, Kormangala, Bangalore-560095</p>
<p>M/s Parimal Associates Kalyali Tower Dr. Palpu lane, SRM Road</p>	<p>M/s Swaran Pharmaceuticals S.C.O. 53, 1st Floor, Tribune Road, Sector 20-C, Chandigarh-160020</p>	



Board Members, Auditors & Senior Officials of BCPL

Our Home Care Products



Our Personal Care Products



BENGAL CHEMICALS & PHARMACEUTICALS LTD.
(A.Govt. of India Enterprise)

6, Ganesh Chandra Avenue, Kolkata - 700013
Ph: (91) 033-2237 1525/26, Fax : (91) 033-2225 7697

Printed by : Kalpana Offset Pvt. Ltd., 123 Tarak Pramanik Road, Kol-700 006