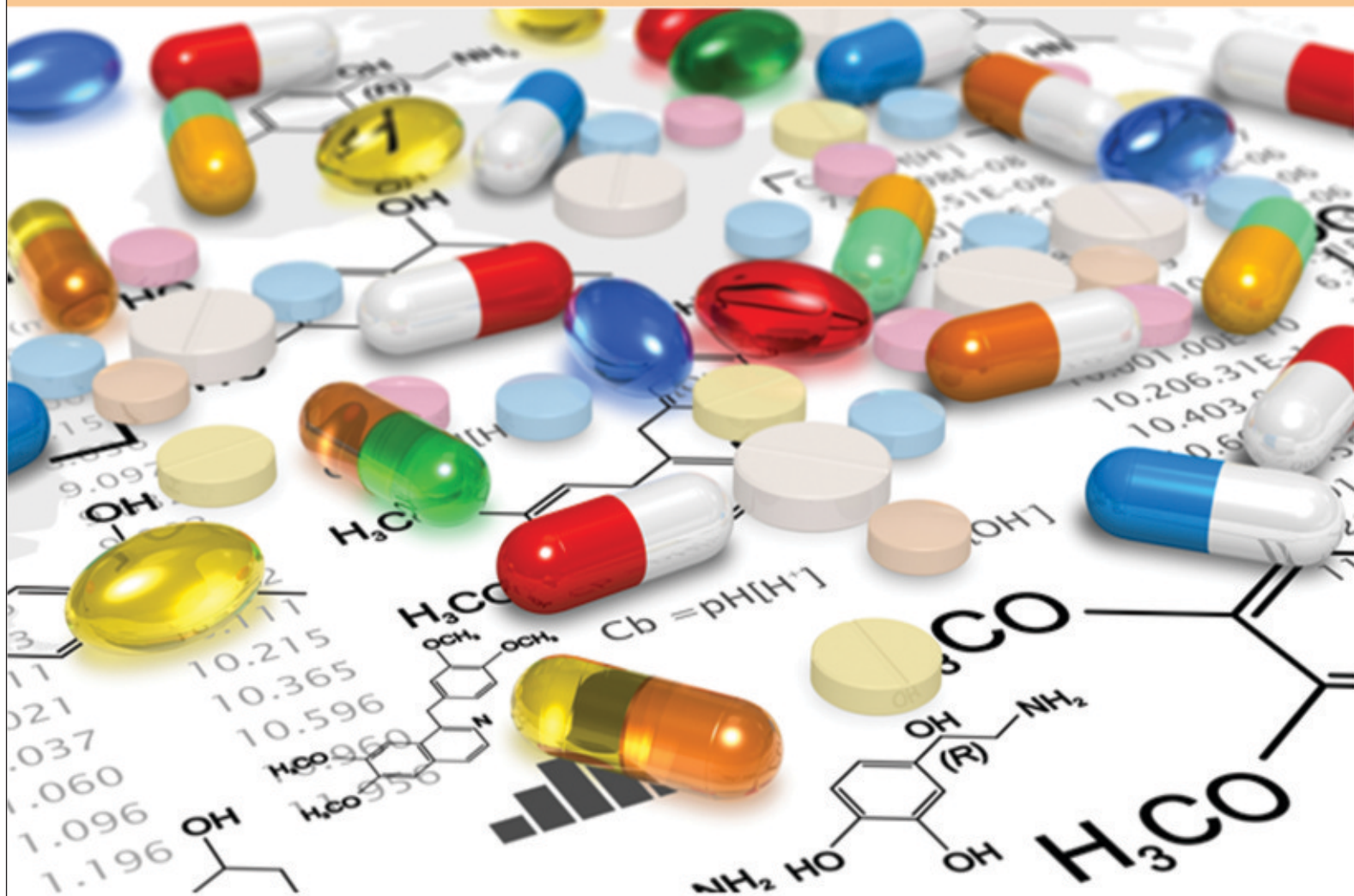




A TRUSTED NAME FOR MORE THAN  
**100**  
YEARS

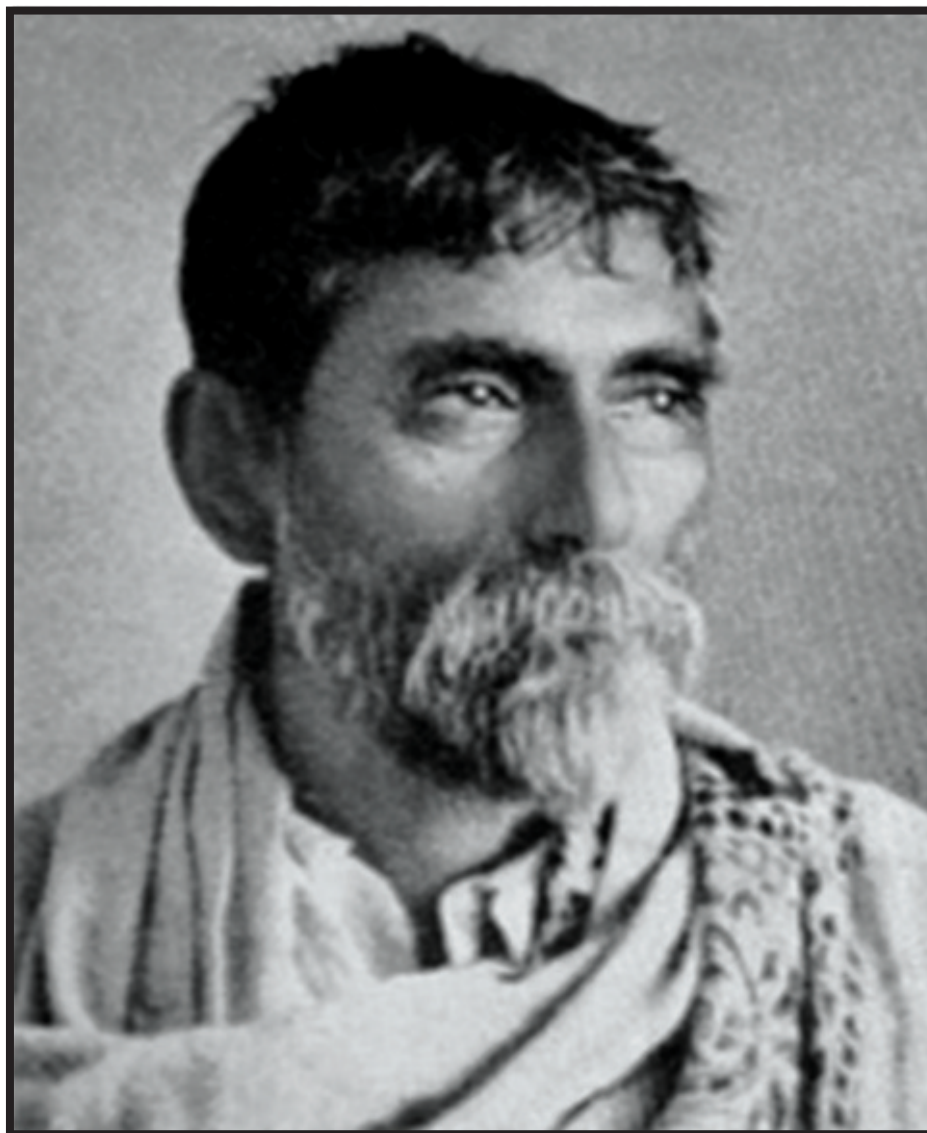
# BENGAL CHEMICALS & PHARMACEUTICALS LTD

(A Govt. of India Enterprise)



**36<sup>th</sup> Annual Report  
2016-2017**

## **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.



**Shri Ananth Kumar**  
Hon'ble Union Minister,  
Chemicals & Fertilizers and Parliamentary Affairs



**BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA**  
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## **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 product 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 products and cost competitiveness and leadership in the main product categories;
- ✓ Creating a culture of continuous innovation in R & D and Customers 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 Resources 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 consumer's satisfaction .
- ❖ To ensure continual improvement of the effectiveness of the quality management system , with the involvement of all employees.





**Shri Mansukh L Mandaviya**

**Hon'ble Minister of State  
Chemicals & Fertilizers, Road Transport & Highways, Shipping**



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**Republic Day Celebration**



**Employees' Birthday Celebration**



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## **OUR AUDITORS AND BANKERS**

**STATUTORY AUDITOR**  
BHATTACHARYA DAS & CO.  
CHARTERED ACCOUNTANTS  
KOLKATA

**BRANCH AUDITOR MUMBAI**  
M/S BRAMHECHA MODI & CO

**BANKERS**  
UNITED BANK OF INDIA  
STATE BANK OF INDIA  
INDIAN BANK

**REGISTERED OFFICE**  
6, GANESH CHUNDER AVENUE  
KOLKATA – 700 013

E-MAIL : [bcplmdsecretariat@bengalchemicals.co.in](mailto:bcplmdsecretariat@bengalchemicals.co.in)

WEBSITE : [www.bengalchemicals.co.in](http://www.bengalchemicals.co.in)





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## **BOARD OF DIRECTORS**

**(AS ON 36<sup>th</sup> ANNUAL GENERAL MEETING, HELD ON 19th JUNE, 2017)**



**PM CHANDRAIAH**  
Managing Director & Director (Finance)



**JITENDRA TRIVEDI**  
Part-time Official Director  
(Government Nominee Director)



**S.K. ROY CHOUDHURY**  
Part-Time Non Official Director  
(Independent Director)



## **CHAIRMAN'S ADDRESS**

### **DEAR SHAREHOLDERS,**

It is pleasant privilege for me to extend warm welcome to each of you to the 36th Annual General Meeting of your Company, Bengal Chemicals & Pharmaceuticals Limited (BCPL) and I thank you all for making it convenient to attend the meeting. BCPL delivered a sterling performance by reporting a Net Profit of Rs. 451 Lakhs which is first time in its 40 years' history as Government Company.

### **ANNUAL FINANCIAL STATEMENTS:**

I take immense pleasure in presenting the Annual Financial Statements of Bengal Chemicals and Pharmaceuticals Limited for the year 2016-17. The Directors Report which includes a report on Management Discussion & Analysis and a Report on Corporate Governance, Corporate Social Responsibility & Sustainability Development Report and also the Financial Statements of the Company for the year ended on 31st March, 2017 have already been provided to all the Shareholders and with your permission, I shall consider them as "Read". The Directors' Report continues to be far more comprehensive and gives an in-depth and detailed analysis of Company's working, its aims & objectives and the hurdles & opportunities that BCPL faced. I will therefore only endeavor to present you briefly a few relevant and major issues that are before us. The Directors' report includes all the Statutory Disclosures as required under Companies Act, 2013 and DPE Guidelines.

### **OPERATIONAL PERFORMANCE:**

Firstly, I would like to congratulate one and all in the Company and those associated with us for making BCPL a "Turnaround Profit Making Company" after a long period of more than forty years as Government Company and probably more than sixty years history of continuous loss making company. During 2016-17, your Company achieved a Production of Rs. 10269 Lakhs against a production of Rs. 10670 Lakhs in 2015-16 and Rs. 6411 Lakh in 2014-15 and achieved a Turnover of Rs. 8536 Lakhs in 2016-17 against a Turnover of Rs. 8819 Lakh in 2015-16 and Rs. 4584 Lakh in 2014-15.

### **FINANCIAL PERFORMANCE:**

It is a matter of great pride that first time since its nationalization in 1981, your Company has reported a **Net Profit of Rs. 451 Lakh** on a Turnover of Rs. 8536 Lakhs in 2016-17, against a Loss of Rs. 913 Lakhs in 2015-16, and a Loss of Rs.1732 Lakhs in the year 2014-15. Pharmaceutical Products is the segment contributing highest to the Turnover of the Company and this segment has contributed 63% to the



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total turnover during 2016-17. The second largest segment has been Cosmetics and Home Products contributing 31% to the total Turnover. Your Company has achieved a Gross Margin/PBDIT of Rs. 2405 Lakhs on a total income of Rs. 11025 Lakhs, in 2016-17 which is the highest ever achievement in its history against a Gross Loss of Rs. 2036 Lakhs reported in 2013-14 on Total Income of Rs. 3663 Lakhs.

**MOU RATING:**

Your company entered MoU with the Administrative Ministry i.e. Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India and based on its 'Self-evaluation Report', which is as per the Audited Financial Statements, your Company is likely to be rated with "VERY GOOD" for the year 2016-17. During the year 2016-17, your Company reported a Turnover of Rs.8536 Lakhs against MoU Target of Rs. 9000 Lakhs and the lesser achievement is due to the news of Strategic Sale of BCPL, due to which your Company's rating came down to "Very Good" from "Excellent". Further, the Department of Public Enterprises (DPE) has rated your Company with the "EXCELLENT" rating for the year 2015-16 and "GOOD" rating for the year 2014-15 and "POOR" ratings till 2013-14.

**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" and adhering to the Guidelines issued by the Department of Public Enterprises (DPE), Government of India. As per its self evaluation report, BCPL is likely to get "EXCELLENT" rating in 2016-17. Further, DPE has rated your Company with "EXCELLENT" rating for the year 2015-16 against a "FAIR" rating in 2014-15 and "POOR" ratings till 2013-14. Your Company is committed to sustain and improve Corporate Governance Practices in the Organisation.

**TECHNOLOGY UP-GRADATION AND PROJECT IMPLEMENTATION:**

During the year, your Company has upgraded its technology regarding development of Dry Powder Injections at Maniktala Factory, which was pending for last number of years. The formulations of various Tablets, Capsules and Ointments are now being done in-house and the validation of Injectable Block has also completed in 2016-17.

**CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY DEVELOPMENT:**

Being a Good Corporate Citizen, your Company made voluntary provision of Rs. 2 Lakhs in its Budget for the year 2016-17 for conducting the CSR & Sustainability



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Development activities. Accordingly, your Company contributed an amount of Rs. 80,000/- (40% of CSR Fund) to “Swachh Bharat Kosh” set up by Government of India and also distributed medicines worth Rs. 1,20,000/- (60% of CSR Fund).

**HUMAN RESOURCES:**

With joy and pride, I wish to state that the employees of your company are now working with renewed energy and with a focused goal of making BCPL a “Turnaround Company”. Further, I firmly believe that the prosperity of your Organization depends on dedicated community of motivated employees, who possess a high level morale. Your Company has a strong work force of 320 employees on its role as on 31st March 2017 for whom Company had imparted trainings on various fields during 2016-17.

**ACKNOWLEDGEMENT:**

At the outset, I gratefully acknowledge the continued support and help received from the Ministry of Chemicals & Fertilizers, Department of Public Enterprises, Comptroller & Auditor General of India, various Other Ministries of Government of India, Government of West Bengal, various State Governments, Registrar of Companies, Drug Controller Authority, for improved performance of your Company. I also acknowledge the support and contribution made by all our valued “Statutory Auditors, Bankers, Consultants, Internal Auditors, Tax Auditors, Cost Auditors, Clients, Customers, Suppliers, Liaisoners, C&F Agents and Stockists” and convey my sincere whole hearted thanks for their trust in doing business with the company and/or extending services to this great organization, which was established by Acharya Prafulla Chandra Ray, the Father of Indian Chemistry.

I sincerely convey my thanks to the Directors of your Company for their valuable support and contribution in steering the company to achieve this glorious performance in 2016-17, which is a creation of history in the Corporate World. Finally, I take this opportunity to convey my special thanks to the Unions and “Building Blocks” of your organization i.e. the “EMPLOYEES” without their support, it was not possible for me to make your Company a “**Turnaround Company**”.

Sd/-

**(PM CHANDRAIAH)**

Managing Director & Director (Finance)

Place: Kolkata,

Date: 19th June, 2017





## NOTICE

Notice is hereby given to all the shareholders of Bengal Chemicals & Pharmaceuticals Limited that the 36th Annual General Meeting of the Company will be held on Monday, 19th June 2017 at 15:30 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 or the year ended 31st March 2017 comprising Balance Sheet as at 31st March 2017 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 2017-18 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 2017-18.”

### Special Business:

1. To approve the remuneration of the Cost Auditors of the Company for the Financial Year ending on 31st March 2018 and in this regard, 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



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Cost Audit of the Company, for the financial year 2017-18, 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.”

2. To approve compliance of Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises:

“**RESOLVED THAT** pursuant to the provisions of Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) issued by Department Public Enterprises (DPE), the compliance of provisions of these guidelines be and is hereby approved.”

**By Order of Board of Directors**

Sd/-

**(PM CHANDRAIAH)**

Director (Finance)

**Date: 26th May 2017**

**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 the members of the Company who wants to appoint his proxy, 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 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](mailto:df@bengalchemicals.co.in) or [cs@bengalchemicals.co.in](mailto: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. 1**

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 2018 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. 1 of Special Business of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March 2018. 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. 1 of Special Business of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 1 of Special Business of the Notice for approval by the Members.

#### **Item No. 2**

As per Guidelines of Capital Restructuring of CPSEs issued by Department of Public Enterprises on 20th June 2016, each CPSE shall ensure compliance of these guidelines by taking up this matter as an agenda item along with a compliance note in the Board meeting of the company convened for finalization and approval of its annual accounts, and requisite approval of shareholders/ members shall be obtained in the AGM/ EGM to be held immediately thereafter. Hence, the detail of compliance of "Capital Restructuring Guidelines for CPSEs" during the year 2016-17 is mentioned below:

<b>Sl. No</b>	<b>Provision</b>	<b>Compliance</b>
1.	<b>Payment of Dividend:</b> In supersession of earlier guidelines, every CPSE would pay a minimum annual dividend of 30% of PAT or 5 % of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.	Inspite of Net Profit Rs. 451 Lakh in the year 2016-17, BCPL has Accumulated Losses of Rs. 25705.01 Lakh. Hence all the net profit of Rs. 451 Lakh for the year 2016-17 was transferred to General Reserves of the Company. In addition to this, as per Companies Act, 2013, the companies having accumulated losses are not required to pay dividend till all losses got absorbed.





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<b>Sl. No.</b>	<b>Provision</b>	<b>Compliance</b>
2.	<b>Buy Back of Shares:</b> Every CPSE having net-worth of at least Rs. 2000 crore and cash and bank balance of over Rs. 1000 crore shall exercise the option to buy-back their shares.	As on 31.03.2017, BCPL had negative net-worth of Rs. 10210 Lakhs and was bank balance of Rs. 265 Lakh. Hence BCPL is not in a position to exercise the option to buy back its Shares.
3.	<b>Issue of Bonus Shares:</b> Every CPSE shall issue bonus shares if their defined reserves and surplus is equal to or more than 10 times of its paid up equity share capital.	As on 31.03.2017, BCPL had Accumulated Losses of Rs. 25705 Lakh, while paid up equity share capital of the Company is Rs. 7696.04 Lakhs. Hence, as per these guidelines, BCPL is not required to issue bonus shares.
4.	<b>Splitting of Shares:</b> A CPSE where market price or book value of its share exceeds 50 times of its face value will split-off its shares appropriately provided its existing face value of the share is equal to or more than Rs.1.	The book value of BCPL's shares is Rs. 1326.67 (Negative) /- while Face Value of its Share is Rs. 1000/- per share. Hence, as per these guidelines, BCPL is not required to split its shares.

The Board recommends the Ordinary Resolution set out at Item No. 2 of Special Business of the Notice for approval by the Members.

To

All Shareholders of BCPL

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  
Statutory Auditors

**By Order of Board of Directors**

Sd/-

**(PM CHANDRAIAH)**

Director (Finance)

**Date: 26th May 2017**

**Place: Kolkata**



**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**

As my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 36th Annual General Meeting of the Company, to be held on the 19th June 2017 at 15:30 Hrs. at Registered Office of the Company at 6 Ganesh Chunder Avenue Kolkata-700013 and at any adjournment there of 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 2017 comprising Balance Sheet as at 31st March 2017 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.



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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 2017-18.

**Special Business:**

1. To approve the remuneration of the Cost Auditors of the Company for the Financial Year ending on 31st March 2018.
2. To approve compliance of Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises.

Signed this.....day of .....20.

Signature of Shareholder

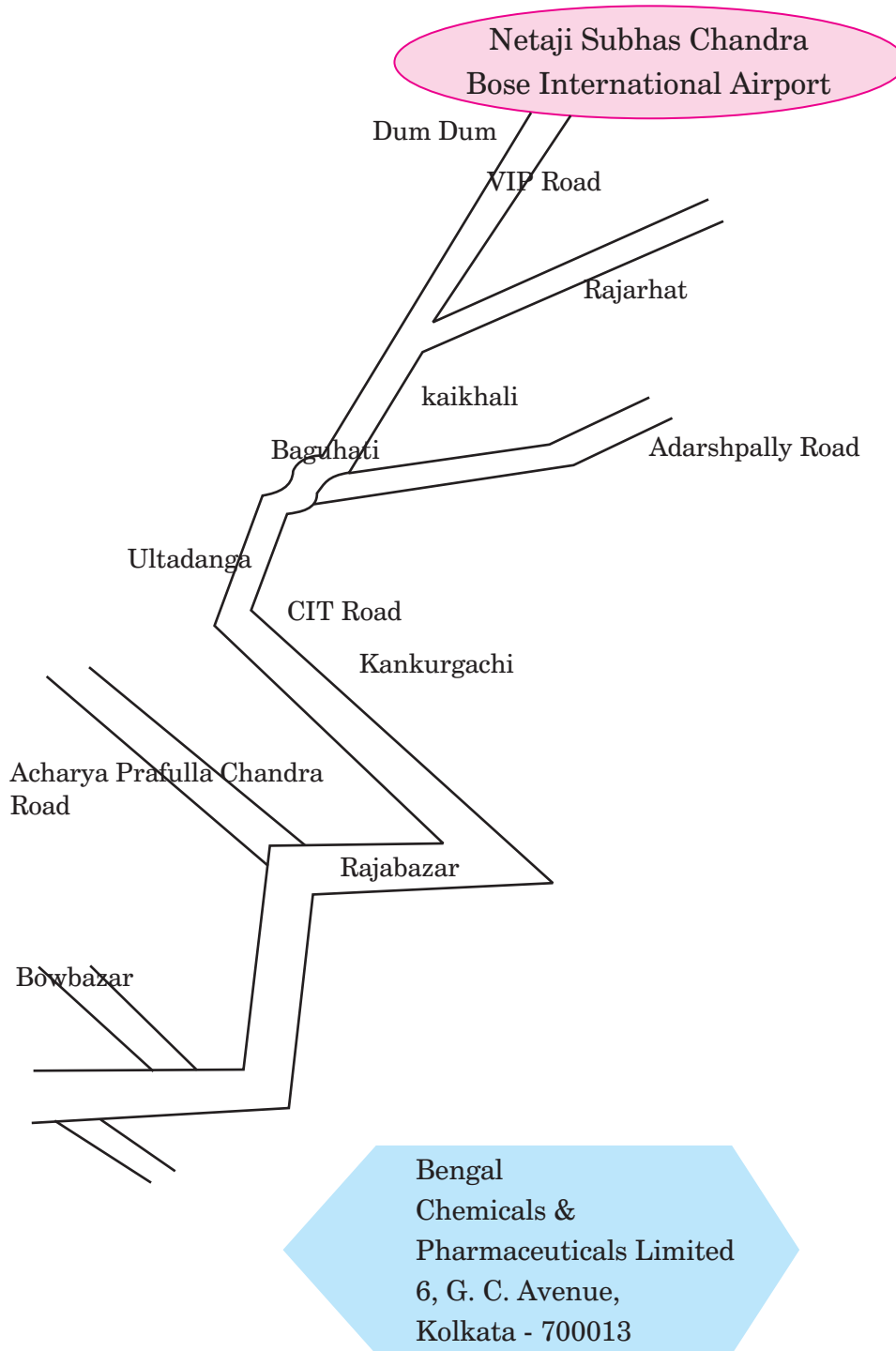
Signature of Proxy holder(s)

**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.**



**ROUTE MAP FOR THE VENUE OF 36TH ANNUAL GENERAL MEETING**







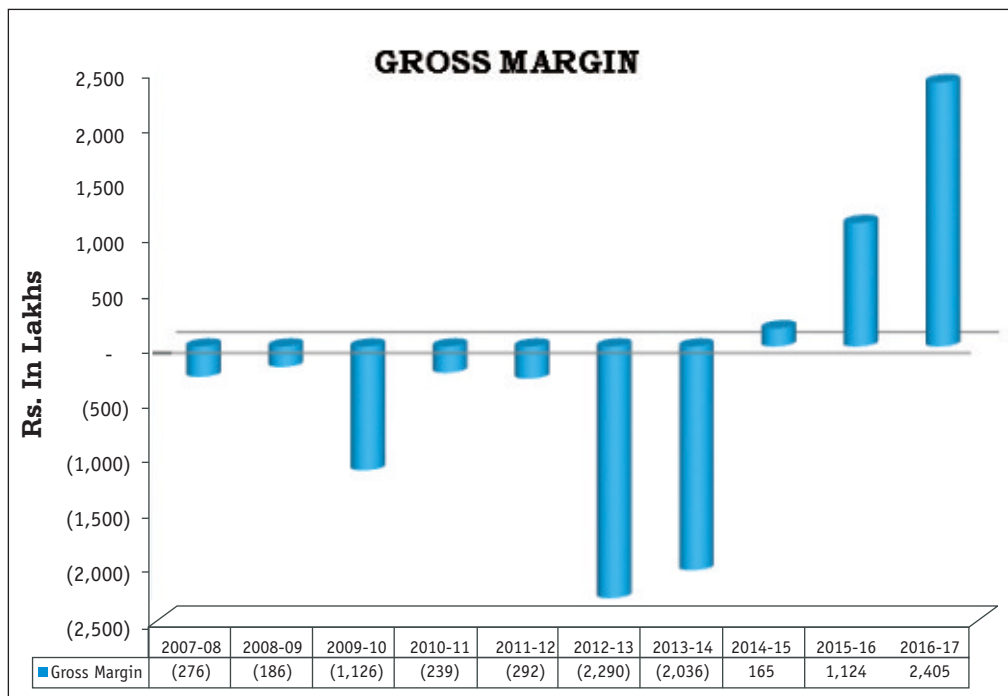
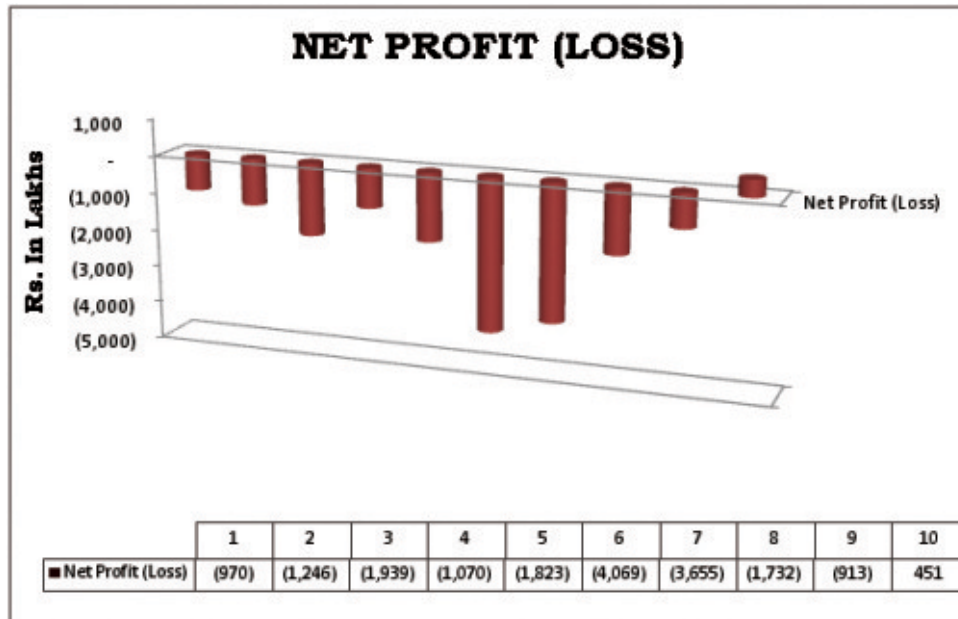
**BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA**  
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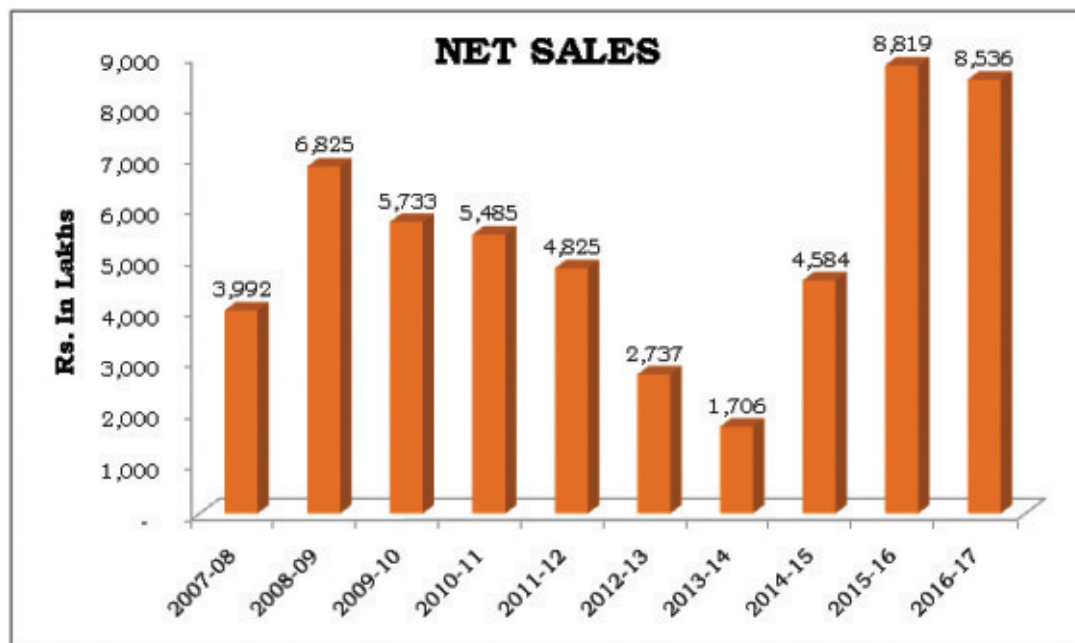
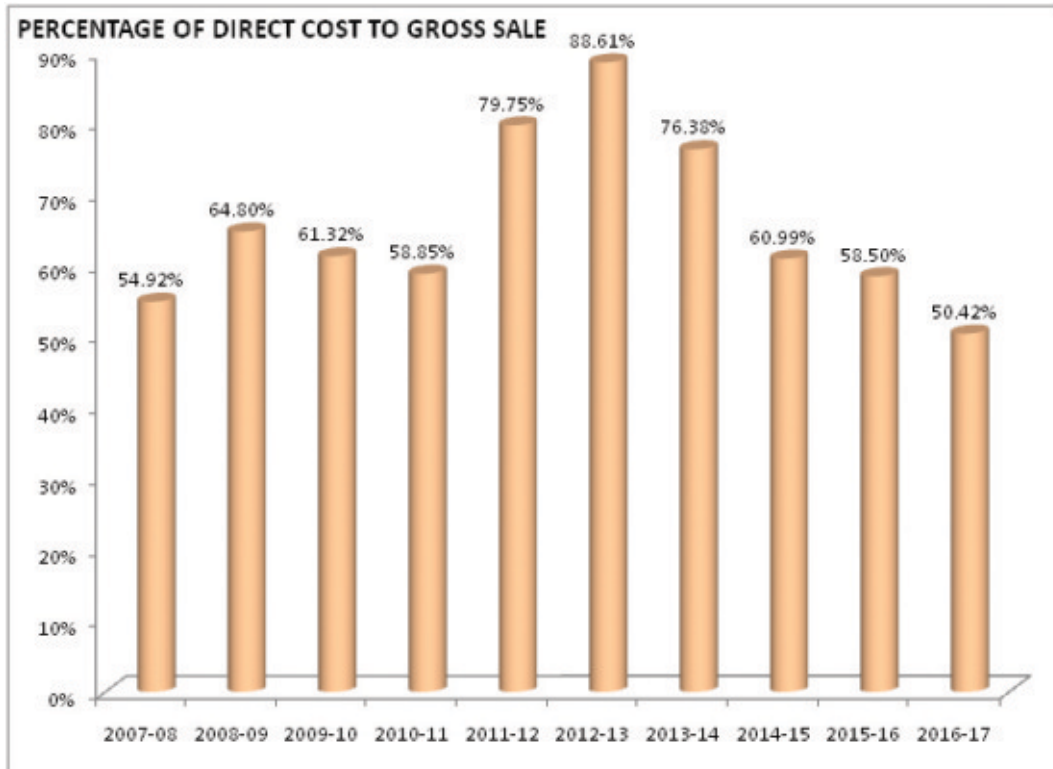


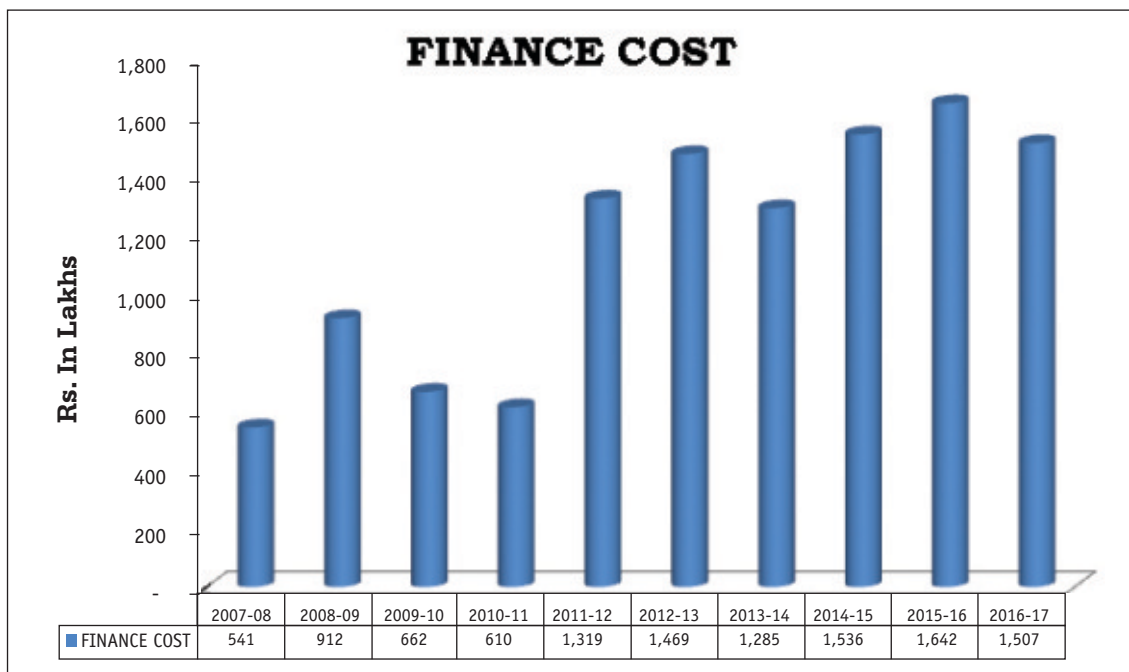
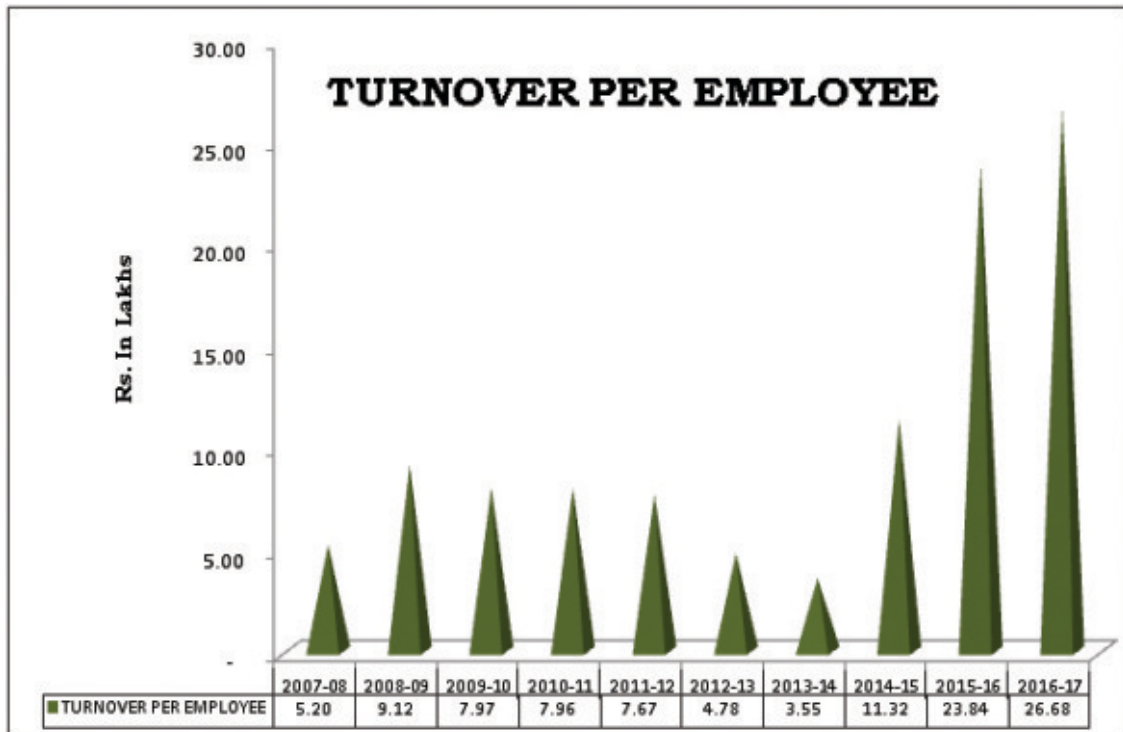
(Rs.in Lakhs)

**TEN-YEARS' FINANCIAL HIGHLIGHTS:**

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>OPERATIONAL PERFORMANCE:</b>										
<b>Production</b>	<b>5,569</b>	<b>8,963</b>	<b>8,324</b>	<b>8,049</b>	<b>5,922</b>	<b>3,633</b>	<b>1,970</b>	<b>6,410</b>	<b>10,670</b>	<b>10,269</b>
<b>FINANCIAL PERFORMANCE:</b>										
Gross Sales	4,643	7,347	6,065	5,867	5,176	3,003	1,904	4,959	9,623	9,248
Less : Excise Duty	651	522	332	382	351	266	197	375	804	712
Net Sales	3,992	6,825	5,733	5,485	4,825	2,737	1,706	4,584	8,819	8,536
Other Income	2,849	1,344	1,340	959	2,539	1,907	1,957	1,970	2,457	2,488
<b>Total Income</b>	<b>6,841</b>	<b>8,169</b>	<b>7,073</b>	<b>6,444</b>	<b>7,364</b>	<b>4,644</b>	<b>3,663</b>	<b>6,554</b>	<b>11,276</b>	<b>11,025</b>
Direct Costs	2,550	4,761	3,719	3,453	4,128	2,661	1,454	3,024	5,630	4,663
Employee Benefit Exp.	2,885	1,518	1,821	1,828	2,212	2,567	2,609	2,857	2,352	1,952
Finance Cost	541	912	662	610	1,319	1,469	1,285	1,536	1,642	1,507
Other Expenses	1,971	2,426	3,123	1,720	1,316	1,705	1,636	1,583	2,170	2,005
Depreciation	153	148	151	222	212	309	334	361	395	447
<b>Total Expenses</b>	<b>8,100</b>	<b>9,765</b>	<b>9,476</b>	<b>7,832</b>	<b>9,187</b>	<b>8,712</b>	<b>7,319</b>	<b>9,361</b>	<b>12,189</b>	<b>10,573</b>
Extra-Ordinary Income	289	350	464	318	-	-	-	1,076	-	-
<b>GROSS MARGIN (PBDIT)</b>	<b>(276)</b>	<b>(186)</b>	<b>(1,126)</b>	<b>(239)</b>	<b>(292)</b>	<b>(2,290)</b>	<b>(2,036)</b>	<b>165</b>	<b>1,124</b>	<b>2,405</b>
Profit Before Interest & Tax (PBIT)	(429)	(334)	(1,277)	(460)	(505)	(2,599)	(2,370)	(196)	729	1,958
<b>Profit (Loss) Before Tax &amp; Extraordinary Income</b>	<b>(1,259)</b>	<b>(1,596)</b>	<b>(2,403)</b>	<b>(1,388)</b>	<b>(1,823)</b>	<b>(4,069)</b>	<b>(3,655)</b>	<b>(2,808)</b>	<b>(913)</b>	<b>451</b>
<b>Profit (Loss) Before Tax (PBT)</b>	<b>(970)</b>	<b>(1,246)</b>	<b>(1,939)</b>	<b>(1,070)</b>	<b>(1,823)</b>	<b>(4,069)</b>	<b>(3,655)</b>	<b>(1,732)</b>	<b>(913)</b>	<b>451</b>
<b>ASSETS &amp; LIABILITIES:</b>										
<b>LIABILITIES:</b>										
Share Capital	7,696	7,696	7,696	7,696	7,696	7,696	7,696	7,696	7,696	7,696
Reserves & Surplus	(3,742)	(4,998)	(6,937)	(7,379)	(9,203)	(13,271)	(16,926)	(17,444)	(18,357)	(17,906)
Capital Reserves	7,171	7,171	7,171	7,799	7,799	7,799	7,799	7,799	7,799	7,799
Free Reserves(Dr.Bal.in P&L A/c)	(10,913)	(12,169)	(14,108)	(15,178)	(17,002)	(21,070)	(24,725)	(25,243)	(26,156)	(25,705)
Networth	3,954	2,698	759	317	(1,507)	(5,575)	(9,230)	(9,748)	(10,661)	(10,210)
Borrowings	13,788	18,705	21,055	26,855	15,021	18,426	19,256	21,145	21,740	21,955
Capital Employed	17,742	21,403	21,814	27,172	13,514	12,852	10,026	11,397	11,079	11,745
Other Current Liabilities	8,859	18,973	7,531	5,547	12,408	7,868	8,534	9,283	9,317	8,082
Provisions	1,208	1,349	1,661	1,483	1,523	1,724	1,711	1,922	1,973	1,745
<b>Total Liabilities</b>	<b>27,809</b>	<b>41,725</b>	<b>31,006</b>	<b>34,202</b>	<b>27,445</b>	<b>22,444</b>	<b>20,271</b>	<b>22,602</b>	<b>22,369</b>	<b>21,572</b>
<b>ASSETS:</b>										
Fixed Assets (Gross Block)	3,427	3,459	4,630	4,634	4,744	5,901	6,519	6,686	12,501	13,463
Accumulated Depreciation	1,614	1,763	1,913	2,135	2,348	2,758	3,225	2,370	2,765	3,212
Net Block of Fixed Assets	1,813	1,696	2,717	2,499	2,396	3,143	3,294	4,316	9,736	10,251
Capital Work In Progress	108	1,768	3,880	7,025	11,418	11,092	10,973	10,923	5,718	5,149
Inventories	1,368	2,077	2,233	1,777	1,515	1,046	811	1,428	1,463	1,467
Trade Receivable	1,905	2,538	2,803	2,985	2,833	1,100	743	1,441	2,633	2,171
Cash and Bank Balance	18,802	29,935	16,127	672	395	4,234	3,009	3,698	1,865	1,429
Loans & Advances	1,813	3,711	3,246	18,535	8,094	994	1,140	564	504	641
Other Current Assets	2,000	-	-	709	793	835	301	231	448	463
<b>Total Assets</b>	<b>27,809</b>	<b>41,725</b>	<b>31,006</b>	<b>34,202</b>	<b>27,445</b>	<b>22,444</b>	<b>20,271</b>	<b>22,602</b>	<b>22,369</b>	<b>21,572</b>
<b>OTHERS:</b>										
No. of Employees	767	748	719	689	629	573	481	405	370	320
No. of Shares	769,604	769,604	769,604	769,604	769,604	769,604	769,604	769,604	769,604	769,604
<b>RATIOS:</b>										
Turnover Per Employee Rs. Lakhs	5.20	9.12	7.97	7.96	7.67	4.78	3.55	11.32	23.84	26.68
Earning Per share Rs.	(126.04)	(161.90)	(251.95)	(139.05)	(236.90)	(528.66)	(474.94)	(225.06)	(118.65)	58.65
Administrative Exp./Total Exp. %	55.22%	36.43%	48.05%	40.95%	32.92%	40.73%	47.50%	39.44%	31.79%	31.59%
Administrative Exp./Net Sales %	121.64%	57.79%	86.24%	64.68%	73.13%	156.13%	248.81%	96.86%	51.28%	46.35%
Finance Cost/Total Expenses %	6.15%	8.42%	6.43%	7.04%	12.30%	14.01%	14.38%	13.64%	11.54%	12.03%
Total Expenses to Net Sales %	202.91%	143.08%	165.29%	142.80%	190.40%	318.36%	428.94%	204.22%	138.21%	123.86%
Total Expenses to Total Income %	118.40%	119.54%	133.97%	121.55%	124.76%	187.62%	199.77%	142.83%	108.10%	95.91%
Direct Costs / Gross Sales %	54.92%	64.80%	61.32%	58.85%	79.75%	88.61%	76.38%	60.99%	58.50%	50.42%











## **DIRECTORS' REPORT**

### **Dear Members,**

Your Directors have pleasure in presenting the 36th Annual Report on the business and operations of your Company and its Audited Financial Statements together with the Auditor's Report and comments of Comptroller and Auditor General of India thereon for the financial year ended on 31st March 2017.

### **1. FINANCIAL HIGHLIGHTS**

During the year 2016-17, your Company achieved a turnover of Rs.8536 Lakhs compared to Rs 8819 Lakhs achieved during 2015-16 and Rs.4584 Lakhs in 2014-15. Similarly, your Company has become a Turnaround Company in 2016-17 after its acquisition by Government of India in 1977, and reported a Net Profit of Rs. 451 Lakhs against the Net of Loss of Rs. 913 Lakhs in 2015-16 and a Net Loss of Rs. 1732 Lakhs in 2014-15.

The financial highlights of your Company during the year 2016-17 along with the corresponding previous two years figures are as under:

(Rs. Lakhs)

<b>Sl. No.</b>	<b>Description</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
1	Operating Income (Turnover)	4584	8819	<b>8536</b>
2	Total Income	6554	11276	<b>11025</b>
3	Profit/ (Loss) Before Tax	(1732)	(913)	<b>451</b>
4	Depreciation	361	395	<b>447</b>
5	Finance Cost	1536	1642	<b>1507</b>
6	Gross Margin (PBDIT)	165	1124	<b>2405</b>
7	Paid-up Share Capital	7696	7696	<b>7696</b>

### **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**

Even though your Company has reported first time a Net Profit of Rs 451 Lakhs after its nationalisation, in view of continuing Losses year after year and having debit balance of Rs 25705 Lakhs in its P&L Account/ General Reserve Account, your Directors do not recommend payment of any Dividend for the year 2016-17 and transferred the whole amount of Net Profit of Rs. 451 Lakhs to the General Reserves of the Company.



#### **4. PRODUCTION**

During the financial year 2016-17, your Company achieved a production of **Rs. 10269** Lakhs against Rs. 10670 Lakhs achieved during the previous year 2015-16 and Rs. 6410 Lakhs achieved in 2014-15.

#### **5. OPERATIONS:**

**5.1 Industrial Chemical (Division I):** Industrial Chemicals Division of your Company has achieved a net turnover of **Rs. 500 Lakhs** in 2016-17 against a turnover of Rs 570 Lakhs reported in the Financial Year ended on 31st March 2016 and Rs. 338 Lakhs in 2014-15. This Division contributed 6% in the Turnover of the Company for the year 2016-17.

**5.2 Pharmaceuticals Division (Division II):** Pharmaceuticals Division of BCPL has reported a net turnover of **Rs. 5409 Lakh** in 2016-17 as compared to Rs. 5613 Lakh in 2015-16 and Rs. 2751 Lakh in 2014-15. This Division contributed 63% in the Turnover of the Company for the year 2016-17.

**5.3 Home Products (Division III):** Home Products Division of Company has achieved a net turnover of **Rs. 2628 Lakhs** in 2016-17 against a turnover of Rs. 2636 Lakh reported in the Financial Year ended on 31st March 2016 and Rs. 1494 Lakh in 2014-15. This Division contributed 31% in the Turnover of the Company for the year 2016-17.

#### **6. MARKETING INITIATIVES**

**6.1** First time in history, BCPL has introduced its Sales/ Distribution Manual, which was approved by Board of Directors of your Company in 180th Board Meeting held on 12th April 2017. This Manual consist the provisions for appointment of C&F Agents, Liaison Distributors, Trade Stockiest etc. It also provides the terms and conditions of payment to distributors/ C&F Agents/ Stockiest etc.

**6.2** Your Company has also opened a retail store, which is first time in its history for selling of home products of BCPL in the Ground Floor of its Corporate Office. This retail store was inaugurated on 3rd October 2016.



## **7. BIFR STATUS AND STRATEGIC SALE OF BCPL:**

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.

As on 28th December 2016, the Union Cabinet chaired by the Prime Minister has approved the sale of surplus land of BCPL, as would be required, to meet its outstanding liabilities. This sale would be made through open competitive bidding to Government Agencies and the outstanding liabilities will be met from the sale proceeds. Union Cabinet has also approved the Strategic Sale of BCPL.

## **8. PERFORMANCE RATING UNDER MOU**

Your Company has entered MoU for the year 2016-17 with the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals wherein a turnover target of Rs 9000 Lakhs was fixed. During the year 2016-17, Your Company achieved a turnover of **Rs. 8536 Lakhs** and based on the Audited Results of the Company, BCPL is likely to get **“VERY GOOD”** MoU Rating for the year 2016-17. Further, first time in the history of the Company, your Company had been rated **“EXCELLENT”** MoU rating for 2015-16 by Department of Public Enterprises (DPE). Similarly, for the year 2014-15, your Company was rated **“GOOD”** by the 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.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year 2016-17, as required under the Guidelines on Corporate Governance for CPSEs is placed at **Annexure-I** to this Report.

## **10. 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 and it essentially involves balancing the interests of a company's many stakeholders, such as Shareholders, Management, Customers, Suppliers, Financiers, Government, Employees, and the Community. BCPL has been complying with the Corporate Governance Guidelines issued by DPE and submits quarterly/ annual Compliance Report to Department of Pharmaceutical. For the Year 2015-16, your Company was rated with “**EXCELLENT**” by DPE for compliance of Guidelines on Corporate Governance issued by DPE for CPSEs. This is the first time in the history of BCPL that DPE has awarded your Company with “**EXCELLENT**” grade in Corporate Governance. Further, for the year 2016-17 also your Company is likely to be rated with “**EXCELLENT**” Corporate Governance rating, as per its self evaluation report submitted to DPE in April 2017. The Report on Corporate Governance along with Compliance Certificate from the Practising Company Secretary has been placed at **Annexure-II** to this Report.

## **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 appointed by Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India and One Part-time Vigilance Officer. Now, the activities of Vigilance Department have been streamlined.

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 2016-17, seven surprise inspections were made by the Department. Quarterly Returns viz. Annual Action and Anti Corruption measures and Monthly Reports of CVO were sent to CVC in stipulated time. In addition to this, some of the preventive measures initiated in recent times are as under:

- Expansion of vendor base to ensure competitiveness;
- Demarcation of BCPL's land and digitization of land records;
- Introduction of Five Tier Audit System;
- Installation of CCTVs to check material movements and improve security environment in Office/ Factory premises;
- Adoption of Whistle Blower Policy;
- Introduction of customer care number, which is posted on official website of BCPL.



## **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. The Company has 320 employees as on 31st March 2017, out of which 70 employees are technically and/ or professionally qualified. The Company has 46 women employees. Various social security schemes like Provident Fund, Gratuity and Group Accidental Insurance Schemes are also in place in the Company.

### **12.1 STATUS ON PRESIDENTIAL DIRECTIVES:**

#### **(A) Directives on reservation policy for reserved category persons**

Presidential Directives on reservation policy issued by Government of India from time to time provide for certain percentages of reservation in direct recruitment as well as promotion in specified posts and for specified reserved category of candidates, i.e. SCs, STs, OBCs and Physically Challenged. Besides, the Directives also contain provision of certain concessions and relaxations in direct recruitments, promotions and reservation for specified category of employees. The Presidential Directive on reservation of SC/ST and OBC are 15%, 7.5%, and 27% respectively. Since BCPL was a Loss Making PSU since its nationalisation i.e. 1981 and also a BIFR listed Company, the recruitment of employees is happening on Statutory/key functional areas, the Presidential Directives on reservation of SC/ST/OBC/PHC cannot 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.

#### **(B) SC/ST/OBC Employees:**

The strength of SC/ST/OBC employees on the rolls of the Company as on 31st March 2017 was 33, 1 and 11 respectively, which constituted 10.31%, 0.31%, and 3.43% of the total strength respectively.

#### **(C) Physically Challenged Persons:**

The number of physically challenged persons as on 31st March 2017 were 9 which constituted 2.81% of the total strength of employees. The Physically Handicapped employees are engaged in light jobs commensurate with their physical ability.

### **12.2 MANPOWER STATUS:**

a) Total Employees as on 31st March 2017:- 320





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Group	Permanent Employees		Total Employees
	Male	Female	
A	73	10	83
B	65	5	70
C	103	15	118
D	33	16	49
Total	274	46	320
Percentage	85.62%	14.38%	100%

b) Representation of SCs/STs/OBCs/ Physically Challenged Persons as on 31/03/2017 is as under:

Group	Employees on Roll	SCs Nos.	STs Nos.	OBCs Nos.	Physically Challenged Nos.	Minority Nos.
A	83	8	0	5	0	1
B	70	4	0	2	0	0
C	118	15	1	3	9	3
D	49	6	0	1	0	1
Total	320	33	1	11	9	5
Percentage	100%	10.31%	0.31%	3.43%	2.81%	1.56%

c) Promotion of SCs/STs/OBCs/ Physically Challenged Persons during the year 2016-17:

Group	Total Employees Promoted	SCs Nos.	STs Nos.	OBCs Nos.	Physically Challenged Nos.
A	3	0	0	0	0
B	4	1	0	1	0
C	39	1	0	1	1
D	6	2	0	0	0
Total	52	4	0	2	0
Percentage	100%	7.69%	0%	3.85%	1.92%

\*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



### 12.3 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 2016-17, the 351 Man Days training was imparted. During the year, two new Directors (i.e. one Independent Director and one Government Nominee Director) were appointed in your Company. The training was also provided to both newly appointed Directors alongwith various documents and study material as per Directors' Training Policy of BCPL. Shri S.K. Roy Choudhury, Independent Director was also nominated to the Orientation Programme for Capacity Building of non-official Directors of CPSEs in Shilong on 26th and 27th September 2016 organised by DPE.

Following is the detail of In-House and External Training provided by BCPL to its employees:

**a) In-House Training:** During the year 2016-17, the Company organized various In-house training programmes at its Office and Factories. The detail of all in-house training programmes is given as under:

Sl. No.	Date	Venue	Theme	Name of Trainer	Total Mandays
1	09/09/2016	Maniktala Factory	Fuel and Electricity Conservation In Plant Training	Shri Sajal Biswas, B.E. (JU)	16
2	12/09/2016	Panihati Factory	Fuel and Electricity Conservation In Plant Training	Shri Sajal Biswas, B.E. (JU)	24
3	01/12/2016	City Office	Excise Duty, VAT, CST and Service Tax	M/s. Rajeev Agarwal & Co.	33
4	12/12/2016	City Office	Digital Payments	Shri PM Chandraiah, Director (Finance)	37
5	13/12/2016	Maniktala Factory	Digital Payments	Shri PM Chandraiah, Director (Finance)	32
6	17/12/2016	City Office	Holistic Effectiveness & Professional Excellence through Human Values (Module- II)	Rabindranath Tagore	20



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Sl. No.	Date	Venue	Theme	Name of Trainer	Total Mandays
7	20/12/2016	Panihati Factory	Digital Payments	Shri PM Chandraiah, Director (Finance)	55
8	18/03/2017	City Office	Corporate Eye Screening Programme	M/s. Lawrence & Mayo	49
9	25/03/2017	Panihati Factory	Corporate Eye Screening Programme	M/s. Lawrence & Mayo	65
Total					331

**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	20/04/2016 & 21/04/2016	General Safety Precaution, First Aid & Fire Fighting Management	West Bengal State Productivity Council	1	2
2	27/04/2016 & 28/04/2016	Changing face of Industrial Relations management in Global Scenario & related IR Laws	West Bengal State Productivity Council	1	2
3	08/06/2016 & 09/06/2016	Effective Shop floor Management	West Bengal State Productivity Council	2	4
4	24/06/2016	Facilitating Swachh Bharat	Indian Chamber of Commerce	2	2
5	01/07/2016	India prepares for GST	IBL	1	1
6	01/07/2016	Service Tax	Indian Chamber of Commerce	2	2
7	30/08/2016 & 31/08/2016	Corporate Governance in Public Sector Undertakings	VMC Management Consulting Pvt. Ltd.	1	2
8	26/09/2016 & 27/09/2016	Orientation programme for Capacity Building of non-official Directors of CPSE	Department of Public Enterprises (DPE)	1	2
9	17/11/2016 & 18/11/2016	Internal Financial Controls and its Benefits	SCOPE, New Delhi	1	2
10	21/02/2017	Capacity Building Workshop-On-line MoU System	Department of Public Enterprises (DPE)	1	1
<b>Total</b>				<b>13</b>	<b>20</b>



### **13. PROPAGATION OF RAJBHASHA**

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

The efforts of the Company is to promote the use of Hindi in its official work, through Hindi noting, 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 Probodh, 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. BCPL has also published a Hindi Magazine named "SANJEEVANEE" on 2nd January 2017 which was launched by Shri PM Chandraiah, Director (Finance). The Hindi Pakhwara was also organized in Corporate Office, all factories of your Company from 14th September 2016 to 28th September 2016 in which 61 numbers of employees participated.

### **14. ECONOMY IN ADMINISTRATIVE EXPENDITURE**

Keeping in view the Government Directives, efforts were made to achieve economy in administrative expenditures in BCPL during the year 2016-17. During the year 2016-17, the percentage of Administrative & Other Expenses to the Net Sales was 46.35% against 51.28% in previous year 2015-16 and 96.87% in 2014-15.

### **15. INDUSTRIAL RELATIONS**

The Industrial Relations scenario in the all factories, Depots and the business sector/offices of the company remained harmonious and peaceful during the year 2016-17. Many Strikes e.g. "Bharat Bandh" were called by many Political Parties, in



such situations the special circulars were issued and instructed to all employees to attend the Office on the strike days, no mandays were lost during the year. The thrust on participative culture and communication continued during the year.

## **16. 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. No complaint of sexual harassment is received during the year 2016-17. The official website of the Company also contains the “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

## **17. BOARD OF DIRECTORS**

a) Presently the Board of BCPL comprises the following:

<b>S.No</b>	<b>Name</b>	<b>With effect from</b>
1.	Shri PM Chandraiah Director (Finance)	25th November 2014
2.	Shri Jitendra Trivedi Part-time (Official) Director [Government Nominee Director]	6th July 2016
3.	Shri S.K. Roy Choudhury Non-Official Director [Independent Director]	9th August 2016

b) The details of directors/ key managerial personnel appointed or have resigned during the year 2016-17 and policy relating to Directors’ Key Managerial Personnel and other employees are mentioned in Report on Corporate Governance attached to this report.





## **18. BOARD MEETINGS**

During this year seven Board Meetings were held. The details of Board Meetings are given in Report on Corporate Governance, annexed to this Report.

## **19. AUDIT COMMITTEE DETAILS**

Details of Board Level Audit Committee are given in the Report on Corporate Governance, annexed to this Report. Further, there has been no instance where the Board of Directors has not accepted recommendation of the Audit Committee.

## **20. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12)**

During the year neither any incidence of fraud was happened in your Company nor any fraud reported by Statutory Auditor or Cost Auditor under Section 143 (12) of Companies Act, 2013.

## **21. DETAILS IN RESPECT OF EXPLANATION OR COMMENTS BY THE BOARD ON AUDITOR'S QUALIFICATION**

The replies and explanations made by Management of BCPL has been separately attached with the Financial Statements of the Company for the year 2016-17.

## **22. EVENTS OCCURRED AFTER THE DATE OF BALANCE SHEET**

No material change and commitment occurred after the date of Balance Sheet i.e. 31st March 2017, which affect the Financial Position of the BCPL.

## **23. SAFETY & SECURITY**

At BCPL, we believe that human life is priceless, loss of which can neither be made up for by monetary compensations nor can its dedication and expertise be substituted. This inspires us to make the workplace safer for the employees of BCPL as well as for our stakeholders. BCPL's manufacturing units are having strong health, Safety & Environment (HSE) management systems in place. During the year no incidence of serious fatalities and accidents was happened in the Organization. Some of the initiatives taken in your factories/units to build and maintain safety and health culture at work place during 2016-17 included:

- (a) High degree of House-keeping is maintained in plant as well as in factory premises.
- (b) Refilling of Fire Extinguishers (Mechanical foam, Dry Chemical Powder & Carbon-di-oxide type) is done.
- (c) Appropriate Personal Protective Equipment (PPE) has been issued to the persons working in Production and Maintenance related job.



- (d) Contractors working at different site in the factory premises are also made compulsory to use PPE.
- (e) Ultrasonic shell thickness test for all Compressors, Autoclaves, and Pressure vessels and inspection of Lift & Stacker are done as per the schedule of Factory Rules.
- (f) Common Effluent Treatment Plant (CETP) is in use and treated water is tested in regular interval at our QC Laboratory. Treated water is also tested by Pollution Control Board, Govt. of West Bengal at their Laboratory by taking sample from our plant.
- (g) One Vat is being constructed for the storage of different hazardous waste in segregated area. The authorized agency will pick up the same from this area for disposal.
- (h) Work for Fire Protection System/ Fire Hydrant System is in progress inside the factory premises.
- (i) Smoke detectors and Fire alarm systems are maintained in new Betalactum plant at Mainkotala Factory.

#### **24. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- 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 31st March 2017 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.



## 25. 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 2016-17. The Cost Audit Report for the year 2016-17 will be filed with Central Government within the stipulated time. The Cost Audit Report for the year 2015-16 was approved by the Board in its 175th Board Meeting, held on 11th July 2016, and the same has been filed with the Ministry of Corporate Affairs within statutory time Limit.

## 26. AUDITORS

The Statutory and Branch Auditors of the Company appointed by the Comptroller and Auditor General of India (C&AG) for the year 2016-17 are as under-

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

## 27. 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:

### 27.1 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:

- Switch off any two out of the three 1750KVA transformers considering present load demand. Thus BCPL saving at least 44000 Unit per annum as per 2016-17 Energy Audit Report of the Company.
- Energize the APFC Panel all time in Auto Mode to increase the Power Factor and getting a good benefit in Electricity Bill.
- Energy Audit firm M/s. Superintendence Co. of India (P) Ltd. has been audited the entire Maniktala Factory, BCPL in the financial year 2016-17. They have submitted the report during March 2017 in which they asked to reduce the extra consumption in plant. Now BCPL will take the steps to take up the recommendation given by the energy audit firm.
- Taking all precautions for optimum utilization of energy in office like switching off lights/ fans/ air conditioners, whenever the employees are not in their chamber.
- Some of old Window Air Conditioner Units were replaced by new Split Air Conditioners which reduced Energy Consumption.

### **27.2 Recommendation from Energy Audit Firm for Energy Conservation:**

BCPL Maniktala manufacturing unit with huge volume of production in every year and a multiple number of different capacity Motor driven Machineries including Transformers, Capacitor Banks, stand-by D.G Sets, Air Compressors, Boilers, Pumps, H.V A.C Plant, Room A.C Units, Lighting Fixtures etc. are in operation. There are multiple nos. of prominent chances of Energy losses at various points or at different working areas. The energy audit was done in the following area.

- a. Power Distribution System.
- b. Lighting/Illumination System.
- c. Utility services of plant operation.
- d. Plant Machineries.

### **27.3 Steps taken for utilizing alternate sources of energy:**

- In reference to the email of Dr. Mohammed Ariz Ahammad, Joint Secretary, Department of Pharmaceuticals dated 05.04.2016 regarding the project of Grid Connected Solar Rooftop System, BCPL have communicated its total vacant top area at Bengal Chemicals & Pharmaceuticals Ltd. Maniktala Factory to SECI & WBGEDCL (a Govt. of West Bengal Company) for their co-operation about the



said project. WBGEDCL responded to e-mail and sent their Engineer to inspect the site. After inspection they have sent their report based on the Installation of Solar Rooftop System at BCPL Maniktala Factory.

- As per their report, out of vacant rooftop spaces of Maniktala Factory they have selected only two rooftop spaces at Betalactum Building & Cephalosporin Building. The total 100KWP Rooftop Solar Power Plant can be installed as per their report including the approximate Cost estimation. They have also provided two Schemes/ Procedures for implementation of the project which depicts in their report. They have also indicated that total cost for the project to be borne by BCPL which is not in line with the directions received by BCPL from Government of India.
- An e-mail was also sent to SECI on 05.04.2016 and 26.04.2016 requesting them to guide us the project but, they did not response till date.

#### **27.4 Technology Absorption :**

##### **a) Research and Development:**

The formulations of the following products including their primary and secondary packaging material development were developed in Financial Year 2016-17:

- i) Amlodipine Tablets 5 mg
- ii) Ofloxacin plus Ornidazole Tablets ( 200 mg+500 mg)
- iii) Atorvastatin Tablet 20 mg
- iv) Domperidone Tablets 10 mg
- v) Levocetirizine Tablets 5 mg
- vi) Cefuroxime Tablets 250 mg
- vii) Cefixime Tablets 100 mg
- viii) Cefixime tablets 200 mg

##### **b) Technology Absorption**

- The efforts made towards technology absorption: Installed equipments and Air Handling Units(AHU) for Dry Powder Injections at New Beta Lactam Block are qualified by their Operational Qualifications (OQ) and now ready for production.
- 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.

## **28. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year 2016-17, 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.

## **29. QUALITY MANAGEMENT: ISO 9001:2008 CERTIFICATION & GMP CERTIFICATION**

Being the first Indian Pharmaceutical Company, BCPL pursues continual improvement in the quality of its products, and performance leading to customer delight through commitment, innovation and team work of all employees. Your 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 personnel of BCPL, BIS has also organized Surveillance audit from time to time. Surveillance audit was conducted on 02.12.2016 & 03.12.2016. They have recommended for continuation of your Company's certificate as they were satisfied with the performance of its Quality System as per ISO requirements.

Your Company has also got permission to start manufacturing operation of SVP (Dry Powder Beta Lactam Injections ) at new Beta Lactam Block from Directorate of Drugs Control , Govt. of West Bengal on 20.03.2017.

BCPL conduct Quality Stability Tests for further assurance of quality, and these Tests are conducted till the end of products shelf life on monthly basis. The compiled Test Report is placed before the Board of Directors for its review and further suggestions.

## **30. 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. Accordingly BCPL has started the ointment and betalactum block project from January 2015 and cephalosporin block work from March 2015 in Maniktala factory.



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After SFC meeting held on 13.01.2015 a meeting was conducted with the project consultant, M/s NNE Pharmaplan to kick start the project and to extent the necessary support for pending installation and commissioning of the block in Maniktala. In the meeting it was decided that BCPL will manufacture Betalactum tablet & capsule and Cephalosporin injection (dry powder) in the Betalactum Block which is permissible as per Schedule M guideline. The status of the major work are as follows.

The Greenfield projects envisaged are as under:

Sl. No.	Location	Project	Status of Implementation
1	Maniktala	New Ointment Block	Projects is Completed and BCPL has started Ointment production
2	Maniktala	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.
3	Maniktala Betalactum Block	The validation of Dry Powder Injectable Filling Line was completed on 30.01.2017. Media filling was completed on 30.01.2017, and it was found to comply as per Schedule-M GMP norms. The Drug Control inspectors visited on 08.03.2017. They were fully satisfied with the facility and performance and awarded the Betalactum Injection Production Permission letter to BCPL on 20.03.2017.	Projects Completed and validation also completed and BCPL got Drug License during the year 2016-17.
i	Dry Powder Injectable		
ii	OSD	Drug Control Authority, West Bengal visited Betalactum block of BCPL on 16.05.2016. Earlier BCPL was not having category endorsement and Product endorsement to prepare Betalactum Tablets. Drug Control Authority, West Bengal has given Category endorsement and Product endorsement to BCPL for production of Betalactum (including Cephalosporine) tablets & capsules in new Betalactum block on 27.05.2016	Projects Completed BCPL started Tablets, Capsule production



Sl. No.	Location	Project	Status of Implementation
4	Maniktala Non Betalactum (Cephalosporin) Block	Based on the current market scenario and Schedule-M requirement, it was decided in BCPL Project Implementation meeting that BCPL will utilize this block for production of Non Betalactum Tablets and Capsules. After necessary modification in the layout Drug Control has approved the layout on 7th August 2015.	HVAC work is going on. Commissioning and validation is under progress.
5	Maniktala	Setting up of Anti Snake Venom Serum (ASVS) manufacturing facilities, up-gradation of animal house etc.	Project is stopped due to Shortage of funds and permission from Administrative Ministry
6	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 partly completed. The modular work, HVAC work is still pending due to shortage of funds and non viability of the project.
7	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 project is completed.

### **31. 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 2016-17.

### **32. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY DEVELOPEMENT**

BCPL has adopted a CSR & Sustainability Development Policy, which was duly approved by Board Level CSR & Sustainability Development Committee, and Board of Directors in their respective Meetings. Further, Being a Loss Making Company since its nationalisation i.e. 1981, BCPL was not required statutorily to conduct any CSR & Sustainability Development activity, but as a good Corporate Citizen, BCPL had voluntary made a provision of Rs. 2 Lakh in its Budget of 2016-17 for conducting the CSR & Sustainability Development activities. Accordingly, During the year, your Company has conducted following CSR & Sustainability Development Activities:



- (i) Donated Rs. 80,000/- on 2nd March 2017 towards the Swachh Bharat Fund established by Government of India.
- (ii) The medicines of Rs. 80,000/- were distributed to Kamarpukur Ramkrishna Math & Ramkrishna Mission at Kamarpukur, Hooghly, West Bengal on 18th March 2017 and medicines of Rs.40,000/- were distributed to “Saroj Gupta Cancer Center & Research Institute” at Thakurpukur, Kolkata on 22nd March 2017. The Report on Corporate Social Responsibility & Sustainability Development has been placed at **Annexure-III** to this Report.

### **33. 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**”. The products of Division III of your Company has also been recommended by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers for **Swachh Bharat Abhiyan**. Further, BCPL also celebrated “Swachh Bharat Phakwada” from 16/06/2016 to 30/06/2016, in which all employees participated and cleaned the factory/ office premises and adjoining road/ area. Some of activities of Swachh Bharat Phakwada were as under:

- a. Cleanliness of Office/ Factory/ Depot Premises and adjacent areas
- b. Sanitation and Waste Management
- c. Housekeeping of Premises
- d. Organised competition programs within the Company and felicitating cleanest unit
- e. Mass pledge by all employees of BCPL and spreading the word through social media for Swachh Bharat Mission.
- f. Volunteer cleaning activities surrounding/ nearby areas including worker’s colonies by all employees of BCPL.

### **34. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return of your Company for the Financial Year 2016-17 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-IV.

### **35. COMPLIANCE OF LAWS**

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



### **36. 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.

### **37. 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 2017.

### **38. INITIATIVES FOR DIGITAL & CASHLESS TRANSACTION PAYMENTS**

As Per initiatives taken by Govt. of India to enhance the digital & cashless transaction your company, has become a 100% cashless company and make all payments to its stakeholders through RTGS/NEFT etc. & conducted programmes to provide the training to employees for digital transactions.

### **39. 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.

### **40. 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.

### **41. 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 2016-17 your Company procured of Rs. 462.75 Lakh of Goods from Small and Medium Enterprises, out of Rs. 1472.71 Lakhs of procurement (excluding Proprietary items, Branded/Loan Licensing items), which comes to around 31.42% out of which, a sum of Rs. 93.70 Lakh which is not yet due, remain unpaid to the suppliers at the end of the financial year 2016-17. Since your Company is a sick company, the MSME guidelines are complied to the maximum extent possible.

### **42. 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 has also been constituted, which meets quarterly and place its compiled report to Audit Committee and Board in their meetings.

### **43. PUBLICITY & PUBLIC RELATION**

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





<b>Method</b>	<b>Details</b>
Print Media	Display in Dailys, Magazines, and Leading Newspapers like Times of India/ Ei Somoy/ Aajkal/Bartaman.
Exhibitions	Local Exhibitions: Panihati Utsav/ Industrial India Trade Fair of Kolkata National Exhibitions: Indian Pharma, 2017 (Bangalore), AFMSD Conference etc.
Field Team	Through Promotional Material like booklet/ danglers etc.

#### **44. ACKNOWLEDGEMENT**

Directors wish to place on record their appreciation to the valuable support extended by all shareholders during the year 2016-17. Your Directors sincerely acknowledge the support, co-operation and guidance provided by the Government of India, particularly the Department of Pharmaceuticals, Ministry of Chemical and Fertilizers, Department of Public Enterprises, and various State Governments, Regulatory and Statutory Authorities, CAG of India, Statutory Auditors and other Practising Professionals. Board 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 officers, employees and unions for their valuable contribution and support in the progress of the Company and to make it a Turnaround and Profit Making Company.

**For and on behalf of the Board**

Sd/-

**(PM CHANDRAIAH)**

**Director (Finance)**

**DIN: 06970910**

Sd/-

**(JITENDRA TRIVEDI)**

**Part-Time Official Director**

**[Government Nominee Director]**

**DIN: 07562190**

Place: Kolkata

Date: 17th May 2017



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**Inauguration of Retail Store of BCPL at  
6 Ganesh Chunder Avenue, Kolkata on 3rd October 2017**



**IITF Trade Fair Stall, Milan Mela, Science City, Kolkata**



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**Vigilance Pledge on the occasion of Vigilance Awareness Week**



**Hindi Pakhwara Celebration at Corporate Office, Kolkata**





## **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 pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. India enjoys an important position in the global Pharmaceuticals Sector. The country also has a large pool of Scientists and Engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical companies/ firms.

Indian Pharmaceutical Sector accounts for about 2.4 percent of the global pharmaceutical industry in value terms and 10 per cent in volume terms and is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others. The Country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the World's leader in Drug Master Files (DMFs) applications with the US. Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the Country the largest provider of generic medicines globally and expected to expand even further in coming years.

The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

### **1.01 GROWTH OF PHARMACEUTICAL INDUSTRY**

#### **Factors Influencing Growth of the Pharmaceutical Industry in India**

- The Union Cabinet has given its nod for the amendment of the existing Foreign



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Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

- According to data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 13.85 billion since April 2000.
- International Finance Corporation (IFC), the investment arm of the World Bank, plans to invest upto US\$ 75 million in Glenmark, which is looking to raise around US\$ 200 million for expansion and the launch of several new products in India and other emerging markets over the next three years.
- 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
- 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 of Pharmaceuticals) in July 2008. The Department is entrusted with the responsibility of Policy, Planning, Development and Regulation of Pharmaceutical Industries. The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines. The Union Minister of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the Country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical



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Engineering and Technology. Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India plans to set up around eight mini drug-testing laboratories across major ports and airports in the country, which is expected to prove the drug regulatory system and infrastructure facilities by monitoring the standards of imported and exported drugs and reduce the overall time spent on quality assessment.
- India is expected to rank among the top five global pharmaceutical innovation hubs by 2020, based on Government of India's decision to allow 50 per cent public funding in the pharmaceuticals sector through its Public Private Partnership (PPP) model.
- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 percent of which come from China.
- The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, coordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 Crore (US\$ 149.11 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.
- The Government of India has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian Pharmaceutical Companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.
- Biologic portfolios while still nascent in India are being built with an eye on the future.





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- An excellent centre for clinical trials in view of the diversity in population. The Department of Pharmaceuticals has been entrusted with following responsibilities:
- 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 of India.

The chemical industry is among the most diversified industrial sectors and includes basic chemicals and its products, Petrochemicals, Fertilisers, Paints,



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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, Fertilizers 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.

Chemical industry is a knowledge as well as capital intensive industry. This industry plays a significant role in the global economic and social development. The diversification within the chemical industry is huge and covers more than eighty thousand commercial products. Global chemical market size was estimated at USD 3.7 trillion in 2012 and is expected to grow at 4-5% per annum over the next decade to reach ~USD 5.8 trillion by 2021. As per Tata Strategic estimates, India currently accounts for only 3% of the global chemical market with a market size of USD 108 Billion in 2012. The major segments in Indian Chemical industry include base chemicals, specialty Chemicals, Pharmaceuticals, Agrochemicals, Biotechnology and Petrochemicals. Indian Chemical industry stands at 12th ranks by volume in the world in chemical production. India is the fourth largest producer of agrochemicals in the world after USA, Japan and China. 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).

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 modernization.

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

The Indian Chemical players have been focussing on sustainable development. Water, environmental impact, raw materials, safety over life cycle and energy use is some of the issues grappling the industry. Indian Chemical Companies are largely investing in innovative solutions to find appropriate answers to these challenges. Chemical



industry is also offering new products according to the changing requirements of the market. The industry has developed microbial de-colorization and degradation procedures for textiles and begun exploring bio-diversity for natural dyes and developing eco-friendly methodology for synthetic dyes.

### **Growth Drivers**

Your Company expanded and has diversified into a multi-product conglomerate, having three Divisions. Division-I (Industrial Chemicals) 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 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 GMP Certificate, and ISO 9001 Certificate.

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 been completed and commercial production has also 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.

## **2.0 PRODUCT PROFILE, SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE**

Presently, your Company is producing products under three categories i.e.

- Division-I: Industrial Chemicals
- Division-II: Pharmaceuticals
- Division-III: Home Product



Pharmaceutical Products is the segment contributing highest to the turnover of the Company and this segment has contributed **63%** to the total turnover during 2016-17 as compared to 64% during the previous year 2015-16 and 60% in 2014-15. The second largest segment has been Cosmetics and Home Products contributing **31%** to the total turnover during 2016-17 compared to 30% during the previous year 2015-16 and 33% in 2014-15. Segment-wise analysis of the operations of the Company is given below: (Rs. in Lakhs)

Sl. No	Products Segment	2014-15		2015-16		2016-17	
		Turnover	%	Turnover	%	Turnover	%
1	Chemicals	338.18	7%	570.38	6%	<b>499.72</b>	<b>6%</b>
2	Pharmaceuticals	2751.09	60%	5612.79	64%	<b>5408.78</b>	<b>63%</b>
3	Cosmetic & Home Products	1494.23	33%	2636.00	30%	<b>2627.80</b>	<b>31%</b>
	Total	4583.50	100%	8819.17	100%	<b>8536.30</b>	<b>100%</b>

## 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
- 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
- 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
- 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.
- 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

#### **RISK AND CONCERN**

BCPL has in place a Board approved Risk Management Policy which provides overall framework for Enterprise Risk Management in the company. In pursuance with Corporate Governance Guidelines issued by DPE, BCPL has in place a 'Risk Management Committee' consisting seven officials of BCPL with assigned responsibility of reviewing the company's Risk Governance structure, Risk Assessment & Risk Management framework, Guidelines, Policies and Processes. Besides this, Risk Management Committee is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company.

As per provisions of the Risk Management Policy, key risks being faced by the company are analyzed in detail by the risk management committees in its quarterly





meetings, and the complied report along with proceedings of such meeting submitted to the Audit Committee and Board for their review and suggestions.

#### **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 its Corporate Office at 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. Your Company has also engaged an External CA Firm to conduct the Internal Audit of BCPL on half yearly basis and submit their report to Chief Internal Auditor.

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. During the year 2016-17, Company has also adopted and implemented the following Five Tier System of Audit in the Company

- (i) Banking Transaction Audit
- (ii) Management Cross Audit of one unit's accounts by other unit's officials
- (iii) Internal Audit
- (iv) Statutory Audit by the Audit firm appointed by CAG and
- (v) Govt. Audit i.e. by CAG Auditors.

Due to all these efforts, Company can prevent manipulations, mistakes, and fraudulent actions.

#### **6.0 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE**

During the year 2016-17, your Company achieved a turnover of Rs. 8536 Lakhs compared to previous year turnover of Rs 8819 lakhs and reported first time Net Profit of Rs. 451 Lakh compared to Net Loss of Rs 913 lakhs of previous year 2015-16.



## 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, utilization of natural light. Zero discharge ETP Plants are under construction at Maniktala, and Panihati 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 2016-17, 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



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(A Government of India Enterprise)



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/-  
**(JITENDRA TRIVEDI)**  
**Part-Time Official Director**  
**[Government Nominee Director]**  
**DIN: 07562190**

Place: Kolkata

Date: 17th May 2017



**Tribute to Acharya Prafulla Chandra Ray, founder of BCPL  
on occasion of his Birthday on 2nd August 2016**



**Training to Employees on Digital Payments**





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**Celebration of Constitution Day**



**Study Tour Programme of the  
Parliamentary Committee on Chemical & Fertilizer**



## **REPORT ON CORPORATE GOVERNANCE**

### **THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company firmly believes that Good Corporate Governance generates value on 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. Department of Pharmaceuticals, Ministry of Chemical and Fertilizers). Presently three Directors are in position viz. Director (Finance), one Part-Time Official Director [Government nominee] and one Independent Director [Part-Time Non-Official]. The position of Managing Director and one Independent Director 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 2016-17 are given below:**

<b>Name of Directors</b>	<b>Category</b>	<b>Board Meetings attended</b>	<b>35th AGM attended</b>	<b>No. of Directorships in other Companies (excluding BCPL)</b>	<b>Tenure</b>
<b>(I) Whole Time/Functional Directors</b>					
Shri E.A. Subramanian DIN: 06818313	Managing Director	2	NA	Nil	w.e.f 05/02/2014 to 31/05/2016
Shri PM Chandraiah DIN: 06970910	Director (Finance)*	7	Yes	Nil	w.e.f. 25/11/2014





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Name of Directors	Category	Board Meetings attended	35th AGM attended	No. of Directorships in other Companies (excluding BCPL)	Tenure
<b>(ii) Government Nominees/Part-Time Official Directors</b>					
Shri Jitendra Trivedi, Director (PSU) Ministry of Chemicals and Fertilizers, Department of Pharmaceutical DIN No.:07562190	Director	5	Yes	2  (KAPL, RDPL)	w.e.f. 06/07/2016
<b>(iii) BIFR Nominee Director</b>					
Shri Anil Gupta BIFR Nominee Director DIN: 00283431	Director	1	Yes	3 (PCCSL, NEPA Limited, PSWML)**	w.e.f. 18/07/2011 to 18/07/2016
<b>(iv) Independent/ Part-Time Non-Official Director</b>					
Shri S.K. Roy Choudhury Independent Director [Part- Time Non-Official Director] DIN: 00757497	Director	4	Yes	NIL	w.e.f. 09/08/2016

\* Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, had assigned Shri PM Chandraiah, Director (Finance) with additional charge of Managing Director of BCPL w.e.f. 01/06/2016.

\*\* Abbreviations used are:

- KAPL-Karnataka Antibiotics & Pharmaceuticals Limited
- RDPL- Rajasthan Drugs & Pharmaceuticals Limited
- PCCSL-Pee Cee Cosma Limited
- PSWML- Pasupati Spinning & Weaving Mills Limited

**Notes:**

The details of Directors/ Key Managerial Personnel appointed or have resigned during the year 2016-17, and thereafter till the date of this report is mentioned below:



### **Appointments:**

**(a) SHRI JITENDRA TRIVEDI**

Part-time Official Director  
Government of India Nominee  
DIN: 07562190

Shri Jitendra Trivedi, Aged 42 Years, who is working with Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers has been appointed as Part-time Official [Government Nominee] Director vide Order F.No.25012/3/2010-PSU dated 6th July 2016. Shri Jitendra Trivedi joined Indian Ordinance Factory Services (IOFS) on 5th September 2000. He is also Board Member of Karnataka Antibiotics & Pharmaceuticals Limited, and Rajasthan Drugs & Pharmaceuticals Limited.

**(b) SHRI SAJAL KUMAR ROY CHOUDHURY**

Part-time Non-Official Director  
[Independent Director]  
DIN: 00757497

Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers has appointed Shri Sajal Kumar Roy Choudhury, Aged 67 Years as Part-time Non-Official [Independent] Director vide Order F.No.25012/2/2016-PSU-I dated 9th August 2016. Shri Sajal Kumar Roy Choudhury is a Ex-Director of Drugs Control Authority of West Bengal. He has vast experience in the field of Drugs and medicines. Shri Choudhury has also vast experience in PSUs.

**(c) SHRI PM CHANDRAIAH**

Managing Director (Additional Charge) & Director (Finance)  
DIN: 06970910

Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, vide Order No. "25012/1/2014-PSU-I" dated 19th July 2016, has assigned the additional charge of the post of Managing Director of Bengal Chemicals & Pharmaceuticals Limited to Shri PM Chandraiah, Director (Finance) for a period of three months with effect from 1st June 2016, or till the appointment of a regular incumbent to the post of MD, BCPL or until further orders, whichever is earliest. He is a Cost Accountant and having 33 years of rich experience in various PSUs like NTPC, IRCON, NSPCL, etc and working experience in departments like Human Resources, Vigilance, Finance, Marketing etc.



### **Cessations:**

#### **(a) SHRI E.A. SUBRAMANIAN**

Managing Director

DIN : 06818313

Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers vide its order “F.No.25012/2/2010-PSU” dated 6th January 2014 had appointed Shri E.A. Subramanian as Managing Director of BCPL. Consequent upon Shri Subramanian’s selection as Director (Technical & Operation) on Board of HLL Lifecare Limited, the Administrative Ministry vide Order “F.No.25012/1/2014-PSU-I” dated 30th May 2016, relieved Shri Subramanian from his duties and responsibilities of BCPL w.e.f. 31st May 2016.

#### **(b) SHRI ANIL GUPTA**

BIFR Nominee Director

DIN : 00283431

The Board of Industrial and Financial Reconstruction (BIFR) vide its Order “F.No.16(4)/2/2011/BIFR/SD.Apptt.” dated 24th October 2011 had appointed Shri Anil Gupta as Special Director (BIFR Nominee Director) on the Board of BCPL w.e.f. 18th July 2011 for a period of 5 years or until further orders or till the date on which he attains the age of 70 years, whichever is earlier. As per aforesaid order, the tenure of Shri Anil Gupta as BIFR Nominee Director of BCPL was completed on 17th July 2016. Further, BIFR vide its order dated 5th September 2016 discharged Shri Anil Gupta from his duties and responsibilities of BIFR Nominee Director of BCPL.

### **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/ Director (Finance) before being sent to all the Directors. The decisions are taken by the Board of Directors after deliberations/ discussions. An “Action Taken Report” on the decisions of last Board Meeting is placed in every Meeting of the Board of Directors.



#### **1.4 Information Placed Before the Board of Director**

The information under the following heads are usually presented to the Board of Directors of BCPL as part of the agenda papers of Board Meetings:

- Annual operating plans and budget and any updates.
- Financial Results on quarterly basis
- Minutes of meetings of Audit Committee and other Committees of the Board.
- The information on recruitment of senior officer just below the Board Level.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations Front like signing of wage agreement, implementation of Voluntary Retirement Scheme.
- Sale of Material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material.
- Action Taken Report on decisions taken by the Board.
- Quarterly report on compliance of applicable laws.
- Show cause, demand prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Internal Audit Report.
- Status of compliance of Corporate Governance Guidelines issued by DPE for CPSEs.
- Status of Internal Financial Control System in the Company.
- Implementation of Risk Management Policy.
- Report on Quality Stability Test.
- Any other information required to be presented to the Board either for information or approval.



### 1.5 Number of Board Meetings:

During the year 2016-17, seven meetings of the Board of Directors were held, the details of which are given below:

SI. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	7th May 2016	3	2
2.	27th May 2016	3	3
3.	11th July 2016	3	3
4.	23rd September 2016	3	3
5.	24th October 2016	3	3
6.	24th December 2016	3	3
7.	18th January 2017	3	3

### 1.6 Appointment of Directors

The appointment of all Directors including part-time directors is done by the Administrative Ministry i.e. Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers. 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.

### 1.7 Role of Independent Directors

The Independent Director play an important role in discussions/ deliberations at the Board and Board level Committee Meetings and bring to the company their expertise in the field of Pharmaceuticals, Chemicals, Management, etc.

The Independent Directors are part of Board level Committees of BCPL constituted by the Board, i.e. Audit Committee, Nomination and Remuneration Committee, CSR & Sustainability Development Committee. In terms of Companies Act, 2013 and DPE's Guidelines, the Audit Committee, and Nomination and Remuneration Committee of BCPL are chaired by Independent Director.



## 2.0 COMMITTEES OF THE BOARD OF DIRECTORS

### 2.1 Audit Committee

The Audit Committee of the Company has been duly constituted by the 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 23rd September 2016. During 2016-17, the Committee had five meetings on 27th May 2016, 11th July 2016, 23rd September 2016, 24th October 2016, and 18th January 2017.

(i) The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Anil Gupta, Director, BIFR Nominee Chairman, Audit Committee	2	2
Shri E.A. Subramanian Managing Director Member, Audit Committee	2	2
Shri S.K. Roy Choudhury Independent Director Chairman, Audit Committee	3	3
Shri Jitendra Trivedi Part-Time Official Director Member, Audit Committee	4	4
Shri PM Chandraiah Managing Director & Director (Finance) Member, Audit Committee	5	5

Administrative Ministry assigned additional charge of Managing Director of BCPL to Shri PM Chandraiah w.e.f. 1st June, 2016.





**(ii) Composition of Audit Committee is as under:**

1	Shri S.K. Roy Choudhury	Independent Director	Chairman
2	Shri Jitendra Trivedi	Govt. Nominee Director	Member
3	Shri PM Chandraiah	Director (Finance)	Member

**(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.  
"Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed"
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



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.
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



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.
  - 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 Section 177(4) of Companies Act, 2013 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.

## **2.2 Nomination and Remuneration Committee**

Nomination and 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 23rd September 2016 with the following members:



1	Shri S.K. Roy Choudhury	Independent Director	Chairman
2	Shri Jitendra Trivedi	Govt. Nominee Director	Member
3	Shri PM Chandraiah	Director (Finance) & MD (Addl. Charge)	Member

During the year 2016-17, the Nomination and Remuneration Committee was met once on 24th December 2016 at Kolkata. All the Committee members including Chairman were present in the meeting.

### **2.3 Corporate Social Responsibility And Sustainability Development Committee**

The Company had constituted Board Level Corporate Social Responsibility and Sustainability Development Committee on 27th May 2016, which was reconstituted on 23rd September 2016 with the following members:

1	Shri Jitendra Trivedi, Part-Time Official Director (Government Nominee Director)	Chairman
2	Shri Sajal Kumar Roy Choudhury, Non-Official Director (Independent Director)	Member
3	Shri PM Chandraiah, Director (Finance) & MD (Addl. Charge)	Member

(i) During the year 2016-17, the Committee had two meetings on 11th July 2016, and 24th December 2017. The attendance details are given as under-

<b>Member</b>	<b>No. of Meetings held during their respective tenure</b>	<b>No. of Meetings attended</b>
Shri Anil Gupta BIFR Nominee Director Chairman, CSR & SD Committee (upto 17th July 2016)	1	1
Shri Jitendra Trivedi Part-Time Official Director Chairman, CSR & SD Committee	2	2
Shri S. K. Roy Choudhury Independent Director Member, CSR & SD Committee	1	1



Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri P M Chandraiah Director (Finance) & MD (Addl. Charge) Member, CSR & SD Committee	2	2

### 3.0 SHAREHOLDING PATTERN

The share holding pattern of the company as on 31st March 2017 was as under:

Sl. No	Name of Shareholder	No. of Shares held (Face Value Rs.1000 each)
1	The President of India	769601
2	Mr. Jitendra Trivedi Director (PSU), Deptt. of Pharmaceuticals, Ministry of Chemicals & Fertilizers	2
3	Mr. Anil Jain Under Secretary, Deptt. of Pharmaceuticals, Ministry of Chemicals & Fertilizers	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. The details of training provided to Directors during the year 2016-17 are given as under:





Sl. No	Name & Category of Director	Detail
1.	Shri Jitendra Trivedi Part-Time Official Director (Government Nominee)	As per Directors' Training Policy of BCPL, the training including BCPL's Profile, Vision & Mission, Current Performance of the Business, key performance indicators, MoU for the current year, procedure of Board practices, overview about Marketing, Financial and HR positions along with various documents was provided to Shri Jitendra Trivedi on 11th July 2016 at Kolkata.
2.	Shri S.K. Roy Choudhury Part-Time Non-Official Director (Independent Director)	As per Directors' Training Policy of BCPL, the training including BCPL's Profile, Vision & Mission, Current Performance of the Business, key performance indicators, MoU for the current year, procedure of Board practices, overview about Marketing, Financial and HR positions along with various documents was provided to Shri S.K. Roy Choudhury on 26th August 2016 at Kolkata. Shri S.K. Roy Choudhury has also attended the two days workshop on "Orientation Programme for Capacity Building of Non-Official Directors of CPSEs" conducted by DPE at Shillong on 26.09.2016 to 27.09.2016.
3.	Shri PM Chandraiah Director (Finance) & MD (Addl. Charge)	1.Shri PM Chandraiah attended two days workshop on "Corporate Governance in Public Sector Undertakings" conducted by M/s. VMC Management Consulting Pvt. Ltd at New Delhi on 30/08/2016 and 31/08/2016. 2.Shri Chandraiah attended two days workshop on "Internal Financial Controls and its Benefits" conducted by SCOPE at New Delhi on 17/11/2016 and 18/11/2016.

## 5.0 WHISTLE BLOWER POLICY

In pursuance of the Corporate Governance Guidelines issued by DPE, and provisions of Section 177 of Companies Act, 2013, the Board of Directors of BCPL has approved



the Whistle Blower Policy in its Meeting held on 23rd September 2016. The Whistle Blower Policy of BCPL has also given to all HoDs, Factory Incharges, and also published on the official website of Company. As per this Policy, a “Screening Committee” with the following members has also been constituted:

1.	Managing Director	Chairman
2.	Director (Finance)	Member
3.	HOD (HR)	Member
4.	HOD (Finance)	Member
5.	HOD (Marketing)	Member

## 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
35th	2015-16	11th July 2016 at 12:30 Hrs. at Company's Registered Office	NA
34th	2014-15	25th August 2015 at 12:30 Hrs. at Company's Registered Office	NA
33rd	2013-14	24th September 2014 at 11:30 Hrs. at Company's Registered Office	4th May 2015 at 12:00 Hrs.

Notice of 36th Annual General Meeting for the financial year 2016-17 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
35th	2015-16	NIL
34th	2014-15	NIL
33rd	2013-14	NIL

## 7.0 RIGHT TO INFORMATION (RTI)

The provisions laid down under RTI Act, 2005 have been complied with. The Company has appointed its Senior Assistant Manager level official as Public



Information Officer (PIO). A 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 2016-17 are as under:

1	No. of RTI Applications Pending as on 1st April 2016	Nil
2	No. of RTI applications received during the year 2016-17	10
3	No. of RTI applications disposed-off during the year 2016-17	10
4	No. of RTI applications pending on 31st March 2017	Nil
5	No. of RTI applications referred to Appellate Authority during the year 2016-17	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 DISCLOSURES

**11.1** Details of the remuneration paid to the Key Managerial Personnel and sitting fees paid to Independent Directors during the year 2016-17 are as under:

i) Functional/Whole-time Directors/KMP: Rs. in Lakhs

Name of KMPs	Salary	Benefits	Total
Shri E.A. Subramanian, Managing Director	2.31	0.28	2.59
Shri PM Chandraiah Director (Finance) & MD (Addl. Charge)	12.79	1.79	14.58
Shri Satish Kumar, Company Secretary	3.26	-	3.26



ii) BIFR Nominee Director & Independent Director:

(in Rs.)

Name of Director	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Shri Anil Gupta BIFR Nominee Director	10,000	15,000	25,000
Shri S.K. Roy Choudhury Independent Director	20,000	25,000	45,000

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.

- 11.2** 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.
- 11.3** Apart from the remuneration to Directors as per the terms and conditions of their appointment and entitled sitting fee to BIFR Nominee Directors/ Independent Directors, none of the Directors have any material or pecuniary relationship with the Company which can affect their independence of judgment.
- 11.4** 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.
- 11.5** There has been no instance of any penalty or strictures imposed by any statutory body.
- 11.6** The Company is complying with all the requirements of the Guidelines on Corporate Governance for CPSEs issued by the DPE.
- 11.7** Company complies with all the Presidential Directives issued by the Central Government from time to time. No Presidential Directives was received during the last three years.
- 11.8** 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.



**11.9** Administrative expenses as a percentage of total expenses has been 37.42% in 2016-17, compared to 37.10% in 2015-16 and 47.43% in 2014-15. Finance Costs/ Expenses as a percentage of Total Expenses has been 14.25% in 2016-17, compared to 13.47 % and 16.41% in 2014-15.

**11.10** Website of the company [www.bengalchemicals.co.in](http://www.bengalchemicals.co.in) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.

### **12.0 COMPLIANCE CERTIFICATE**

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

Sd/-  
**(JITENDRA TRIVEDI)**  
**Part-Time Official Director**  
**[Government Nominee Director]**  
**DIN: 07562190**

Place: Kolkata  
Date: 17th May 2017



**BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA**  
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**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 Transaction was made during the Year 2016-17.
2	Details of material contracts or or arrangement transactions at arm's length basis	No Related Party Transaction was made during the Year 2016-17.

**For and on behalf of the Board**

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

Sd/-  
**(JITENDRA TRIVEDI)**  
**Part-Time Official Director**  
**[Government Nominee Director]**  
**DIN: 07562190**

Place: Kolkata  
Date: 17th May 2017





**CERTIFICATION/ DECLARATION OF FINANCIAL STATEMENTS BY  
THE 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 2017 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 2016-17 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 2016-17;
  - b) Significant changes in accounting policies during the year 2016-17 and the same have been disclosed in the notes to the financial statements;
  - 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)**

**DIN: 06970910**

Place: Kolkata

Date: 17th May 2017

Sd/-

**(JITENDRA TRIVEDI)**

**Part-Time Official Director**

**[Government Nominee Director]**

**DIN: 07562190**



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**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 ♦ 96311 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 (hereinafter referred to as 'the Company' or 'BCPL'), a Central Public Sector Enterprise [CPSE] for the financial year ended on 31<sup>st</sup> March 2017 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 14<sup>th</sup> 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 Board of Directors of BCPL has adopted Guidelines on Corporate Governance, 2010 for CPSEs issued by Department of Public Enterprises (DPE) on mandatory basis as the Board approved policy on Corporate Governance and the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Guidelines and Annexes thereto.

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: 17.05.2016

For D. DUTT & CO.  
Company Secretaries  
UNIQUE CODE NUMBER: 12001WB209400

*Debabrata Dutt*

(DEBABRATA DUTT)

Proprietor  
I.C.S.-5401: C.P. No.-3824





## **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT REPORT**

Being a socially responsible Corporate Citizen, founded by the Legendary of 20th Century, Shri Acharya P.C. Ray, BCPL is committed to create a positive and lasting social impact by mutual trust and respect by raising the standard of living of the people in and around the factories.

CSR Policy of BCPL provides for welfare measures for community at large and contribution to society at large by way of social & cultural development, and being sensitive towards the need of socially and economically underprivileged class.

### **CSR Vision**

“To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society, and also build a socially responsible image of BCPL as a corporate entity”.

### **CSR Objective**

The objectives of BCPL’s CSR Policy are:

- Adherence to the ethical and responsible behaviour of a Company towards the community and society and undertakes the Programmes for welfare & sustainable development of the community at large;
- To define CSR projects or programs which BCPL plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and the prevailing DPE Guidelines;
- Modalities of execution of such CSR projects or programs;
- Monitoring process of such CSR projects or programs;
- To make the stakeholders aware about CSR practices in BCPL
- To work keeping in mind the larger objective of sustainable development in conduct of business and in pursuit of CSR agenda.

### **CSR & SUSTAINABILITY DEVELOPMENT COMMITTEE**

To steer the Corporate Social Responsibility & Sustainability initiatives of the Company, a Board Level Committee in terms of DPE Guidelines on Corporate Social Responsibility & Sustainability has been constituted. This Board Level Committee is headed by Government Nominee Director.

The composition of Corporate Social Responsibility and Sustainability



Committee and the details about meetings of the CSR & Sustainability Committee and attendance are given in Corporate Governance Report.

### **BUDGET**

Since, your Company was a loss making company for a long period of time, and it had also Negative Net Worth, in terms of Companies Act, 2013 and DPE Guidelines, the Company was not required to allocate any fund or conduct any CSR activity in the year 2016-17. In spite of this, being a socially responsible and first Indian pharmaceutical company, first time an amount of Rs. Two Lakh was allocated voluntarily to conduct the CSR & Sustainability Development activities in the year 2016-17.

### **ACTIVITIES DURING THE YEAR 2016-17**

1. During the year 2016-17, your Company donated Rs. 80,000/- (40% of CSR Fund of Rs. Two Lakh) to the “Swachh Bharat Kosh” established by Government of India through online on 2nd March 2017.
2. Your Company distributed its own produced medicines of Rs. 80,000/- (40% of CSR Fund) to KAMARPUKUR RAMKRISHNA MATH & RAMKRISHNA MISSION at Kamarpukur, Hooghly, West Bengal. BCPL again distributed its own manufactured medicines amounting Rs. 40,000/- (20% of CSR Fund) to SAROJ GUPTA CANCER CENTER & RESEARCH INSTITUTE at Thakurpukur, Kolkata.

### **RESPONSIBILITY STATEMENT**

The implementation and monitoring of Corporate Social Responsibility and Sustainability Development Policy, is in compliance with CSR objectives and policy of the Company.

**For and on behalf of the Board**

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

Place: Kolkata  
Date: 17th May 2017

Sd/-  
**(JITENDRA TRIVEDI)**  
**Part-Time Official Director**  
**[Government Nominee Director]**  
**Chairman, CSR & SD Committee**  
**DIN: 07562190**



**BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA**  
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**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31st March 2017**  
**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 Fax: +91-033 2225-7697 "
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 Product/ 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	31%
2	Pharmaceuticals	210-Manufacture of pharmaceuticals, medicinal chemical and botanical product	63%
3	Industrial Chemical	202-Manufacture of other chemical products	6%

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

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:**

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





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**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) <b>Central Govt. or State Govt.</b>	NIL	769604	769604	100	NIL	769604	769604	100	NIL
I) Central Government In the name of The President of India									
II) Govt. Nominees (a) Shri Jitendra Trivedi, Director, Department of Pharmaceuticals (also Director, Bengal Chemicals & Pharmaceuticals Limited) holding 2 shares and (b) Shri Anil Jain, Under Secretary, Department of Pharmaceuticals holding 1 share"									
c) Bodies Corporates	NIL								
d) Bank/FI	NIL								
e) Any other	NIL								
<b>SUB TOTAL:(A) (1)</b>	NIL	769604	769604	100		769604	769604	100	NIL
(2) <b>Foreign</b>	NIL								
a) NRI- Individuals	NIL								
b) Other Individuals	NIL								
c) Bodies Corp.	NIL								
d) Banks/FI	NIL								
e) Any other...	NIL								
<b>SUB TOTAL (A) (2)</b>	NIL								
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	NIL	769604	769604	100		769604	769604	100	NIL
<b>B. PUBLIC SHAREHOLDING</b>	NIL								
(1) <b>Institutions</b>	NIL								
a) Mutual Funds	NIL								
b) Banks/FI	NIL								
c) Central govt	NIL								
d) State Govt.	NIL								
e) Venture Capital Fund	NIL								
f) Insurance Companies	NIL								
g) FIIS	NIL								
"h) Foreign Venture Capital Funds"	NIL								
i) Others (specify)	NIL								
<b>SUB TOTAL (B)(1):</b>	NIL								
(2) <b>Non Institutions</b>	NIL								
a) Bodies corporates	NIL								
I) Indian	NIL								
ii) Overseas	NIL								
b) Individuals	NIL								
I) Individual shareholders holding nominal share capital upto Rs.1 lakhs	NIL								
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	NIL								
c) Others (specify)	NIL								
<b>SUB TOTAL (B)(2):</b>	NIL								
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	NIL								
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL								
<b>Grand Total (A+B+C)</b>	NIL	769604	769604	100	NIL	769604	769604	100	NIL



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

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
	<b>Total</b>	<b>769604</b>	<b>100</b>	<b>NIL</b>	<b>769604</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>

**(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	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 (or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors & KMP**

Sl. No.	For Each of the Top 10 Shareholders	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
	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



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**V INDEBTEDNESS**

Rs. In Lakhs

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning 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	-	94.45		94.45
Total (i+ii+iii)	275.21	19,577.58		19,852.79
Change in Indebtedness during the financial year				
Additions	7.22	818.61		825.83
Reduction	-	-		
Net Change				
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	299.95	7,349.42		7,649.37
iii) Interest accrued but not due	-	94.77		94.77
Total (i+ii+iii)	382.43	20,396.19		20,778.62

**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
		Shri E.A. Subramanian Managing Director & CEO	Shri PM Chandraiah Director (Finance) & CFO	Shri Satish Kumar Company Secretary	Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2.31	12.79	3.26	18.36
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.28	1.79	Nil	2.07
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock option	NIL			
3	Sweat Equity	NIL			
4	Commission as % of profit	NIL			
	others (specify)				
5	Others, please specify				
	Total (A)	2.59	14.58	3.26	20.43
	Ceiling as per the Act	Not Applicable, Directors are appointed by Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals in fixed pay scale			



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**B. "Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors		Rs. In Lakh
				Total Amount
1	BIFR Nominee Director/ Independent Director	Shri Anil Gupta BIFR Nominee Director	Shri S.K. Roy Choudhury Independent Director	
	(a) Fee for attending Board and Board Level Committee Meetings	25000/-	45000/-	70000/-
	(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)	25000/-	45000/-	70000/-
	Total Managerial Remuneration			
	Overall Ceiling as per the Act: Being a Government Company, Section 197 of the Companies Act, 2013 pertaining to ceiling on Managerial Remuneration including sitting fees paid to Directors is not applicable on BCPL.			

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

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

Sd/-  
**(JITENDRA TRIVEDI)**  
**Part-Time Official**  
**DIN: 07562190**

Place: Kolkata

Date: 17th May 2017



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



**Board Members and Officers of BCPL**



**Launching Hindi Magazine “Sanjeevani”**





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**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 2017.**

The preparation of financial statements of Bengal Chemicals and Pharmaceuticals Limited for the year ended 31 March 2017 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 17 May 2017.

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 2017. 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 June, 2017

Sd/-

**(Reena Saha)**

**Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board – II  
Kolkata**



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**BHATTACHARYA DAS & CO.**  
CHARTERED ACCOUNTANTS  
Kolkata

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Tel: 2248-3020

E-mail: [bhattacharyadas@gmail.com](mailto:bhattacharyadas@gmail.com)

### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of the Corporate Governance by Bengal Chemicals & Pharmaceuticals Limited (herein after referred as 'The Company') for the year ended on 31st March 2017 as stipulated in "Guidelines on Corporate Governance for Central Public Sector Enterprises 2010" issued by the Government of India. Ministry of Chemicals & Fertilizers, Department of Public Enterprises and annexure mentioned there under (herein after referred to as 'the Guidelines').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the Guidelines. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us we hereby certify that the Company has complied with the stipulations of the Guidelines pursuant to the Corporate Governance norms for a non listed Public Sector Enterprise.

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

Sd/-

**For Bhattacharya Das & Co.**  
Chartered Accountants  
Firm Registration No. 307077E

Sd/-

**CA ANJAN SHEE**  
Partner  
Membership No. 052870

Place- Kolkata

Date- 17th day of May, 2017.



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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BENGAL CHEMICALS AND PHARMACEUTICALS 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, 2017, 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.

**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



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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(g) and (h) in Report on Other Legal and Regulatory Requirements, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2017; 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.



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### 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 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. 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.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow





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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 .

- d. 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
- e. On the basis of written representation received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-III**.
- g. Land records are not maintained in a proper manner so as to co relate the quantity of land with its value.
- 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 unascertainable).
- i. Being a fully owned Government Company, the Company is not required to transfer any amount to the Investor Education and Protection fund.

**for Bhattacharya Das & CO.**

Chartered Accountants  
Firm Registration No. 307077E

Sd/-  
CA ANJAN SHEE  
**Partner**

Kolkata, the 17th day of May, 2017.

Membership No. 052870



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**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 2016-17

Sl 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 6.29 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



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Report on Additional directions under section 143(5) of the Companies Act, 2013 in respect of Bengal Chemicals & Pharmaceuticals Ltd. for the year 2016-17

Sl 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.	As per Physical Verification conducted by the Management, encroachment of some portion of Land was observed which is yet to be quantified by 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

Sd/-

CA ANJAN SHEE

**Partner**

Membership No. 052870

**2, Garstin Place, (4th Floor)**

Kolkata, the 17th day of May, 2017.



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**ANNEXURE-I I 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 since 2003 showing full particulars including quantitative details and situation of Fixed Assets.  
(b) Physical Verification of Fixed Assets was 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. However, in respect of 6.29 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.
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



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Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other Statutory Dues to it. As on 31st March 2017, Rs.790.06 lakhs on account of Municipal Tax and Land Revenue 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 which are also not provided for in the accounts.

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 lakhs)	Interest accrued and due (Rs in lakhs)
1	Government of India – Plan Loan	9,518.00	4,609.91
2	Government of India – Non-plan Loan	2,310.00	2,739.51
3	Government of West Bengal – Term Loan	82.48	299.95

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.





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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.
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.
17. In terms of Companies (Audit and Auditors) Amendment Rules, 2017 and as per Notification issued by Ministry of Corporate Affairs on 30th March 2017 and as per Schedule III, Division II, Part I, Paragraph 6, Clause-K of the Companies Act, 2013,, the Company has made necessary disclosure in respect of transactions made in SBN during the period as mentioned in the said rules in Para no.2.4 of Notes on Accounts- Schedule-2.

**for Bhattacharya Das & CO.**

Chartered Accountants  
Firm Registration No. 307077E

Sd/-

CA ANJAN SHEE

**Partner**

Membership No. 052870

**2, Garstin Place, (4th Floor)**

Kolkata, the 17th day of May, 2017.



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### **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 2017 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.

#### **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 & Assurance, 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. Those Standards and the Guidance



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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.

### **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



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- (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.

### **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 2017, 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

Sd/-

CA ANJAN SHEE

**Partner**

Membership No. 052870

**2, Garstin Place, (4th Floor)**

Kolkata, the 17th day of May, 2017.



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**ANNEXURE - A**

**Statement of disputed dues as on 31st March, 2017**  
**(Not provided for in the accounts)**

Name of the Statute	Nature of dues	Amount (Rs in lakhs)	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
		41.08	Sept. 1989 to Feb 1994	Appellate Tribunal, Kolkata
		1.22	Sept. 1999	Appellate Tribunal, Kolkata
Sales Tax	Central Sales Tax	21.42	2003-2004	Appellate and Revision Board, Commercial taxes, West Bengal
		292.50	2004-2005	Appellate and Revision Board, Commercial taxes, West Bengal
		440.53	2005-2006	Appellate and Revision Board, Commercial taxes, West Bengal.





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**ANNEXURE - A**

**Statement of disputed dues as on 31st March, 2017**  
**(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	
		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	
		2.22	2012-13	Appellate Authority	
		Value Added Tax	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



**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](mailto:bhattacharyadas@gmail.com)

**ANNEXURE - A**

**Statement of disputed dues as on 31st March, 2017**  
**(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
		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	2011-2012	Appellate Authority
		42.29	2012-2013	Appellate Authority



**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>
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	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
3	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.	No Comments
4	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	No Comments
5	On the basis of written representation received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of section 164(2) of the Act.	No Comments



**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>
6	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 <b>Annexure-III</b> .	No Comments
7	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).	Management issued letters to various Debtors, Creditors & Advance parties for Balance confirmation. Response from some of the parties received and shown to Statutory Auditors. But reply from many parties could not be received in time.
8	Land records are not maintained in a proper manner so as to co relate the quantity of land with its value	Management has taken up the job and appointed a committee of senior officers for completing the job which will be completed shortly.
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	(a) The Company has maintained proper records of Fixed Assets since 2003 showing full particulars including quantitative details and situation of Fixed Assets. (b) Physical Verification of Fixed Assets was conducted by the Management during the year and no material discrepancy was observed. (c) Original Lease deed in respect of	No Comments



**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>
	leasehold land measuring 14.18 acres and title deed in respect of Freehold land measuring 6.29 acres are not on record. However, in respect of 6.29 acres of Freehold land, documents in the form of certified copy of BLR records are available.	No Comments
11	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
12	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
13	In absence of any loan, investment, guarantees and security to other Companies, the provision of sec.185 & 186 is not applicable.	No Comments
14	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



**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>
15	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
16	<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 2017, Rs.790.06 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>	Company could not pay entire Municipal Tax which was overdue since last no. of years to Kolkata & Mumbai Municipality. However, partial repayment of such dues has already been initiated during 2016-17.





**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>												
17	<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"><thead><tr><th></th><th><b>Principal (Rs In lakhs)</b></th><th><b>Interest accrued and due (Rs in lakhs)</b></th></tr></thead><tbody><tr><td>GOI – Plan Loan</td><td>9,518.00</td><td>4,609.91</td></tr><tr><td>GOINon Plan Loan</td><td>2,310.00</td><td>2,739.51</td></tr><tr><td>GWB– Term Loan</td><td>82.48</td><td>299.95</td></tr></tbody></table>		<b>Principal (Rs In lakhs)</b>	<b>Interest accrued and due (Rs in lakhs)</b>	GOI – Plan Loan	9,518.00	4,609.91	GOINon Plan Loan	2,310.00	2,739.51	GWB– Term Loan	82.48	299.95	No Comments
	<b>Principal (Rs In lakhs)</b>	<b>Interest accrued and due (Rs in lakhs)</b>												
GOI – Plan Loan	9,518.00	4,609.91												
GOINon Plan Loan	2,310.00	2,739.51												
GWB– Term Loan	82.48	299.95												
18	<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												
19	<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												



**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>
20	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.	No Comments
21	The Company is not a Nidhi Company and as such this clause is not applicable to it.	No Comments
22	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
23	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
24	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



**Reply to Auditor's Comments on Annual Accounts of 2016-17.**

<b>Sl.No.</b>	<b>Auditor's Comment</b>	<b>Management Reply</b>
25	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
26	In terms of Companies (Audit and Auditors) Amendment Rules, 2017 and as per Notification issued by Ministry of Corporate Affairs on 30th March 2017 and as per Schedule III, Division II, Part I, Paragraph 6, Clause-K of the Companies Act, 2013,, the Company has made necessary disclosure in respect of transactions made in SBN during the period as mentioned in the said rules in Para no.2.4 of Notes on Accounts- Schedule-2.	No Comments

Sd/-  
**(P.M.CHANDRAIAH)**  
Director(Finance)



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



**BALANCE SHEET AS AT 31ST MARCH 2017**

(Rs. in Lakhs)

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
<b>EQUITY AND LIABILITIES</b>			
<u>Shareholders' Fund:</u>			
Share Capital	3	<b>7,696.04</b>	7,696.04
Reserves & Surplus	4	<b>(17,906.02)</b>	(18,357.31)
		<b>(10,209.98)</b>	(10,661.27)
<u>Non Current Liabilities :</u>			
Long Term Borrowings	5	<b>20,683.85</b>	19,858.34
Other Long Term Liabilities	6	<b>528.13</b>	444.49
Long Term Provisions	7	<b>1,379.36</b>	1,660.68
		<b>22,591.34</b>	21,963.51
<u>Current Liabilities:</u>			
Short Term Borrowings	8	<b>1,271.08</b>	1,881.68
Trade Payables	9	<b>3,500.79</b>	4,541.78
Other Current Liabilities	10	<b>4,053.52</b>	4,330.46
Short Term Provisions	11	<b>365.55</b>	312.37
		<b>9,190.94</b>	11,066.29
<b>TOTAL LIABILITIES</b>		<b>21,572.30</b>	22,368.53
<b>ASSETS</b>			
<u>Non-Current Assets :</u>			
<u>Fixed Assets:</u>			
Tangible Assets	12	<b>10,251.43</b>	9,736.38
Capital Work in Progress	13	<b>5,149.40</b>	5,718.20
Long Term Loans and Advances	14	<b>15,400.83</b>	15,454.58
		<b>26.97</b>	28.28
<u>Current Assets :</u>			
Inventories	15	<b>1,467.38</b>	1,463.29
Trade Receivables	16	<b>2,171.37</b>	2,632.94
Cash and Cash Equivalents	17	<b>1,429.00</b>	1,865.37
Short Term Loans and Advances	18	<b>613.86</b>	476.21
Other Current Assets	19	<b>462.89</b>	447.86
		<b>6,144.50</b>	6,885.67
<b>TOTAL ASSETS</b>		<b>21,572.30</b>	22,368.53

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

**On Behalf of the Board**

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

Sd/-  
**(JITENDRA TRIVEDI)**  
Part-Time Official Director  
(Govt.Nominee Director)  
DIN : 07562190

Place: Kolkata  
Date: 17th May 2017

Sd/-  
**(S. SENGUPTA)**  
DGM (Finance)

Sd/-  
**(SATISH KUMAR)**  
Company Secretary



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



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017**

(Rs. in Lakhs)

Particulars	Notes	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>INCOME</b>			
Revenue from Operations(Gross)	20	<b>9,248.30</b>	9,623.37
Less: Excise Duty		<b>712.00</b>	804.20
Revenue from Operations(Net)		<b>8,536.30</b>	8,819.17
Other Income	21	<b>2,488.21</b>	2,457.13
<b>TOTAL INCOME</b>		<b>11,024.51</b>	11,276.30
<b>EXPENSES</b>			
Raw Material Consumed	22	<b>4,600.87</b>	5,589.80
Changes in Inventory	23	<b>62.23</b>	40.22
Employee Benefit Expenses	24	<b>1,951.91</b>	2,351.89
Finance Costs	25	<b>1,506.51</b>	1,641.99
Other Expenses	26	<b>2,004.92</b>	2,170.45
Depreciation	12	<b>446.68</b>	395.02
<b>Total Expenses</b>		<b>10,573.12</b>	12,189.37
Loss Before Extra- ordinary Income		<b>451.39</b>	(913.07)
Extra-ordinary Income	2.4	-	-
<b>Profit/(Loss) Before Tax</b>		<b>451.39</b>	(913.07)
Tax Expenses		-	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>451.39</b>	(913.07)
Earning per share (Basic & Diluted in Rs.)		58.65	(118.64)

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

**On Behalf of the Board**

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

Sd/  
**(JITENDRA TRIVEDI)**  
Part-Time Official Director  
(Govt.Nominee Director)  
DIN : 07562190

Place: Kolkata  
Date: 17th May 2017

Sd/  
**(S. SENGUPTA)**  
DGM (Finance)

Sd/  
**(SATISH KUMAR)**  
Company Secretary



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



**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2017** (Rs. in Lakhs)

Particulars	For the year		For the year	
	2016-17		2015-16	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net (Profit) before extraordinary items and tax (i)		451.39		(913.07)
<b>Adjustments for:</b>				
Depreciation and amortization	446.68		395.02	
(Profits)/ loss on sale / write off of assets	-		(0.18)	
Finance cost	1,506.51		1,641.99	
Interest Income	(18.00)		(167.09)	
Rental From properties	(1,123.77)		(993.04)	
Others	(223.39)		(258.15)	
Provisions no longer required written back	(996.99)		(954.50)	
Provisions for doubtful receivables, loans and advances	0.01		106.26	
Other (Live stock Write-off)	1.07		1.26	
Prior Period Adjustments	1.24		(59.69)	
		<u>(406.64)</u>		<u>(288.13)</u>
Operating Profit Loss before working capital change (iii)=(i + ii)		44.75		(1,201.20)
<b>Changes in working capital:</b>				
Adj. for (increase) / decrease in operating assets:				
Inventories	(4.09)		(34.83)	
Trade Receivables	461.38		(944.77)	
Short-term loans and advances	(65.81)		229.82	
Long-term loans and advances	1.31		(3.45)	
Other current assets	(31.70)		(60.58)	
		<u>361.09</u>		<u>(813.80)</u>
Adj. for (increase) / decrease in operating liabilities:				
Trade payables	(573.73)		712.91	
Other current liabilities(other payables)	(276.94)		(155.55)	
Short-term provisions	53.18		(63.14)	
Long-term provisions	(281.32)		114.43	
Extra ordinary items	-		-	
		<u>(1,078.81)</u>		<u>608.64</u>
Cash generated from operations (vi) = (iii+iv+v)		(672.97)		(1,406.36)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(672.97)</b>		<b>(1,406.36)</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Capital expenditure on fixed assets, including CWIP	(394.95)		(611.93)	
Bank balances not considered as Cash and cash equivalents				
-Matured	446.43		1,769.81	
Deposit from tenants	83.64		(50.91)	
Interest received	18.00		167.09	
Rental income from investment properties	1,140.47		798.88	
Others(Claim)	223.39		220.57	
Other Income	-		-	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>1,516.98</b>		<b>2,293.51</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Long Term Borrowings				
Short-term borrowings	(610.60)		(675.62)	
Finance cost	(223.39)		(274.84)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(833.99)</b>		<b>(950.46)</b>
<b>Net increase/ (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>10.02</b>		<b>(63.30)</b>
Cash and cash equivalents at the beginning of the year		153.49		216.79
<b>Cash and cash equivalents at the end of the year</b>		<u>163.51</u>		<u>153.49</u>
<b>Reconciliation of Cash and cash equivalents:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		1,429.00		1,865.37
Less: Term Deposit not considered as Cash and Cash equivalents as defined in AS 3 Cash Flow Statements		1,265.45		1,711.88
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16</b>		<b>163.55</b>		<b>153.49</b>
Cash and cash equivalents at the end of the year*				
<b>* Comprises:</b>				
(a) Cash on hand	0.00		2.98	
(b) Cheques in hand	2.20		2.55	
(c) Balance with banks - in Current Accounts	161.35		147.97	

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

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

On Behalf of the Board

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

Sd/-  
**(JITENDRA TRIVEDI)**  
Part-Time Official Director  
(Govt.Nominee Director)  
DIN : 07562190

Place: Kolkata  
Date: 17th May 2017

Sd/-  
**(S. SENGUPTA)**  
DGM (Finance)

Sd/-  
**(SATISH KUMAR)**  
Company Secretary





## **1.0 SIGNIFICANT ACCOUNTING POLICIES 2016-17**

### **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 counter party, 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.
- (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 recognised 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 material 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 Employee Benefits:**

- (i) **Provident Fund:** The Company makes specified monthly contribution towards the employees' provident fund to the provident fund trust 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. 2000.00 Lakhs, Rs. 2940.00 Lakhs, Rs. 2000.00 Lakhs & Rs. 60 Lakhs against Plan Loan during the year 2007-08, 2008-09, 2009-10, 2010-11 & 2011-12 respectively. Out of Plan Loan received during 2010-11, an amount of Rs.170.00 Lacs had been repaid against Plan Loan due for 2004-05. 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.10642.00 Lakhs), Equity fund amounting to Rs.5500 Lakhs(Previous



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Year Rs. 5500 Lakhs) & Grant for R&D amounting to Rs.629.00 Lakhs(Previous Year Rs.629.00 Lakhs), company has utilised upto 2016-17 in the following manner-

(Rs.in Lakhs)

Description	Plant & Machinery	Buildings	Total	Capital WIP	Grand Total
Maniktala Factory	1491.66	4958.21	6449.87	3277.43	9727.30
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	2837.68	6765.96	9603.64	4845.65	14449.29

c) Utilisation of Grant In Aid:

Out of GOI grant of Rs.2470.00 Lakhs received in the year 2007-08, Company has utilise 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 to 148. 36 Lakhs). Balance in this account as on 31.03.2017 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.1597.06 Lakhs (Previous Year Rs 1471.00 Lakhs) has been paid till 31.03.17 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 31.03.2017 is Rs.402.94 Lakhs (Previous Year Rs.529.00 Lakhs)

**2.2** Short Term Fixed Deposit with various Banks at the end of the year is Rs.1265.45 Lakhs including accrued interest (Previous Year Rs.1711.88 Lakhs). In compliance to AS-12, the Company kept the unutilized portion of Govt. Grants as mentioned in point no 2.1(c) in the form of Short Term Fixed Deposit which are included in the aforesaid amount of Short Term Fixed Deposit.

**2.3 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 2017 amounts to Rs. 0.30 lakhs (Previous year Rs.0.40 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 QC and R&D Blocks has also been transferred to this account.

#### **2.4 Specified Bank Notes:**

As per Notification issued by Ministry of Corporate Affairs on 30th March 2017 and as per Schedule III, Division II, Part I, Paragraph 6, Clause-K of the Companies Act, 2013, necessary disclosure is given below- (Rs.in Lakhs)

Particulars	SBNs (Rs)	Other Denomination Notes (Rs)	Total (Rs)
Closing Cash in hand as on 08.11.2016	79000	19394	98394
(+) Permitted receipts *	124100	1667231	1791331
(-) Permitted Payments **	16500	1524195	1540695
(-) Amount deposited in Banks	186600	-	186600
Closing Cash in hand as on 30.12.2016	-	162430	162430

\* Amount includes collection from Retail sale counter at 6 Ganesh Chunder Avenue and withdrawal from Bank.

\*\* Amount was paid to employees as Salary Advance as per Govt. directive in the month of November 2016.

#### **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.75.45 Lakhs (Previous Year Rs.75.12 Lakhs) as Employer's Contribution to Provident Fund in the statement of Profit & Loss.  
(iii) In addition, during the year, the Company has recognised Rs. 61.34 Lakhs (Previous Year Rs.59.58 Lakhs) 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:-



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(Rs.in Lakhs)

Sl. No	Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)		Leave Travel Concession	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1.	Amount recognised in the Balance Sheet						
	Present value of obligations	<b>1405.62</b>	1502.18	<b>548.25</b>	407.57	<b>19.17</b>	-
2.	Reconciliation of Opening & Closing balance of obligations						
	Opening Balance	<b>1405.62</b>	1502.18	<b>548.25</b>	407.57	<b>19.17</b>	-
	Benefits Paid	<b>184.56</b>	232.79	<b>75.41</b>	112.45	<b>0.16</b>	23.39
	Actuarial Gain/(Loss)	<b>186.60</b>	96.56	<b>39.30</b>	(140.68)	<b>2.23</b>	-
	Closing Balance	<b>1219.02</b>	1405.62	<b>508.95</b>	548.25	<b>16.94</b>	19.17
3.	Expenses recognised in P&L Account						
	Actuarial Gain/(Loss)	<b>186.60</b>	96.56	<b>39.30</b>	(140.68)	<b>2.23</b>	-
4.	Actuarial Assumptions						
	Mortality Table	<b>2006-08</b>	2006-08	<b>2006-08</b>	2006-08	<b>2006-08</b>	2006-08
	Superannuation Age	<b>58&amp;60yrs</b>	58&60yrs	<b>58&amp;60yrs</b>	58&60yrs	<b>58&amp;60yrs</b>	58&60yrs
	Attrition Rate	<b>2%pa</b>	2%pa	<b>2%pa</b>	2%pa	<b>2%pa</b>	2%pa
	Discount Rate	<b>7.22%pa</b>	7.80%pa	<b>7.22%pa</b>	7.80%pa	<b>7.22%pa</b>	7.80%pa
	Inflation Rate	<b>11.00%pa</b>	12.50%pa	<b>11.00%pa</b>	12.50%pa	-	-

(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.



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**2.6 Segment Reporting- Primary segment information are as below**

(Rs.in Lakhs)

Particulars	Chemicals		Pharmaceuticals		Cosmetic & H.P.		Unallocated		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Revenue</b>										
External Sales	499.72	570.38	5408.78	5612.79	2627.80	2636.00	-	-	8536.30	8819.17
Other Income	-	-	-	-	-	-	2488.21	2457.13	2488.21	2457.13
Total Revenue	499.72	570.38	5408.78	5612.79	2627.80	2636.00	2488.21	2457.13	11024.51	11276.30
<b>Result</b>										
Segment Result	131.72	107.35	360.84	670.80	624.95	496.16	976.28	(-)42.85	2093.79	1231.46
Interest Expense	-	-	-	-	-	-	1506.51	1641.99	1506.51	1641.99
Depreciation	22.32	24.88	302.69	250.45	117.39	115.03	4.28	4.66	446.68	395.02
Provisions	-	-	-	-	11.00	-	(-) 321.79	107.52	(-)310.79	107.52
Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
Net Profit before Tax	109.40	82.47	58.15	20.35	496.56	381.13	(-)212.72	(-)1397.02	451.39	(913.07)
Taxes	-	-	-	-	-	-	-	-	-	-
Net Profit after Tax	109.40	82.47	58.15	20.35	496.56	381.13	(-)212.72	(-)1397.02	451.39	(913.07)
<b>Other Information</b>										
Segment Assets	1981.17	2173.28	10047.96	11382.65	2134.66	2164.38	7408.47	6648.22	21572.26	22368.53
Addition to Fixed Assets	-	0.34	956.05	5699.96	7.71	5.02	-	111.33	963.75	5816.65
Segment Liabilities	2918.84	3209.10	14803.59	16807.83	3144.98	3195.97	10914.84	9816.89	31782.26	33029.79

**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 upto 31.05.2016
- 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)	
	2016-17	2015-16	2016-17	2015-16
Salary	2.09	11.93	11.61	10.89
Contribution To PF	0.22	1.22	1.18	1.10
Perquisites	0.28	1.55	1.79	1.48
Total	2.59	14.70	14.58	13.47

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	2016-17	2015-16
a) Lease Rental recognised as Income during the Period	<b>1123.77</b>	993.04
b) Lease Rentals(Office premises):-		
Gross Carrying Amount	<b>1077.02</b>	1077.02
Accumulated Depreciation	<b>287.21</b>	270.34
Depreciation recognised in Profit & Loss Account	<b>16.87</b>	16.87

## 2.9 Disclosure on Discontinuation of Operations as per Accounting Standard-24

Company decided to discontinue production of Cantharidine Hair Oil in its Kanpur and Maniktala factories due to low market demand. On the basis of such decision, production activity of Kanpur and Maniktala factory have been discontinued during 2016-17. Gross and Net Carrying cost of Plant & Machinery of the factories as on 31-03-2017 are as follows-

(Rs.in Lakhs)

Sl.No.	Name of the factories	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
1.	Maniktala	2913.53	967.27	1946.26
2.	Kanpur	93.85	63.21	30.64

**2.10** 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”.

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



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and Chandigarh. Chandigarh C&F has been terminated w.e.f. 17 March 2017 due to non performance. The accounts of these ten C & F Agents have been incorporated in the accounts as certified by the Management.

**2.12** 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.

**2.13** As per existing practice, debts outstanding for more than three years as on 31.03.2017 has been provided for in the Accounts.

**2.14 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Chemicals:						
Alum Ferric	<b>7.65</b>	15.03	<b>7.77</b>	7.65	<b>412.82</b>	408.94
Pharmaceuticals:						
Eutheria	<b>10.70</b>	42.54	<b>17.79</b>	10.70	<b>112.37</b>	346.65
Aqua Ptyocitis	<b>3.20</b>	6.47	<b>4.94</b>	3.20	<b>72.39</b>	50.43
Others	<b>306.79</b>	168.32	<b>394.98</b>	306.79	<b>6501.62</b>	5976.20
Cosmetic & Home Products:						
Cant Hair Oil	<b>91.73</b>	148.19	<b>54.40</b>	91.73	<b>359.22</b>	603.04
Pheneol	<b>167.04</b>	85.09	<b>87.74</b>	167.04	<b>1496.38</b>	1357.90
Napthalene Ball	<b>31.68</b>	48.87	<b>25.60</b>	31.68	<b>28.92</b>	33.30
Others	<b>69.32</b>	102.85	<b>64.67</b>	69.32	<b>264.58</b>	846.91
Bulk Finished (Pheneol)	<b>7.65</b>	75.79	<b>1.00</b>	7.65	-	-
Total	<b>695.76</b>	693.15	<b>658.88</b>	695.76	<b>9248.30</b>	9623.37

b) Work in Progress:-

(Rs.in Lakhs)

Class of Goods	Opening Value		Closing Value		Sales Value	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Pharmaceuticals	<b>40.55</b>	102.38	-	40.55	-	-
Cosmetic & H.P.	<b>20.80</b>	1.81	<b>36.01</b>	20.80	-	-
Total	<b>61.35</b>	104.19	<b>36.01</b>	61.35	-	-



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c) Break up of Raw & Packing materials consumed:- (Rs.in Lakhs)

Particulars	2016-17	2015-16
Crude Drugs & Extracts	<b>924.81</b>	1278.77
Organic Chemicals & solvent	<b>1203.70</b>	1659.31
In Organic Chemicals & solvent	<b>265.89</b>	932.10
Oils, Vegetables & Minerals	<b>471.97</b>	475.03
Minerals	<b>274.12</b>	258.30
Packing Materials	<b>763.79</b>	652.95
Others	<b>696.60</b>	333.34
Total	<b>4600.87</b>	5589.80

**2.15 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. 2764.20 Lakhs)

(ii) In respect of claims under Central Excise Act: Rs. 194.01 Lakhs (P.Y.- Rs.151.72 Lakhs)

(iii) Claims by Contractors/Landlord/Employees pending in Arbitration/Courts: Rs.290.96 Lakhs (P.Y.- Rs.318.09 Lakhs)

(iv) Counter guarantee given to bank against guarantee issued by them on behalf of the Company Rs. 18.22 Lakhs (P.Y.- Rs. 30.18 Lakhs)

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

**2.16 Estimated amount of contracts remaining to be executed on Capital Account and not provided for**

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for is Rs.2789.02 Lakhs (PY Rs.2930.43 Lakhs)

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

(Rs. In Lakhs)

	2016-17	2015-16
Profit / (Loss) after Tax as per Profit & Loss Account	<b>451.39</b>	(913.07)
Weighted average no. Of Equity Shares (in Numbers)	<b>769604</b>	769604
Basic & Diluted Earnings per Share (in Rs)	<b>(58.65)</b>	<b>(118.64)</b>





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**2.18** 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	ASL Plastic
3	Banhita Packaging Industries	4	Daga Plastics Ltd
5	G.S.Printpack	6	Mangalam Plastic
7	P.B.Holtech	8	S.D.& Co
9	Somani Oils & Chemicals	10	Super Packaging Industries
11	UITC India Pvt Ltd	12	Ultimate
13	Print Home	14	Promo world

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.

**2.19** During the year 2016-17, the movement of various Provisions, is given as under:-

(Rs. in Lakhs)

Particulars : - Provision for	Opening Balance	Additions	Utilizations/ Write back	Closing Balance
Gratuity	1405.62	Nil	186.60	<b>1219.02</b>
Leave Salary	548.25	36.11	75.41	<b>508.95</b>
Leave Travel Concession	19.17	Nil	2.23	<b>16.94</b>
Doubtful Debts	91.64	0.19	Nil	<b>91.83</b>
Doubtful advances	175.03	Nil	71.85	<b>103.18</b>
Slow/ Non moving stores	11.00	Nil	11.00	<b>Nil</b>
Claims Recoverable	127.00	Nil	Nil	<b>127.00</b>
Total	2377.71	36.30	347.09	<b>2066.92</b>



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**2.20** 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)  
DIN 06970910

Sd/-  
**(JITENDRA TRIVEDI)**  
Part-Time Official Director  
(Govt. Nominee Director)

Sd/-  
**(S.SENGUPTA)**  
DGM(Finance)

Sd/-  
**(SATISH KUMAR)**  
Company Secretary

Place: Kolkata

Date: 17th May, 2017



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### 3. SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
(A) Authorised Capital : 800000 equity shares of Rs.1000/- each	<b>8,000.00</b>	8,000.00
(B) Issued, Subscribed & Paid up Capital: 769604 Equity Share of Rs. 1,000/- each fully paid	<b>7,696.04</b>	7,696.04
<b>Total Paid-Up Share Capital</b>	<b>7,696.04</b>	7,696.04

#### 3(a) Reconciliation of the number of shares outstanding

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Number of Shares outstanding at the beginning of the year	<b>769604</b>	769604
Add: Shares issued during the year	-	-
<b>Number of shares outstanding at the end of the year</b>	<b>769604</b>	769604

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

(Rs. in Lakhs)

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Hon'ble President Of India & his nominees	<b>769604</b>	<b>100</b>	769604	100
<b>Total</b>	<b>769604</b>	<b>100</b>	769604	100

### 4. RESERVES AND SURPLUS

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
(A) Capital Reserves :		
Opening Balance	<b>7,799.07</b>	7,799.17
Less : Deductions / Transfers during the year		
Depreciation on Fixed Assets Acquired from Government	<b>0.10</b>	0.10
Closing Balance (A)	<b>7,798.97</b>	7,799.07
(B) Surplus/(Deficit) Debit Balance in P&L account :		
Opening Balance	<b>(26,156.38)</b>	(25,243.31)
Less: Adjustments (Ref. Note-2.3 & Note-12)	-	-
Add : Profit (Loss) for the year	<b>451.39</b>	(913.07)
Closing Balance (B)	<b>(25,704.99)</b>	(26,156.38)
<b>Total (A)+(B)</b>	<b>(17,906.02)</b>	(18,357.31)



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**5. LONG TERM BORROWINGS**

(Rs. in Lakhs)

Particulars				As at 31st March 2017	As at 31st March 2016
<b>Term Loans</b>					
<b>(i) Secured</b>					
Govt of West Bengal Sales Tax				82.48	82.48
Interest Accrued & Due on above (Secured by hypothecation of Fixed Assets)				299.95	292.73
<b>(ii) Unsecured</b>					
(a) Government of India - Plan Loan				10,642.00	10,642.00
Interest Accrued on Government of India - Plan Loan				4,609.91	4,246.64
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	1,000.00		
23.12.09	Nil	490.00	490.00		
28.01.10	Nil	950.00	950.00		
15.03.10	Nil	500.00	500.00		
20.05.10	Nil	2,000.00	1,600.00		
02.12.11	Nil	60.00	36.00		
04.03.15	11.50%	700.00	-		
		10,642.00	9,518.00		
(b) Government of India - Non Plan Loan				2,310.00	2,310.00
Interest Accrued on Government of India - Non Plan Loan				2,739.51	2,284.49
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		
		2310.00	2310.00		
<b>Total</b>				<b>20,683.85</b>	<b>19,858.34</b>

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 2017	As at 31st March 2016
Deposit from Tenants	528.13	444.49
<b>Total</b>	<b>528.13</b>	<b>444.49</b>

**7 LONG TERM PROVISIONS**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Employee Benefits	1,379.36	1,660.68
<b>Total</b>	<b>1,379.36</b>	<b>1,660.68</b>



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**8 SHORT TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Secured Working Capital Loan From United Bank of India	<b>1,271.08</b>	1,881.68
<b>Total</b>	<b>1,271.08</b>	1,881.68

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**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Small Scale Industrial Undertakings #	<b>91.00</b>	91.57
Others	<b>3,409.79</b>	4,450.21
<b>Total</b>	<b>3,500.79</b>	4,541.78

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

**10 OTHER CURRENT LIABILITIES**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Interest Accrued but not due on Borrowings	<b>94.77</b>	94.45
Interest Accrued on MSMEs	<b>32.67</b>	46.17
Interest Accrued on Secutrity Deposits of C&F	<b>2.22</b>	6.54
<u>Other Payables :</u>		
Statutory Liabilities	<b>1,181.38</b>	363.90
Liability for Expenses and Others	<b>951.96</b>	1,939.82
Payable to Employees and Others	<b>98.60</b>	98.13
Unutilized Grant-in-Aid	<b>1,163.78</b>	1,289.84
Interest Received/Accd.on STDs of Govt Grants	<b>81.69</b>	-
Deposits Refundable	<b>446.45</b>	491.61
<b>Total</b>	<b>4,053.52</b>	4,330.46

**11 SHORT TERM PROVISIONS**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Employee Benefits	<b>365.55</b>	312.37
Fringe Benefit Tax Payable	-	-
<b>Total</b>	<b>365.55</b>	312.37



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**12 FIXED ASSETS (Tangible)**

(Rs. in Lakhs)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.16	Addition	Sold/ Adjus- ted	As at 31st March 2017	As at 01.04.16	For the Year	Sold/ Adjusted	upto 31.03.17	As at 31st March 2017	Aa at 01.04.16
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	6,283.70	98.31		6,382.01	562.50	195.81		758.31	5,623.70	5,721.20
-Non- Manufacturing	259.43			259.43	49.08	4.06		53.14	206.29	210.35
- Office Building	1,694.73	0.69		1,695.42	337.03	26.65		363.68	1,331.74	1,357.69
Chemical Machinery	1,266.31	0.87	0.28	1,266.90	819.69	43.93		863.62	403.28	446.64
General Machinery	2,438.29	795.20	(0.49)	3,233.98	756.25	153.74	(0.08)	910.07	2,323.91	1,682.04
Computer	94.39	6.46	(0.47)	101.32	74.47	8.67		83.14	18.18	19.92
Cooler, Refrigerator & AC	74.94	9.26	0.77	83.43	42.27	4.59		46.86	36.57	32.67
Printing Equipments	6.44		(0.45)	6.89	6.11			6.11	0.78	0.33
Fire Appliances	2.99		(0.04)	3.03	1.52	0.15		1.67	1.36	1.47
Furniture & Fittings	133.76	46.32	1.07	179.01	74.31	6.60		80.91	98.10	59.45
Machine & Equipments	32.16	6.64	0.20	38.60	26.92	1.26		28.18	10.42	5.23
Live Stock	6.37		1.07	5.30				-	5.30	6.37
Library Books	3.99			3.99	3.79			3.79	0.20	0.20
Laboratory	15.57			15.57	11.04	1.22		12.26	3.31	4.53
<b>Total</b>	<b>12,501.36</b>	<b>963.75</b>	<b>1.94</b>	<b>13,463.17</b>	<b>2,764.98</b>	<b>446.68</b>	<b>(0.08)</b>	<b>3,211.74</b>	<b>10,251.43</b>	<b>9,736.38</b>
Previous Year	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

**13 CAPITAL WORK IN PROGRESS**

(Rs. in Lakhs)

Particulars	As at 1st April 2016	Additions	Adjustment/ (Deletion)	Capitalised during the year	As at 31st March 2017
Building	3,413.01	139.54		86.02	3,466.53
P & M	1,405.09	891.11		785.09	1,511.11
Electrical	818.89	18.94	837.83		-
Interest Expenses	81.21	90.55			171.76
Others	-	49.44		49.44	-
<b>Total</b>	<b>5,718.20</b>	<b>1,189.58</b>	<b>837.83</b>	<b>920.55</b>	<b>5,149.40</b>
Previous Year	10,922.93	553.07	120.66	5,637.14	5,718.20

**14 LONG TERM LOANS AND ADVANCES**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Income Tax - Deductible from employees on retirement	26.97	28.28
<b>Total</b>	<b>26.97</b>	<b>28.28</b>

**15 INVENTORIES**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>(A) RAW MATERIAL &amp; PACKING MATERIALS:</b>		
[a] Raw Materials	506.86	418.74
[b] Packing Material	222.72	234.34
<b>Raw Materials &amp; Packing Materials (A)</b>	<b>729.58</b>	<b>653.08</b>
<b>(B) FINISHED GOODS &amp; WIP INVENTORY:</b>		
[a] Finished Goods	658.88	695.77
(b) Work-In-Progress	36.01	61.35
[c] Stores and Spare Parts	42.91	53.09
<b>Finished Goods &amp; WIP Inventory (B)</b>	<b>737.80</b>	<b>810.21</b>
<b>Total (A+B)</b>	<b>1,467.38</b>	<b>1,463.29</b>





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**16 TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at		As at	
	31st March 2017		31st March 2016	
(Unsecured)				
More than six months:				
considered good	199.53		284.06	
considered doubtful	91.83		91.64	
		291.36		375.70
Others (less than six months)		1,971.84		2,348.88
		2,263.20		2,724.58
Less: Provision for doubtful debts		91.83		91.64
<b>Total</b>		<b>2,171.37</b>		<b>2,632.94</b>

**17 CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

Particulars	As at 31st	
	March 2017	
(a) Cash and Cash equivalents		
(i) Cash in Hand -		2.98
(ii) Cheques in Hand	2.20	2.55
(iii) Balances with Banks:		
In Current Accounts	161.35	147.96
In Term Deposits	1,265.45	1,711.88
<b>Total</b>	<b>1,429.00</b>	<b>1,865.37</b>

**18 SHORT TERM LOANS AND ADVANCES**

(Rs. in Lakhs)

Particulars	As at 31st	
	March 2017	
Unsecured, considered Good :		
Security Deposit Recoverable	236.25	229.64
Advance to Suppliers/Project Advances	351.14	236.28
Prepaid Expenses	5.18	9.05
Advance payment of Statutory Dues, Duties & Taxes	124.47	176.27
	717.04	651.24
Less : Provision for Doubtful Advance	103.18	175.03
<b>Total</b>	<b>613.86</b>	<b>476.21</b>

**19 OTHER CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	As at 31st	
	March 2017	
Rent and Other Receivables	368.27	384.96
Less : Provision for Claims Receivables	127.00	127.00
	241.27	257.96
Income Tax and Other Deposits	192.35	160.27
Others	29.27	29.63
<b>Total</b>	<b>462.89</b>	<b>447.86</b>

**20 REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

Particulars	As at	
	31st March 2017	
Sale of Products	9,248.30	9,623.37
Less : Excise Duty	712.00	804.20
<b>Total</b>	<b>8,536.30</b>	<b>8,819.17</b>



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**21 OTHER INCOME**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
A. Interest Income : On Bank Deposits	<b>18.00</b>	167.09
B. Other Non-Operating Income :		
Rent from Properties	<b>1,123.77</b>	993.04
Others	<b>223.39</b>	258.15
Provision no longer required written back	<b>996.99</b>	954.50
Loss on sale of Fixed Assets	-	0.18
	<b>2,344.15</b>	2,205.87
Grants-in-Aid (for VRS recd. from GOI)	<b>126.06</b>	84.17
<b>Total</b>	<b>2,488.21</b>	2,457.13

**22 COST OF MATERIALS CONSUMED**

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Opening Stock of -		
Raw Materials	<b>418.74</b>	332.65
Packing Materials	<b>234.34</b>	239.95
	<b>653.08</b>	572.60
Add : Purchase of -		
Raw Materials #	<b>3,982.52</b>	5,001.07
Packing Materials ( Production )	<b>667.30</b>	647.84
Freight Charges - Inward	<b>27.55</b>	21.37
	<b>4,677.37</b>	5,670.28
Profit : Closing Stock of -		
Raw Materials	<b>(506.86)</b>	(418.74)
Packing Materials ( Production )	<b>(222.72)</b>	(234.34)
	<b>(729.58)</b>	(653.08)
<b>Total</b>	<b>4,600.87</b>	5,589.80

# Includes purchases on Loan Licensing basis of Rs. 1302.38 Lakhs in 2016-17 (Rs.2619.01 Lakhs in 2015-16)

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

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
A. Finished Goods : Opening Stock	<b>695.77</b>	693.15
Less: Closing Stock	<b>658.88</b>	695.77
Decrease / (Increase)	<b>36.89</b>	(2.62)
B. Work In Progress : Opening Stock	<b>61.35</b>	104.19
Less: Closing Stock	<b>36.01</b>	61.35
Decrease / (Increase)	<b>25.34</b>	42.84
<b>Total</b>	<b>62.23</b>	40.22



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**24 EMPLOYEE REMUNERATION & BENEFITS EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries & Wages	1,489.94	1,539.72
Contribution to P.F. and Other Funds	137.63	138.04
Employees Retirement Benefits	60.50	486.41
Staff Welfare Expenses	137.78	103.55
Grants-in-Aid received from Govt.of India	126.06	84.17
<b>Total</b>	<b>1,951.91</b>	<b>2,351.89</b>

**25 FINANCE COSTS**

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest to Bank	155.68	263.35
Interest on Government of India - Plan	740.35	774.41
Interest on Government of India - Non Plan	458.85	407.63
Interest on West Bengal Sales Tax Loan	7.22	7.21
Interest to Others	144.41	189.39
<b>Total</b>	<b>1,506.51</b>	<b>1,641.99</b>

**26 OTHER EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A : Manufacturing Expenses</b>		
Power & Fuel	250.79	190.32
Repairs:		
Plant and Machinery	42.53	29.25
Building	31.70	11.15
Others	33.91	21.94
Insurance	12.61	11.21
Factory Production Other Expenses	109.76	66.65
Sub-Total [A]	481.30	330.52
<b>B : Administrative Expenses</b>		
Rates and Taxes	169.60	132.93
Provisions and Write Offs	1.08	107.52
Professional Fees	15.23	25.94
Rent to others	23.84	23.07
Directors' Sitting Fee	0.70	0.45
Auditors Remuneration [Ref. Note 26(a)]	2.33	2.38
Mscellaneous Expenses [Ref.Note 26(b)]	283.04	334.56
Prior Period Expenses [(Ref. Note 26(c)]	(27.40)	(14.70)
Sub-Total [B]	468.42	612.15
<b>C : Selling Expenses</b>		
Sales Tax	155.78	194.69
Discounts & Commissions	555.31	582.31
Freight Charges	228.62	345.16
Other Selling Overheads	115.49	105.62
Sub-Total [C]	1,055.20	1,227.78
<b>Total (A+B+C)</b>	<b>2,004.92</b>	<b>2,170.45</b>



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**26(a) AUDITORS REMUNERATION & EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Audit Fee	1.44	1.36
Tax Audit Fees #	0.29	0.29
Certification Fees	0.30	0.43
Reimbursement of Expenses	0.30	0.30
<b>Total</b>	<b>2.33</b>	<b>2.38</b>

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

**26(b) MISCELLANEOUS EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Advertisement, Press & Publicity	9.54	27.58
Printing & Stationery	14.56	14.96
Postage	1.68	3.27
Website Maintenance & Internet Charges	1.31	2.42
Telephone	13.30	12.69
Vehicles Running & Maintenance Expenses	23.49	25.87
Bank Charges & Commission	9.55	3.21
Legal Expenses	5.78	10.48
Entertainment Expenses	10.79	6.51
Books and Periodicals	0.41	0.36
Membership Subscription	0.95	0.67
Service tax	4.33	2.92
Brokerage on Rent	21.20	6.63
Filing Fees	0.65	11.25
Travelling Expenses	50.48	65.14
Security Service Charges	101.44	105.59
Gifts and donation	0.89	0.01
Miscellaneous Expenses	12.69	35.00
<b>Total</b>	<b>283.04</b>	<b>334.56</b>

**26(c) PRIOR PERIOD ITEMS**

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Net Debit Items		
Interest on Loans /STDs	-	8.87
Rates, Taxes & Duties	3.82	134.80
Salary, Wages & PF	-	7.59
Others	6.75	34.49
Sub-Total [A]	10.57	185.75
Net Credit Items		
Freight	-	33.74
Sales	-	59.51
Rent	2.37	11.40
Sundry Creditors & LD	28.64	50.79
Capital W.I.P	-	25.81
Others	6.96	19.20
Sub-Total [B]	37.97	200.45
<b>Total (A+B)</b>	<b>(27.40)</b>	<b>(14.70)</b>



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



### OUR OFFICES :

**Registered Office / Corporate Office:**

6, Ganesh Chunder Avenue, Kolkata-700013

Dial:(033)2237-1525/1526 Fax: (033) 2225-7697

Website: www.bengalchemicals.co.in Email : secretariate@bengalchemicals.co.in

### OUR FACTORIES :

**Maniktala Factory:**

164 Manicktala Main Road,

Kolkata – 700 054

Tel No. 033 – 2320 4153/4157/4158 & 2334 4154

Fax No. 033 – 2320 4156

Email: works\_mfy@bengalchemicals.co.in

**Panihati Factory:**

B.T. Road, P.O. – Panihati,

Kolkata – 700 114, 24 Pgs. (North)

Tel No. 033 – 2553 1234/1924/2017/4541

Fax No. 033 – 2523 1018

E-mail: works\_pfy@bengalchemicals.co.in

**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

**Kanpur Factory:**

84/23, Factory Area, Fazlganj

Kanpur - 208 012

Tel No. 512- 221 6292

Fax No. 512-221 7794

E-mail: works\_kfy@bengalchemicals.co.in

### OUR DEPOTS :

**Kolkata Depot:**

83 Rashbehari Avenue, Kolkata 700026

Tel No. 033-2464 3770 Fax No. 044- 2376-4510

E-mail: kolkata@bengalchemicals.co.in

**Patna Depot :**

D/24, P.C. Colony, Kankarbagh, Patna - 800 020

Tel No. 612- 236 2253

E-mail: patna@bengalchemicals.co.in

**Guwahati Depot :**

136, Motilal Nehru Road, Pan Bazar,

Guwahati - 781 001, Assam

Tel no. 361- 254 7825

E-mail: guwahati@bengalchemicals.co.in

**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.co.in

**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.co.in

**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.co.in

**Chennai Depot:**

No. 19A/88, Venkatesh Nagar, extension-1, IInd cross, 2nd street, virugambakkam, Chennai 600 092

Tel No. 044- 2376-4510 Fax No. 044- 2376-4510 E-mail: chennai@bengalchemicals.co.in





**TEAM BENGAL CHEMICALS & PHARMACEUTICALS LTD**



# Hygiene & Healthcare for all

## BENGAL CHEMICAL'S Home Care & Cleanliness Products



Cantharidine  
Hair Oil

100ml  
200ml  
400ml



Pheneol

450ml  
5lts



White Tiger

500ml  
5lts



Naphthalene Balls

100gm  
200gm  
1kg



Bleaching  
Powder

500gm

Our Cleanliness products are recommended for  
Swachh Bharat Mission



## Bengal Chemicals & Pharmaceuticals Ltd

(A Government of India Enterprise)

Products are available at-

**Retail Store :**

6, Ganesh Chunder Avenue, Kolkata-700 013

**Co-operative Store :**

168, Manikata Main Road, Kolkata - 700 054

49, B.T. Road, Panihati - 700 114, 24 Pgs. (N), West Bengal

Website: [www.bengalchemicals.co.in](http://www.bengalchemicals.co.in)

Customer Care Number :

**84819 12345**