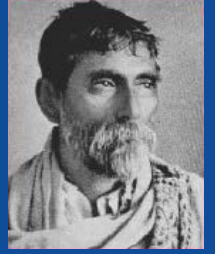




# BENGAL CHEMICALS & PHARMACEUTICALS LTD.

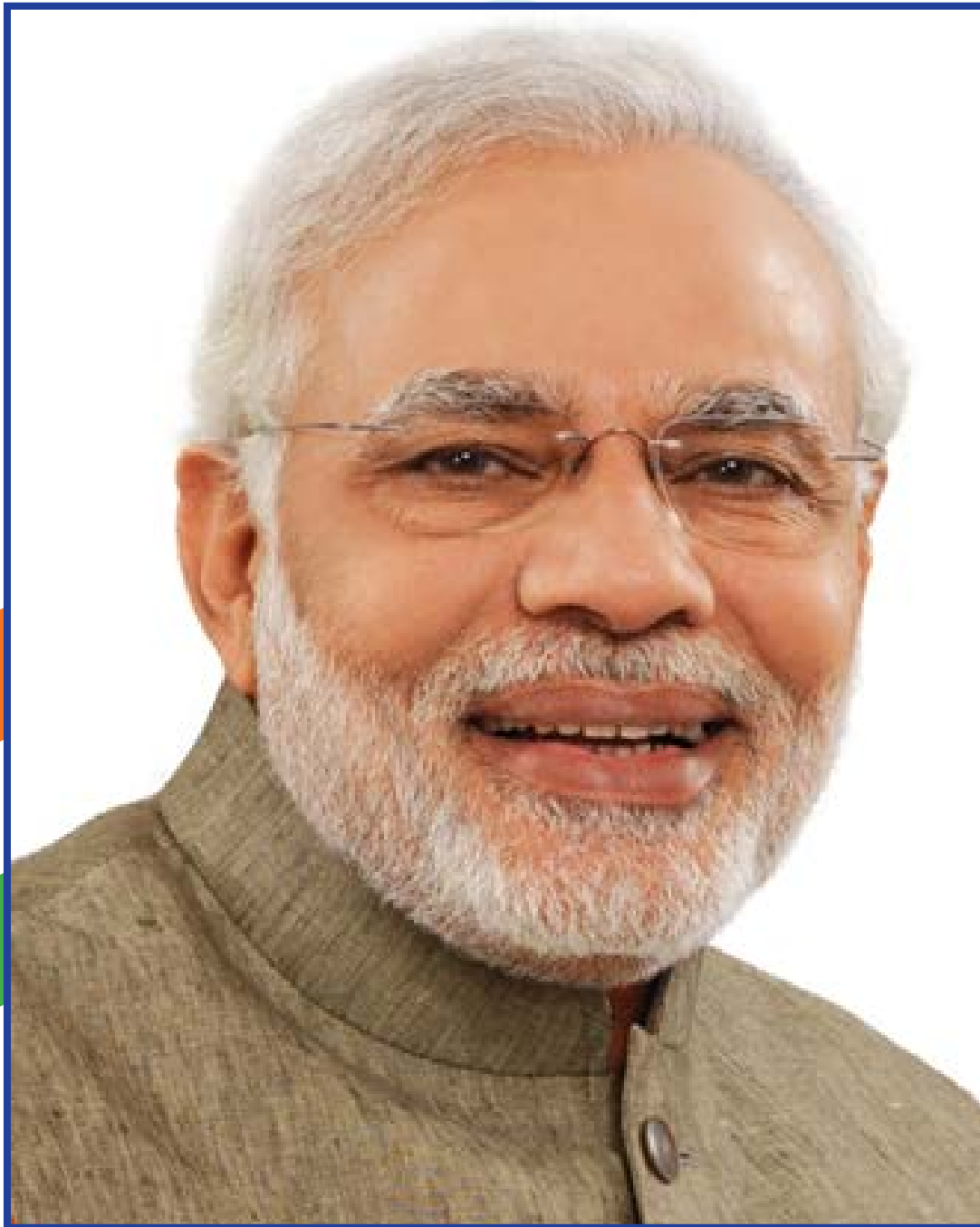
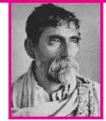
(A Govt. of India Enterprise)



39<sup>th</sup>  
ANNUAL REPORT  
— 2019-2020 —



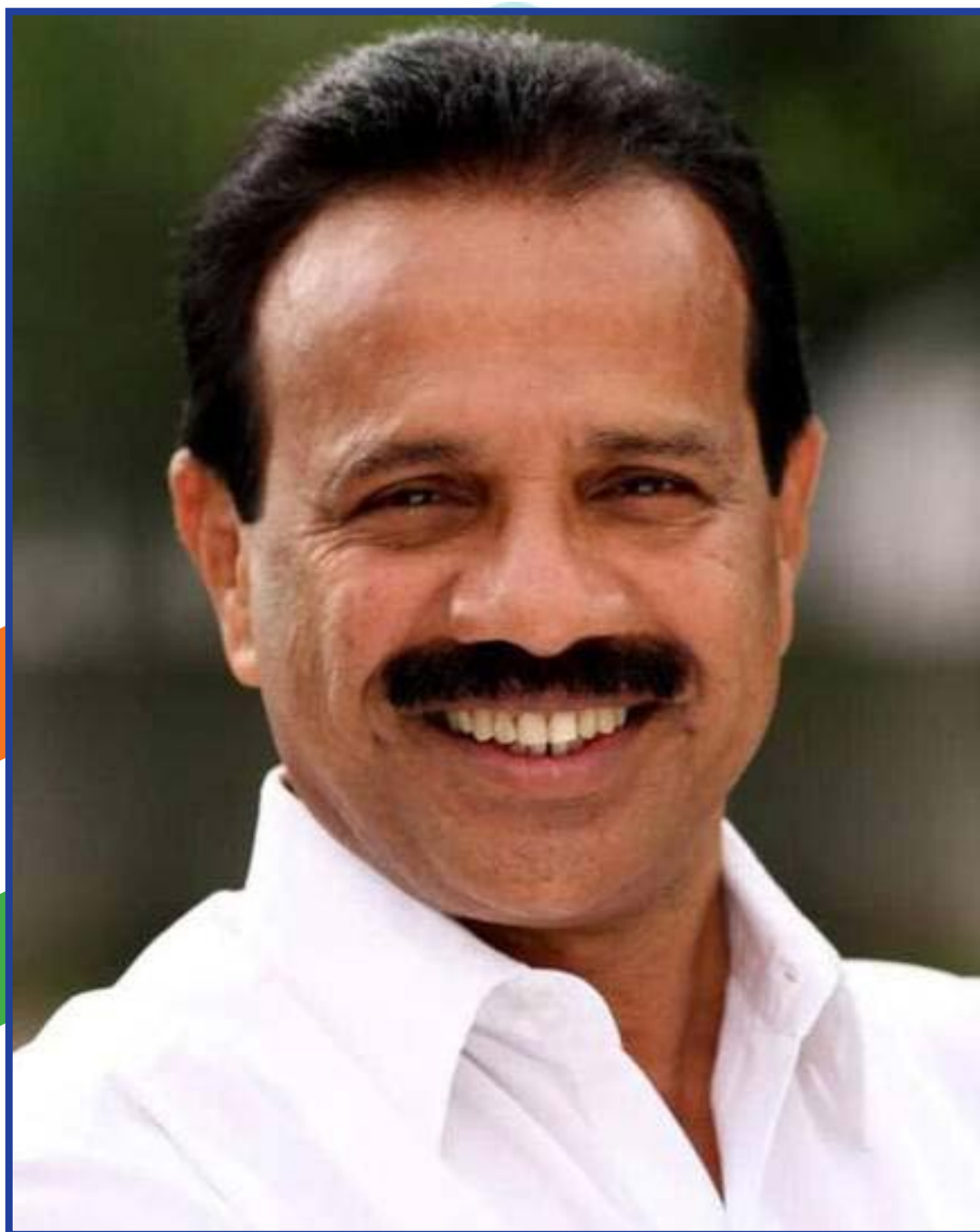
**BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA**  
(A Government of India Enterprise)



Hon'ble Prime Minister of India



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



**Shri D.V. Sadananda Gowda**  
Hon'ble Minister of Chemicals & Fertilizers, Govt of India



## **VISION, MISSION AND OBJECTIVES OF THE COMPANY:**

### **VISION**

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

### **MISSION**

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

### **OBJECTIVES**

Company will strive to fulfill its Vision /Mission by:

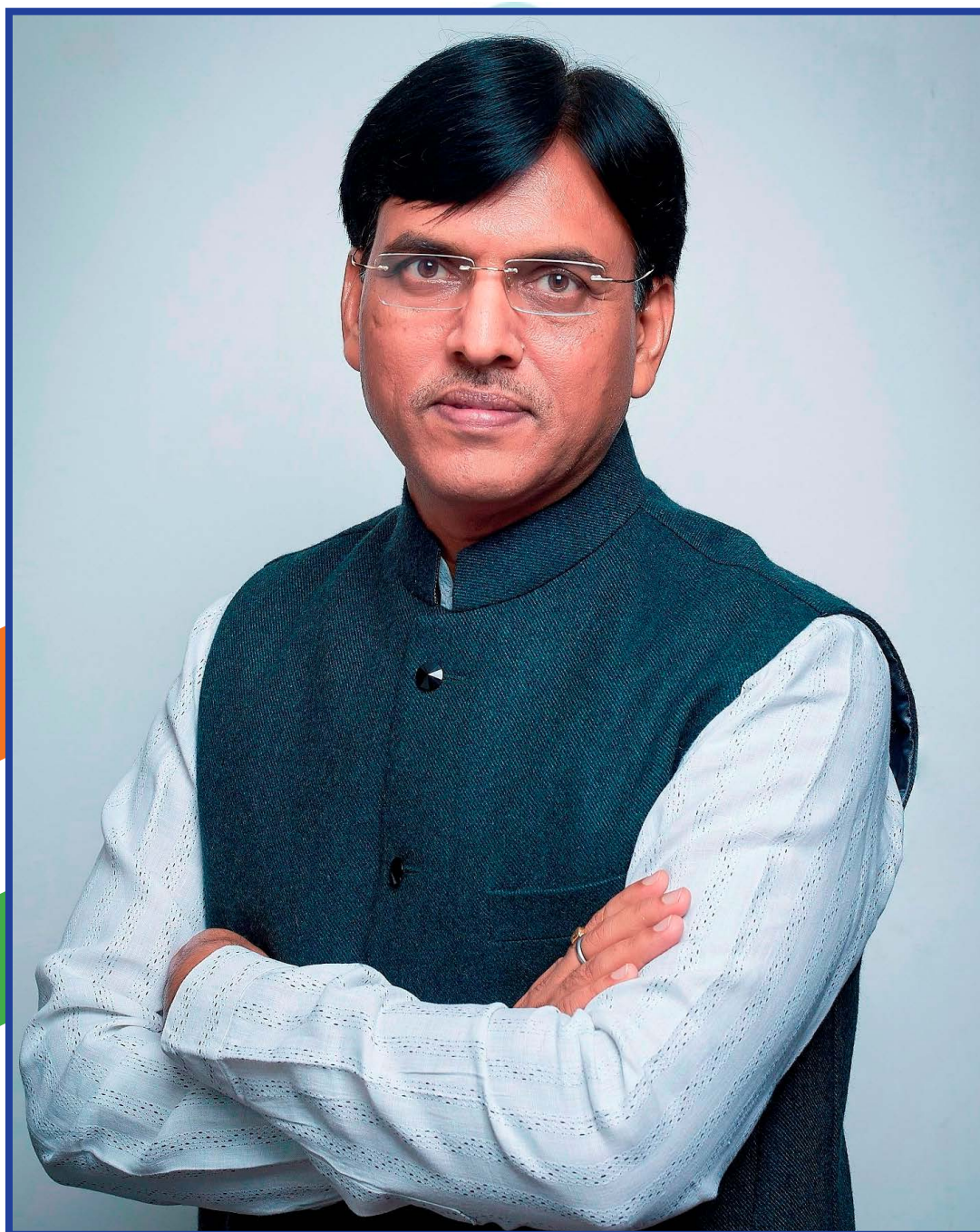
- ⇒ Attaining rapid growth with high quality of products and cost competitiveness and leadership in the main product categories;
- ⇒ Creating a culture of continuous innovation in R&D and Customer Care;
- ⇒ Emphasizing on Environmental Friendly Activities that bring out Conservation of Resources and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

### **QUALITY POLICY:**

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



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



**Shri Mansukh Mandaviya**

Hon'ble Minister of State (Independent Charge) of Ministry of Shipping and  
Minister of State in Ministry of Chemicals & Fertilizers



## THINK BIG BCPL



## PRODUCT PROFILE

Divn. I	Division -II		Division -III		
<b>Industrial Chemicals</b>	<b>Pharma Generics</b>	<b>Pharma Branded</b>	<b>Disinfectants</b>	<b>Hair Oil</b>	<b>Other Products</b>
<ul style="list-style-type: none"> <li>Alum</li> <li>Bleaching Powder</li> </ul>	<ul style="list-style-type: none"> <li>Tablets Capsules</li> <li>Injectables</li> <li>Ointments</li> <li>Liquids</li> <li>External-Liquids</li> <li>ASVS</li> </ul>	<ul style="list-style-type: none"> <li>Aqua Ptychotis</li> <li>Kalmegh</li> <li>Eutheria</li> <li>Benflam</li> </ul>	<ul style="list-style-type: none"> <li>Pheneol</li> <li>White Tiger</li> <li>Klin Toilet</li> <li>Lysol</li> </ul>	<ul style="list-style-type: none"> <li>Cantharidine Hair Oil</li> </ul>	<ul style="list-style-type: none"> <li>Naphthalene Balls</li> <li>Liquid Soap</li> <li>Aguru Essence</li> </ul>



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



**Dr. P.D. Vaghela, IAS**  
Secretary, Department of Pharmaceuticals,  
Ministry of Chemicals & Fertilizers, Government of India



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



**OUR AUDITORS AND BANKERS**

**STATUTORY AUDITOR**

M/S. M. CHOUDHURY & CO

**COST AUDITOR**

M/S. SATYABRATA DASGUPTA & CO

**BANKERS**

UNITED BANK OF INDIA  
STATE BANK OF INDIA

**REGISTERED OFFICE**

6 GANESH CHUNDER AVENUE,  
KOLKATA 700013

E-MAIL ID: [bcplmdsecretariat@gmail.com](mailto:bcplmdsecretariat@gmail.com)

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

CIN: U24299WB1981GOI033489





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



**Shri Rajneesh Tingal**  
Joint Secretary, Department of Pharmaceuticals,  
Ministry of Chemicals & Fertilizers, Government of India



## CONTENTS OF 39<sup>TH</sup> ANNUAL REPORT 2019-20

CONTENTS	PAGE NO.
Board of Directors	1
Our Offices, Factories & Depots	2
Chairman's Address	3-6
Notice of 39 <sup>th</sup> Annual General Meeting	7-11
Financial Highlights and Graphs	12-17
<b>REPORTS:</b>	
Directors' Report	18-37
Management Discussion and Analysis Report	38-47
Report on Corporate Governance	48-62
Report on Corporate Social Responsibility & Sustainability Development	63-64
CFO Certification	65
Form No. AOC-2	66
Auditors' Reports	67-96
<b>FINANCIAL STATEMENTS:</b>	
Balance Sheet	97
Statement of Profit and Loss Account	98
Cash Flow Statement	99-100
Significant Accounting Policies	101-109
Notes on Accounts	110-127



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



**BOARD OF DIRECTORS**



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



**PARVEEN KUMAR**  
PART-TIME OFFICIAL DIRECTOR  
(GOVERNMENT NOMINEE DIRECTOR)  
(From 10th June 2020)



**S.K. ROY CHOUDHURY**  
PART-TIME NON OFFICIAL DIRECTOR  
(INDEPENDENT DIRECTOR)  
(Upto 08/08/2019)



**JITENDRA TRIVEDI**  
PART-TIME OFFICIAL DIRECTOR  
(GOVERNMENT NOMINEE DIRECTOR)  
(Upto 05/06/2020)



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



### OUR OFFICES:

**Registered Office / Corporate Office:**

6, Ganesh Chunder Avenue, Kolkata-700013  
Tel No. (033)2237-1525/1526; Fax: (033) 2225-7697  
Website: www.bengalchemicals.co.in ; Email :bcplmdsecretariat@gmail.com

### OUR FACTORIES:

**Maniktala Factory & Central Store:**

164 Manicktala Main Road,  
Kolkata - 700054  
Tel No. 033-2320 4157/4158 & 2320 4154  
Email: works\_mfy@bengalchemicals.co.in

**Panihati Factory:**

B.T. Road, P.O. - Panihati,  
Kolkata - 700114, 24 Paragans (North)  
Tel No. 033 - 2553/1924/4541  
E-mail: works\_pfy@bengalchemicals.co.in

**Mumbai Factory:**

502, S.V.Savarkar Marg, Pravadevi,  
Mumbai - 400025  
Tel No. 022-2430 2081  
E-mail: works\_mumfy@bengalchemicals.co.in

**Kanpur Factory:**

84/23, Factory Area, Fazalganj  
Kanpur - 208012  
Tel No. 512- 221 6292  
E-mail: works\_kfy@bengalchemicals.co.in

### OUR DEPOTS:

**Delhi Depot:**

DI-DII, Shivlok House - II  
Karampura Commercial Complex  
Opp: Milan Cinema Complex,  
New Delhi -110 015  
Tel No. 011- 2592 0486;  
E-mail: bengalchemicals@gmail.com

**Guwahati Depot:**

Jatin Tamuli Path, Garalia, Sarusajai,  
Guwahati - 781040, Assam  
Tel no. 7896940840  
E-mail: bcpl.guwahati@gmail.com

**Chennai Depot:**

No. 19A/88, Venkatesh Nagar, Extension-1, IInd Cross,  
2nd Street,  
Virugambakkam, Chennai - 600092  
Tel No. 044- 2376 4510;  
E-mail: bcplchennaiidpot@yahoo.com

**Ranchi:**

Suvam Suravi Niwas, Ketari Bagan,  
Swarnerekha Nagar Main Road,  
Namkum, Ranchi-834010  
Tel No. +91-8882388794  
E-mail: ranchibcpl@gmail.com

**Hyderabad Depot:**

Door no. 4-98-1-6,  
New Narasimha Nagar Main Road, Malapuram  
Near - Noma Fubction Hall  
Hyderabad - 500076  
Tel No. +91-8099422778  
E-mail: bcplhyd@gmail.com

**Jaipur Depot:**

17, Yamuna Path, Patel Nagar East,  
Behind Laxmi Kanta, 22 Godown  
Jaipur-302006, Rajasthan  
Phone: 8619596774

### OUR RETAIL STORES:

1. 6, Ganesh Chunder Avenue, Kolkata-700013
2. 153, Lenin Sarani, Kolkata-700013
3. 39, Acharya Jagadish Chandra Bose Road, Kolkata-700016
4. 44, Gopal Lal Thakur Road, Kolkata-700036
5. 502, S.V. Savarkar Marg, Prbhadevi, Mumbai-400025



## **CHAIRMAN'S ADDRESS**

### **DEAR SHAREHOLDERS**

I would like to convey my respects and extend warm welcome to each of you to the 39<sup>th</sup> Annual General Meeting of your Company, Bengal Chemicals & Pharmaceuticals Limited (BCPL) and I thank you all for making it convenient to attend the meeting through Video Conferencing. Like the previous three years i.e. 2016-17, 2017-18 and 2018-19, your Company has continued its “Tremendous Performance” and has performed well in 2019-20 also.

- A. ANNUAL FINANCIAL STATEMENTS:** It is my pleasure to present the Annual Financial Statements of Bengal Chemicals and Pharmaceuticals Limited for the year 2019-20. The Board Report which includes a Report on Management Discussion & Analysis, Report on Corporate Governance, Report on Corporate Social Responsibility & Sustainability Development and also the Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2020 have already been provided to all Shareholders and with your permission, I shall consider them as “Read”. The Board Report continues to be far more comprehensive and gives an in-depth and detailed analysis of Company’s working, its aims & objectives and the opportunities & hurdles that BCPL faced during the year. I will therefore only endeavour to present you briefly a few relevant and major issues that are before us. The Board Report includes all the Statutory Disclosures as required under Companies Act, 2013, DPE Guidelines, and Secretarial Standards.
- B. OPERATIONAL PERFORMANCE:** I take immense pleasure to congratulate all of you and all the stakeholders who were associated with BCPL during the year 2019-20 for maintaining “Turnaround Profit Making Company Status” and to achieve Profit continuously for last four years. During the year 2019-20, your Company achieved a Profit of Rs. 14.46 Crore against a Profit of Rs. 25.26 Crore in 2018-19 and Rs. 10.06 Crore in 2017-18. During the year 2019-20, your Company achieved a Production of Rs. 84.19 Crore, a Turnover of Rs. 70.28 Crore against a Turnover of Rs. 17.06 Crore in 2013-14.
- C. FINANCIAL PERFORMANCE:** It is a matter of great pride that your Company has reported a **Profit of Rs. 14.46 Crore** on a Turnover of Rs. 70.28 Crore in 2019-20, against a Profit of Rs. 4.51 Crore in 2016-17 in which year BCPL became Profit Making Turnaround Company. Pharmaceutical Products is the segment contributing highest to the Turnover of the Company and this segment has contributed 53% to the total turnover during 2019-20. The second largest segment has been Cosmetics and Home Products contributing 43% to the total Turnover. Your Company has achieved a Gross Margin (PBDIT) of Rs.20.26 Crore, against the Gross Loss of Rs. 20.36 Crore reported in 2013-14.



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



- D. PAYMENT OF ADVANCE INCOME TAX:** First time after the takeover of BCPL by Government of India in 1977, your Company has paid an amount of Rs. 1.50 Crore as Advance Income Tax during 2019-20, thereby started contributing the Government of India Exchequer.
- E. ACTIVITIES/ PERFORMANCE IN COVID-19 PERIOD (APRIL 2020 TO JUNE 2020):** BCPL being a manufacturer of medicines is listed under the essential items and it is exempted from the lockdown period restrictions vide the Ministry of Home Affairs Order No.40-3/2020-DM-I(A) dated 15<sup>th</sup> April 2020 and is functioning normally. The employees of BCPL are enthusiastic in contributing in this situation by manufacturing life saving Drugs and also Disinfectants/ Cleanliness products. The operational and financial highlights during COVID-19 period and corresponding period of previous year are mentioned below:

(Rs. In Lakhs)

Sl. No	Particulars	Actual Apr-Jun 2020	Actual Apr-Jun 2019
1.	Production	1899	1535
2.	Profit before Tax (PBT)	531	390
3.	Gross Margin	652	565
4.	Income Per Employee	12.07	9.86

It may be seen from the above statement that during COVID-19 period the performance of BCPL has increased as compared to corresponding period of previous year.

- F. CORPORATE GOVERNANCE:** Your Company firmly believes that the path of Good Corporate Governance leads to sustainable 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. Your Company has achieved EXCELLENT Corporate Governance Rating continuously in the last five years. As per self evaluation, your Company is likely to get “EXCELLENT” Corporate Governance Rating in 2019-20 also. DPE has rated your Company with “EXCELLENT” rating for the year 2018-19, 2017-18, 2016-17 and 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.
- G. TECHNOLOGY UP-GRADATION AND PROJECT IMPLEMENTATION:** During the year 2019-20, your Company developed two new variants i.e. Neem & Lemon fragrance of one of Home Product Division product- WHITE TIGER, a soap based multi-use cleanser and deodorant. In the COVID-19 Pandemic Situation, your Company has also obtained the Drug Licence for manufacturing of Hydrxychloroquin (HCQ) and Hand Sanitizer. Your Company is launching Hand Sanitizer in the name of “BENSANI” on the Birthday of its founder Acharya Prafulla Chandra Ray on 02<sup>nd</sup> August 2020.



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

*(A Government of India Enterprise)*



- H. 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 Positive Net Worth Company by 2022. Further, I firmly believe that the prosperity of your Organization depends on “Dedicated Community of Motivated Employees”.
- I. IMPLEMENTATION OF 2007 PAY SCALES:** After achieving the Profit continuously for three years and after complying all the guidelines, in October 2019, your Administrative Ministry i.e. Department of Pharmaceuticals has approved the implementation of 2007 Pay Scales to employees of BCPL, which was duly implemented in January 2020, after having negotiations with the workers’ Unions. The cooperation and contribution of local leaders is appreciable, because of which we have implemented it successfully.

**J. ACKNOWLEDGEMENT:**

At the outset, I gratefully acknowledge the continued support and help received from the Department of Pharmaceuticals, 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, due to which BCPL became a “Turnaround Profit Making Company” in 2016-17 and for the consecutive 4<sup>th</sup> year also BCPL reported a Net Profit in 2019-20. I also acknowledge the support and contribution made by all our valued “Statutory Auditor, Cost Auditor, Internal Auditor, Bankers, Tax 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 or extending services to this great Organisation, 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 2019-20. Finally, I take this opportunity to convey my special thanks to the Unions and “Building Blocks” i.e. the “EMPLOYEES” of your organization, who have extended full cooperation to make BCPL a Profit Making Turnaround Company during my tenure as Additional Charge of Managing Director from 01<sup>st</sup> June 2016 to till date.

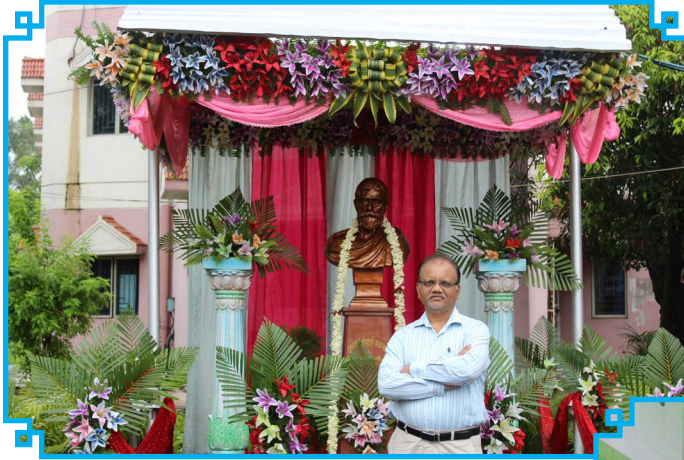
**Sd/-**  
**(PM CHANDRAIAH)**  
**Managing Director (Additional Charge) &**  
**Director (Finance)**

Place: Kolkata

Date: 20<sup>th</sup> July 2020



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







## NOTICE

Notice is hereby given to all the shareholders of Bengal Chemicals & Pharmaceuticals Limited that the 39<sup>th</sup> Annual General Meeting of the Company will be held on **MONDAY, 20<sup>th</sup> July 2020, at 11:30 Hrs** through Video Conferencing to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2020 comprising Balance Sheet as at 31<sup>st</sup> March 2020 and the Statement of Profit and Loss and Cash Flow Statement 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 2020-21 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 authorized 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 2020-21.”

### Special Business:

1. To approve the remuneration of the Cost Auditors of the Company for the Financial Year ending on 31<sup>st</sup> March 2021 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), M/s. Satyabrata Dasgupta & Co., Cost Accountant, appointed by Board of Directors as Cost Auditor for conducting the Cost Audit of the Company, for the financial year 2020-21, at a total fee of Rs. 55,000/- plus applicable taxes, 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.”



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



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)**

**Managing Director (Additional Charge)  
& Director (Finance)**

**Date: 25<sup>th</sup> June 2020**

**Place: Kolkata**



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



**NOTES:**

1. The 39<sup>th</sup> Annual General Meeting of Bengal Chemicals & Pharmaceuticals Ltd is to be held through Video Conferencing in compliance with General Circular No. 14/2020 dated 08<sup>th</sup> April 2020 and General Circular No. 20/2020 dated 05<sup>th</sup> May 2020 issued by Ministry of Corporate Affairs.
2. The link of the meeting will be sent to registered E-Mail Ids and Mobile Numbers of Shareholders prior to the Meeting.
3. 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.
4. The Shareholders may please write to the email-id [cs@bengalchemicals.co.in](mailto:cs@bengalchemicals.co.in) or can contact Shri Satish Kumar, Company Secretary, Mobile No- 8697575519 for any queries/ complaints/ grievances.
5. **The Shareholders shall cast their vote on the resolutions only by sending E-mails through their registered E-mails at [cs@bengalchemicals.co.in](mailto:cs@bengalchemicals.co.in).**



## 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 of Special Business

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 31<sup>st</sup> March 2021 as per the following details:

Name of the Cost Auditor	Audit Fee (In Rupees)
M/s. Satyabrata Dasgupta & Co	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 31<sup>st</sup> March 2021. 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 of Special Business

As per Guidelines of Capital Restructuring of CPSEs issued by Department of Public Enterprises on 20<sup>th</sup> 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 2019-20 is mentioned below:

Sl. No	Provision	Compliance
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.	In spite of Net Profit Rs. 1307 Lakh in the year 2019-20, BCPL has Accumulated Losses of Rs. 20866 Lakh. Hence all the net profit of Rs. 1307 Lakh for the year 2019-20 has transferred to Reserves for absorb the accumulated losses 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.



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



Sl. No	Provision	Compliance
2	<b>Buy Back of Shares:</b> Every CPSE having net-worth of atleast Rs. 2000 crore and cash and bank balance of over Rs. 1000 crore shall exercise the option to buy-back their shares.	As on 31/03/2020, BCPL had negative net-worth of Rs. 5371 Lakhs and was cash & bank balance of Rs. 343.67 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 31/03/2020, BCPL had Negative Balance of Reserves of Rs.13067.42 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.(674.28) 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. 4 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. M Choudhury & Co., Statutory Auditors  
Statutory Auditors

By Order of Board of Directors

Sd/-

(PM CHANDRAIAH)  
Managing Director (Additional Charge)  
& Director (Finance)

Date : 25<sup>th</sup> June 2020

Place : Kolkata



# BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



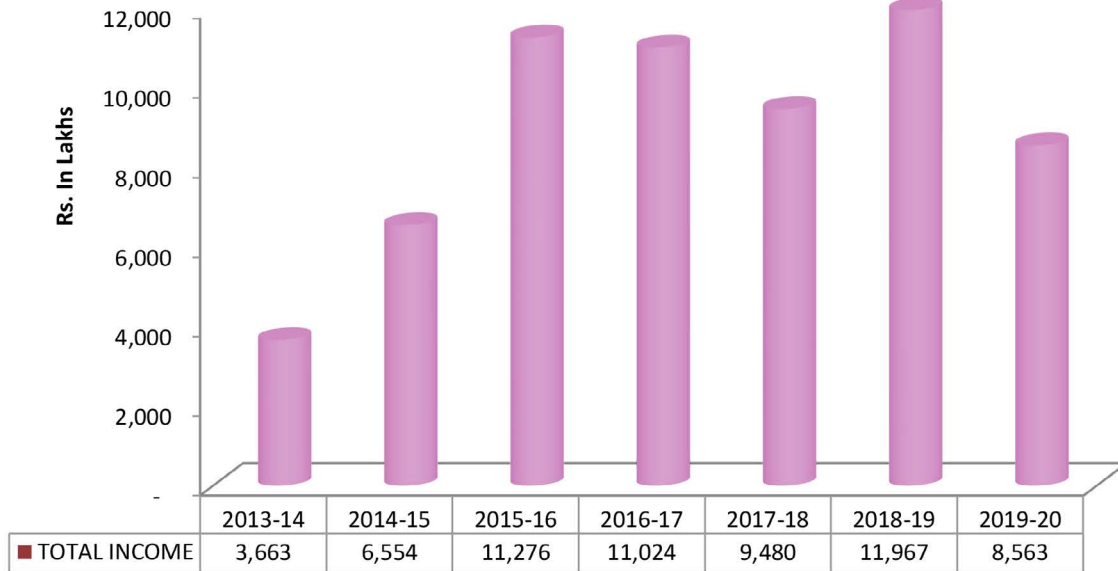
## TEN-YEARS' FINANCIAL HIGHLIGHTS:

(Rs.in Lakhs)

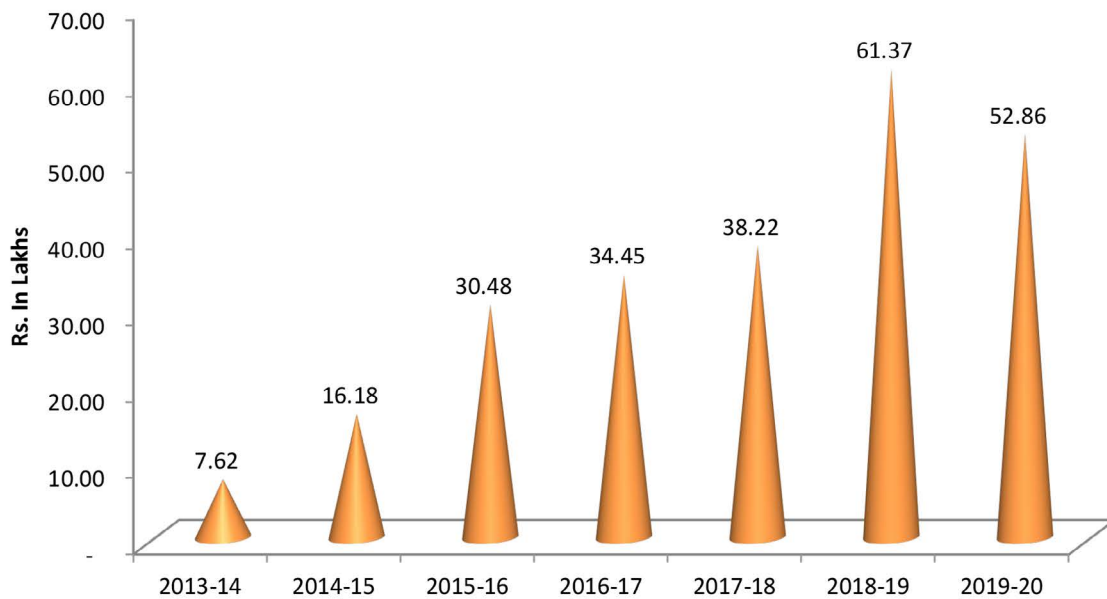
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Value of Production	8,049	5,922	3,633	1,970	6,410	10,670	10,269	9,818	12,345	8,419
<b>FINANCIAL PERFORMANCE:</b>										
Operating Income / Rev. from Operatios	5,485	4,825	2,737	1,706	4,584	8,819	8,536	7,801	10,050	7,028
Other Income	959	2,539	1,907	1,957	1,970	2,457	2,488	1,679	1,917	1,536
<b>Total Income</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>11,024</b>	<b>9,480</b>	<b>11,967</b>	<b>8,564</b>
Operating Costs / Direct Costs	3,453	4,128	2,661	1,454	3,024	5,630	4,663	4,161	5,532	3,503
Employee Benefit Expenses	1,828	2,212	2,567	2,609	2,857	2,352	1,952	1,470	1,479	1,416
Finance Cost	610	1,319	1,469	1,285	1,536	1,642	1,507	905	245	68
Other Expenses	1,720	1,316	1,705	1,636	1,583	2,170	2,005	1,425	1,673	1,619
Depreciation	222	212	309	334	361	395	447	512	512	512
<b>Total Expenses</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>	<b>8,474</b>	<b>9,441</b>	<b>7,118</b>
Extra-Ordinary Income	318	-	-	-	1,076	-	-	-	-	-
Gross Margin (PBDIT)	(239)	(292)	(2,290)	(2,036)	165	1,124	2,405	2,423	3,283	2,026
Profit (Loss) Before Tax & Extraord. Income	(1,388)	(1,823)	(4,069)	(3,655)	(2,808)	(913)	451	1,006	2,526	1,446
<b>Profit (Loss) Before Tax</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>1,006</b>	<b>2,526</b>	<b>1,446</b>
Tax Expenses /Prov.For Income Tax	-	-	-	-	-	-	-	-	-	139
Profit/ (Loss) After Tax	(1,070)	(1,823)	(4,069)	(3,655)	(1,732)	(913)	451	1,006	2,526	1,307
<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	(7,379)	(9,203)	(13,271)	(16,926)	(17,444)	(18,357)	(17,906)	(16,900)	(14,374)	(13,067)
Net Worth	317	(1,507)	(5,575)	(9,230)	(9,748)	(10,661)	(10,210)	(9,204)	(6,678)	(5,371)
Borrowings	26,855	15,021	18,426	19,256	21,145	21,740	21,955	21,021	20,073	19,371
Capital Employed	27,172	13,514	12,852	10,026	11,397	11,079	11,745	11,817	13,394	14,000
Other Current Liabilities	5,547	12,408	7,868	8,534	9,283	9,317	8,082	7,612	6,471	5,797
Provisions	1,483	1,523	1,724	1,711	1,922	1,973	1,745	1,306	1,027	1,012
<b>Total Liabilities</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>20,735</b>	<b>20,892</b>	<b>20,809</b>
<b>ASSETS:</b>										
Fixed Assets (Gross Block)	4,634	4,744	5,901	6,519	6,686	12,501	13,463	14,011	14,019	14,072
Accumulated Depreciation	2,135	2,348	2,758	3,225	2,370	2,765	3,212	3,724	4,236	4,744
Net Block of Fixed Assets	2,499	2,396	3,143	3,294	4,316	9,736	10,251	10,287	9,783	9,328
Capital Work In Progress	7,025	11,418	11,092	10,973	10,923	5,718	5,149	4,754	4,754	4,791
Inventories	1,777	1,515	1,046	811	1,428	1,463	1,467	1,970	1,708	1,653
Trade Receivable	2,985	2,833	1,100	743	1,441	2,633	2,171	2,252	3,521	3,173
Cash and Bank Balance	672	395	194	207	217	153	164	59	5	68
Loans & Advances	3,549	2,736	994	1,140	564	504	641	653	381	544
Other Current Assets	15,695	6,151	4,875	3,102	3,712	2,160	1,728	761	739	1,252
<b>Total Assets</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>20,735</b>	<b>20,892</b>	<b>20,809</b>
<b>OTHERS:</b>										
No. of Employees	689	629	573	481	405	370	320	248	195	162
No. of Shares	7,69,604	7,69,604	7,69,604	7,69,604	7,69,604	7,69,604	7,69,604	7,69,604	7,69,604	7,69,604
<b>RATIOS:</b>										
Total Income Per Employee Rs. Lakhs	9.35	11.71	8.10	7.62	16.18	30.48	34.45	38.22	61.37	52.86
Earning Per share Rs.	(139.05)	(236.90)	(528.66)	(474.94)	(225.06)	(118.65)	58.65	130.69	328.21	169.83
Administrative Exp./Total Exp.	% 45.30%	38.41%	49.04%	58.01%	47.43%	37.10%	37.43%	34.17%	35.30%	42.64%
Administrative Exp./Total Income	% 55.06%	47.92%	92.01%	115.88%	67.74%	40.10%	35.89%	30.54%	26.34%	35.44%
Finance Cost/Total Expenses	% 7.78%	14.35%	16.86%	17.56%	16.41%	13.47%	14.25%	10.69%	2.74%	0.96%
Total Expenses to Total Income	% 116.61%	124.76%	187.62%	199.77%	126.43%	108.10%	95.91%	89.39%	74.61%	83.12%
Debtors to Turnover No.of days	199	214	147	159	115	109	93	105	128	165
Inventory to Turnover No.of days	118	115	140	173	114	61	63	92	62	86
Interest Coverage (Finance Cost to PBDIT) No.of times	-0.39	-0.22	-1.56	-1.58	0.11	0.68	1.60	2.68	13.40	29.79
Current Ratio No.of Times	4.45	1.10	1.04	0.70	0.79	0.74	0.76	0.75	0.98	1.15
Debt Equity Ratio No.of Times	3.49	1.95	2.39	2.50	2.75	2.82	2.85	2.73	2.61	2.52
Profit Margin %	-16.61%	-24.76%	-87.62%	-99.77%	-26.43%	-8.10%	4.09%	10.61%	21.11%	16.88%
Gross Profit Margin (PBDIT/ Total Income)	% -3.71%	-3.97%	-49.31%	-55.57%	2.51%	9.97%	21.82%	25.56%	27.43%	23.66%
Operating Costs/Operating Income	% 62.96%	85.55%	97.24%	85.22%	65.99%	63.84%	54.63%	53.34%	55.05%	49.84%



### TOTAL INCOME

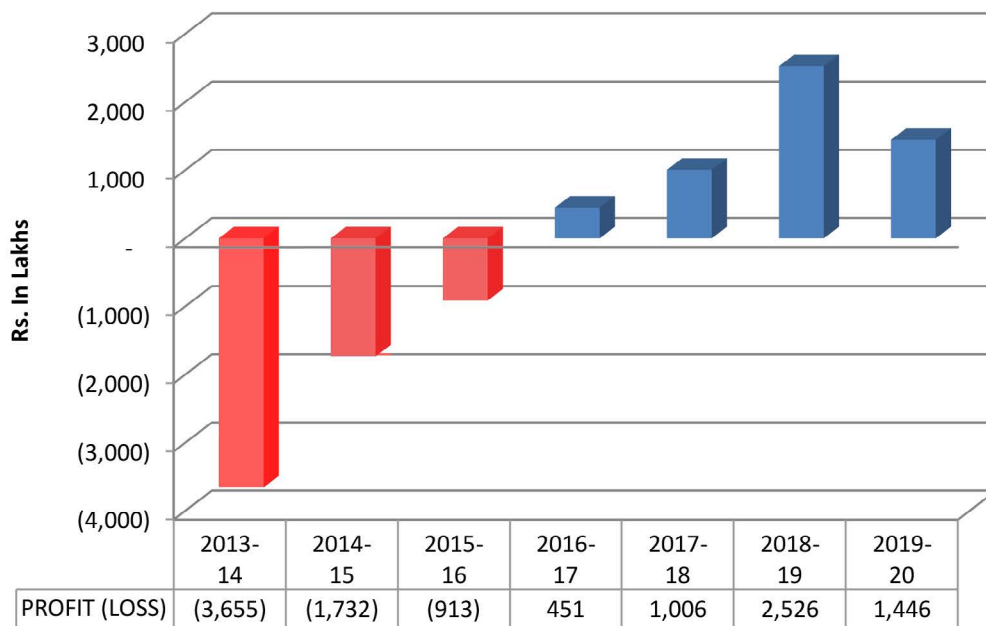


### TOTAL INCOME PER EMPLOYEE

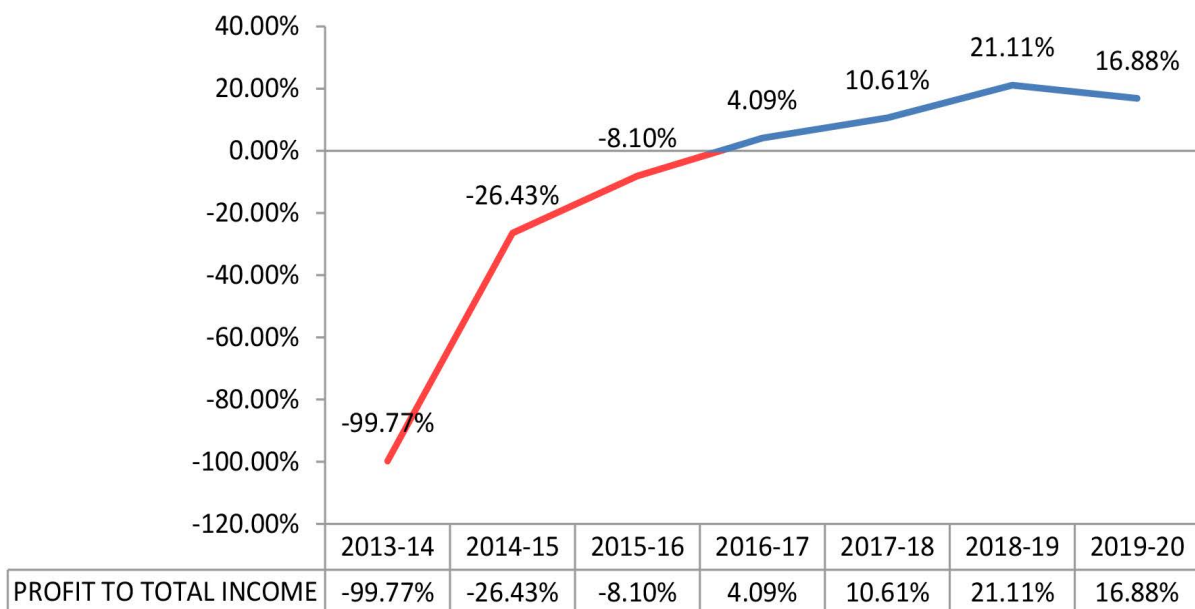




### PROFIT (LOSS)



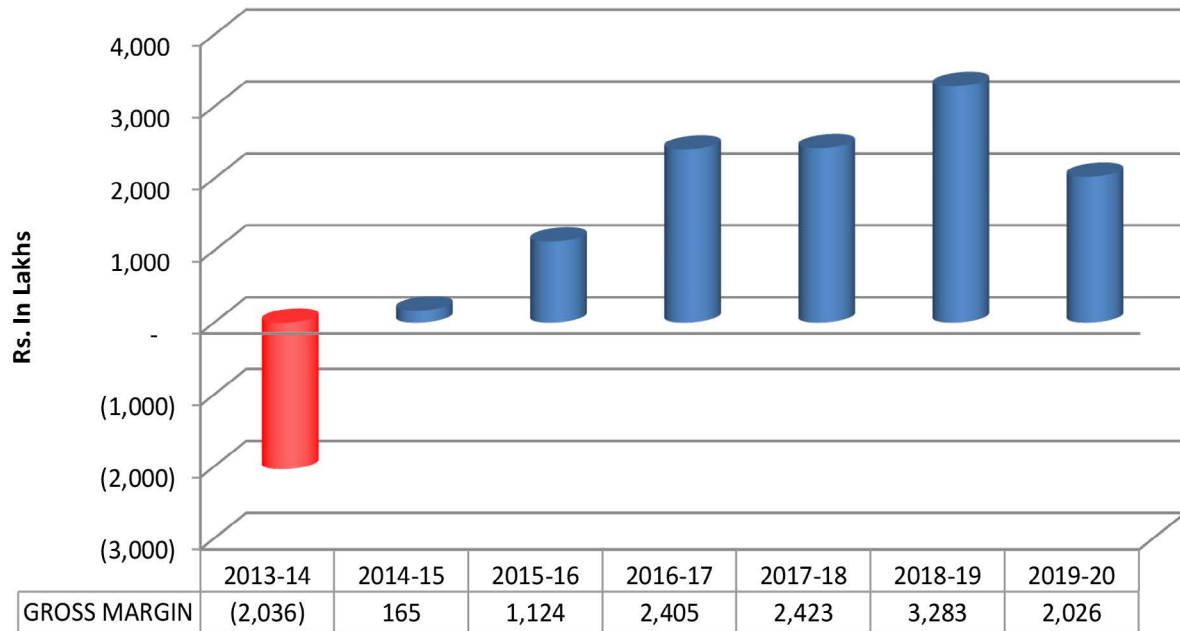
### PROFIT TO TOTAL INCOME



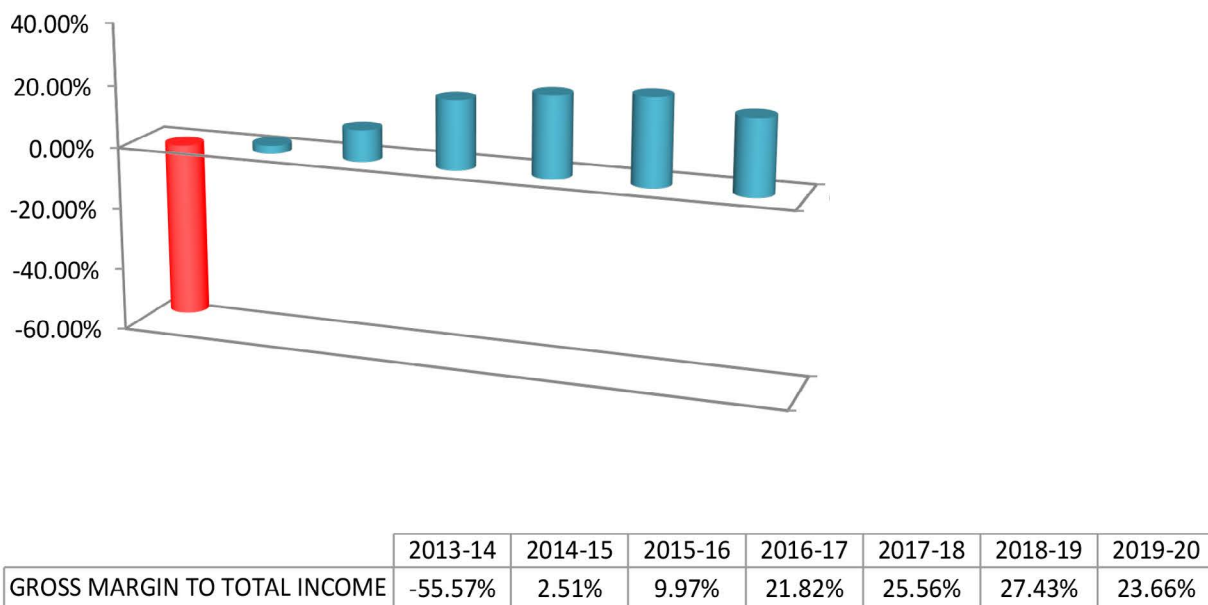




## GROSS MARGIN

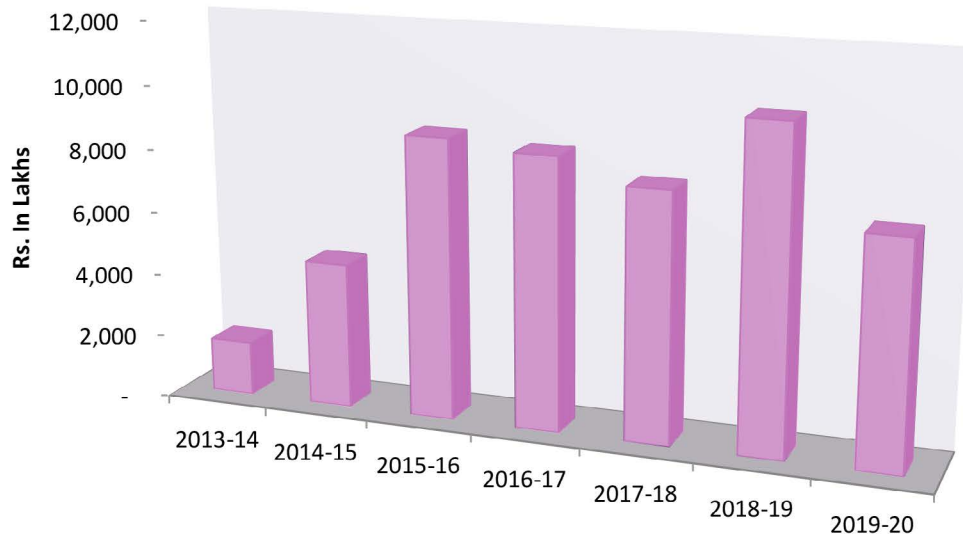


## GROSS MARGIN TO TOTAL INCOME



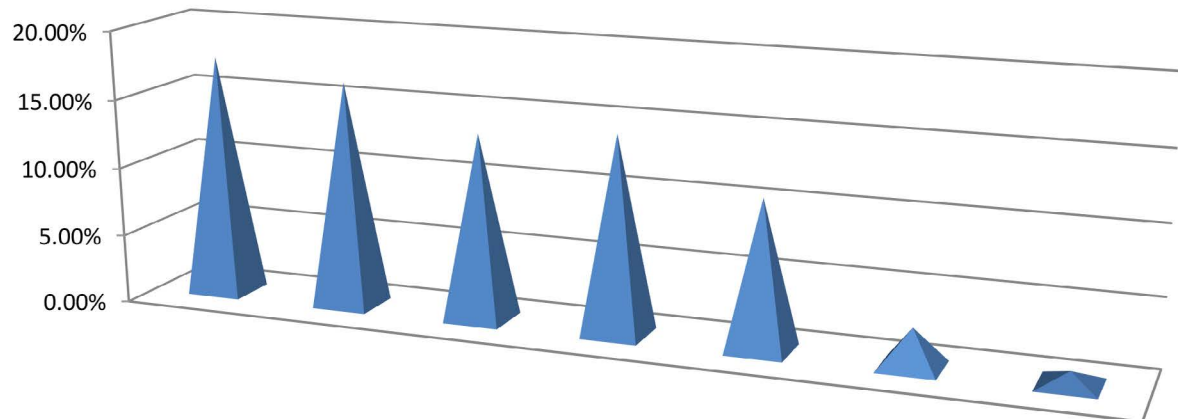


### TURNOVER



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
■ TURNOVER	1,706	4,584	8,819	8,536	7,801	10,050	7,028

### FINANCE COST TO TOTAL EXPENSES



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
FINANCE COST TO TOTAL EXPENSES	17.56%	16.41%	13.47%	14.25%	10.69%	2.74%	0.96%



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





## DIRECTORS' REPORT

### DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting the 39<sup>th</sup> Annual Report of Bengal Chemicals & Pharmaceuticals Limited (BCPL) on the business and operations of your Company and its Audited Financial Statements together with the Auditor's Report and comments of Comptroller & Auditor General of India thereon for the financial year ended on 31<sup>st</sup> March 2020.

### 1. FINANCIAL HIGHLIGHTS

During the year 2019-20, your Company achieved a turnover of Rs 7028 Lakhs compared to Rs.10,050 Lakhs achieved during 2018-19 and Rs. 7,801 Lakhs in 2017-18. Similarly, your Company has progressed tremendously by earning Profits continuously for four years, i.e 2016-17, 2017-18, 2018-19 and 2019-20. During the year under review, your Company has reported a Profit of Rs. 1446 Lakhs against the Profit of Rs.2,526 Lakhs in 2018-19, Rs. 1,006 Lakhs in 2017-18 and Profit of Rs.451 Lakhs in 2016-17, and against the loss of Rs. 3,655 Lakh in 2013-14.

The financial highlights and the key financial ratios of your Company during the year 2019-20 along with the figures of corresponding previous two years are as under:

(Rs. In Lakhs)

Sl. No.	Description	2017-18	2018-19	2019-20
1	Operating Income (Turnover)	7801	10050	<b>7028</b>
3	Profit/ (Loss) Before Tax	1006	2526	<b>1446</b>
4	Depreciation	512	512	<b>511</b>
5	Finance Cost	905	245	<b>68</b>
6	Gross Margin (PBDIT)	2423	3283	<b>2026</b>
7	Corporate Governance Rating	Excellent	Excellent	<b>Excellent*</b>
8	Debtor Turnover Ratio (No. of Days)	105	128	<b>165</b>
9	Inventory Turnover (No. of Days)	92	62	<b>86</b>
10	Interest Coverage Ratio (No. of Times)	2.68	13.40	<b>29.59</b>
11	Current Ratio (No. of Times)	0.75	0.98	<b>1.15</b>
12	Debt/ Equity Ratio (No. of Times)	2.73	2.61	<b>2.52</b>
13	Operating Profit Margin (%)	25.56%	27.43%	<b>23.66%</b>
14	Profit Margin (%)	10.61%	21.11%	<b>16.88%</b>

\*Company got Excellent Corporate Governance Rating as per its self evaluation report.



## 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 is reporting Net Profit for last four years, but due to reporting of continuing Losses in earlier and is having debit balance of Rs. 20866 Lakh in its P&L Account/General Reserve Account, your Directors do not recommend payment of any Dividend for the year 2019-20 and adjust the entire amount of Net Profit of Rs. 1307 Lakh with the debit balance in Profit & Loss Account/accumulated losses.

## 4. PRODUCTION

During the year under review, your Company achieved a production of **Rs. 8419 Lakhs** against Rs. 12,345 Lakhs achieved during the previous year 2018-19 and Rs. 9,818 Lakhs achieved in 2017-18.

## 5. OPERATIONS:

The products of BCPL are categorized in three categories, named (i) Industrial Chemical (Division I), Pharmaceuticals (Division II), and Home Products (Division III). During the year 2019-20, the achievements of aforesaid divisions are mentioned below:

### 5.1 Industrial Chemical (Division I):

Industrial Chemicals Division of your Company has achieved a Net Turnover of **Rs 316 Lakh** in 2019-20. This Division contributed 4% in the Turnover of BCPL for the year 2019-20.

### 5.2 Pharmaceuticals Division (Division II):

Pharmaceuticals Division of BCPL has reported a Net Turnover of **Rs. 3675 Lakh** in 2019-20. This Division contributed 53% in the Turnover of the Company for the year 2019-20.

### 5.3 Home Products (Division III):

Home Products Division of Company has achieved a Net Turnover of **Rs. 3037 Lakhs** in 2019-20. This Division contributed 43% in the Turnover of the Company for the year 2019-20.

## 6. MARKETING INITIATIVES/ KEY BUSINESS DEVELOPMENTS

- 6.1 Your Company initiated online platform for its Home Products business through tie-up with famous Online Retail Store named “Bigbasket”.
- 6.2 Your Company took initiative for entry into Modern Trade through tie-up with Future Group (Big Bazar), Reliance and Grofers etc. for display and sales of its Home Products from their E/ Retail outlets/ supermarkets/ shopping malls.



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

*(A Government of India Enterprise)*



- 6.3 Your Company has launched its “Pheneol” in the packing of 1 Litre unbreakable HDPE Jar for the convenience of the end users.
- 6.4 Your Company has launched a new variant/ brand extension with Neem and Lemon Flavour for White Tiger. This provides freshness and unique mosquito repellent action along-with floor cleaning.
- 6.5 To reach the products of BCPL directly to the end users and to enhance the marketing network, BCPL has opened exclusive retail stores at Kolkata, and Mumbai.

Further, the business of Pharmaceutical Formulations of BCPL is based on the Pharmaceutical Purchase Policy issued by Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India. The term of this Pharmaceutical Purchase Policy was expired on 9<sup>th</sup> December 2018, which was renewed by Government of India in the month of November 2019.

### **7. STATUS OF STRATEGIC SALE OF BCPL**

As on 28<sup>th</sup> December 2016, the Union Cabinet 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. Accordingly, BCPL finalized tender and uploaded the same on the website of MSTC Limited for sale of Surplus Land at Panihati Factory. But no bidder submitted their offer after extending the last closing date by two times. In the mean time employees of the Bengal Chemicals Sramik Karmachari Union filed a writ petition before the Honourable High Court of Calcutta on 20/06/2017 and the hearing concluded on February 6, 2018 and an Order passed by the Honourable High Court of Calcutta in respect of the aforesaid and setting aside the decision of the Union Cabinet regarding strategic sale of BCPL. Further, to challenge the aforesaid order, Administrative Ministry has filed an Appeal before the Divisional Bench of the Honourable High Court of Calcutta, which is pending for hearing before the Hon’ble High Court.

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

Management Discussion and Analysis Report for the year 2019-20, as required under the Guidelines on Corporate Governance for CPSEs is placed at **Annexure-I** to this Report.

### **9. CORPORATE GOVERNANCE**

BCPL is committed to follow Good Corporate Governance Practices in conducting business in a legal, ethical, and transparent manner. The Company believes that Good Corporate Governance Practices in the long run leads to creation of wealth for all its stakeholders 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 Administrative Ministry. For the Year 2019-20, your



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

*(A Government of India Enterprise)*



Company has got “**EXCELLENT**” rating for compliance of Guidelines on Corporate Governance issued by DPE for CPSEs as per its self evaluation report. Further, DPE awarded the BCPL with “**EXCELLENT**” Corporate Governance Rating for the year 2018-19, 2017-18, 2016-17 and 2015-16. Hence, BCPL has got “EXCELLENT” Corporate Governance rating continuously for last 5 years. The Report on Corporate Governance along with Compliance Certificate from the Practising Company Secretary has been placed at **Annexure-II** to this Report.

### **10 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. The Vigilance Department ensures compliance and implementation of guidelines/ procedures of Central Vigilance Commission (CVC) through preventive checks like (i) Quarterly Notice of Transparency (ii) Use Website for tenders and contracts.

During the year 2019-20, 2 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, following preventive measures has also been initiated:

- Expansion of vendor base to ensure competitiveness;
- Demarcation & Digitization of BCPL’s land records and maintain them in safe custody under the locker system of BCPL’s Banker;
- Strengthening of Audit System;
- Installation of CCTVs to check material movements and improve security environment in all units of BCPL;
- Adoption of Whistle Blower Policy;

### **11 HUMAN RESOURCE**

As on 31<sup>st</sup> March 2020, Your Company has 162 employees, out of which 34 employees are technically and/ or professionally qualified. The Company has 23 women employees. Various social security schemes like Provident Fund, Gratuity and Group Accidental Insurance Schemes are also in place in the Company.

#### **11.1 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 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, and reservation for specified



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



category of employees. The Presidential Directive on reservation of SC/ST/OBC/EWS is 15%, 7.5%, 27%, and 10% respectively. Since BCPL was a loss making company even after takeover by Government of India in 1977, and the recruitment of employees is totally not happening, the Presidential Directives on reservation of SC/ST/OBC/PHC/EWS cannot be complied with full extent.

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

The strength of SC/ST/OBC employees on the rolls of the Company as on 31<sup>st</sup> March 2020 was 19, 1 and 6 respectively, which constituted 11.73%, 0.62%, and 3.70% of the total strength respectively.

### (C) Physically Challenged Persons:

The number of physically challenged persons as on 31<sup>st</sup> March 2020 was 9, which constituted 5.56% of the total strength of employees. The Physically Handicapped employees are engaged in light jobs commensurate with their physical ability.

## 11.2 MANPOWER STATUS:

a) Total Employees including details of SCs/STs/OBCs/ Physically Challenged/ Minorities as on 31<sup>st</sup> March 2020 is mentioned below:

Group	Permanent Employees		Total Employees
	Male	Female	
A	6	0	6
B	38	5	43
C	65	9	74
D	30	9	39
<b>Total</b>	<b>139</b>	<b>23</b>	<b>162</b>
<b>Percentage</b>	<b>85.80%</b>	<b>14.20%</b>	<b>100%</b>

b) Representation of SCs/STs/OBCs/ Physically Challenged Persons as on 31/03/2020 is as under:

Group	Employees on Roll	SCs	STs	OBCs	Physically Challenged	Minority	General
		Nos.	Nos.	Nos.	Nos.	Nos.	Nos.
A	6	0	0	1	0	0	5
B	43	4	0	2	0	1	36
C	74	8	1	2	9	3	51
D	39	7	0	1	0	0	31
<b>Total</b>	<b>162</b>	<b>19</b>	<b>1</b>	<b>6</b>	<b>9</b>	<b>4</b>	<b>123</b>
<b>Percentage</b>	<b>100%</b>	<b>11.73%</b>	<b>0.62%</b>	<b>3.70%</b>	<b>5.56%</b>	<b>2.47%</b>	<b>75.93%</b>

\* 'A' denotes to Level XIII to XIX, 'B' denotes to Level X to XII, 'C' denotes to Level IV to IX, 'D' denotes to Level I to III





### 11.3 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 2019-20, the 75 Man-Days training were imparted. Further, BCPL also introduced a Directors' Training Policy to provide the training to newly appointed Directors on the Board of BCPL. Following are the details of In-House and External Trainings provided by BCPL to its employees:

#### a) In-House Training:

During the year 2019-20, BCPL also organized various In-house training programs. The detail of all in-house training programs is given as under:

Sl. No.	Date	Venue	Theme	Total Mandays
1	24/07/2019	Corporate Office, Kolkata	Training For GEM Procurement	7
2	05/12/2019		Induction Training	14
3	09/01/2020		Interactive Session on "Preventive Vigilance"	38
<b>Total</b>				<b>59</b>

#### b) External Training:

During the year 2019-20, Your Company nominated some 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	Venue	Theme	Total Mandays
1	22/04/2019 to 26/04/2019	B.O.P.T. (ER), Salt Lake	Training on Skill Development	5
2	16/05/2019	Department of Pharmaceuticals, Ministry of Chemical & Fertilizers, New Delhi	Capacity Building on GeM Procurement	1
3	07/09/2019	Radisson Hotel, Kolkata	Workshop on recent amendments in Drugs & Cosmetic Rules, 1945	3



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



Sl. No.	Date	Venue	Theme	Total Mandays
4	14/11/2019 to 15/11/2019	India Habitat Centre, New Delhi	Workshop on “Corporate Risk Management: Intertwined with ISO 31000 and ISO 37001”	2
5	14/01/2020	New Delhi	GeM-Samvaas-Roundtable with Ministries and Central Public Sector Enterprises (CPSEs)	2
6	14/02/2020 to 16/02/2020	Hyderabad	Boardroom Effectiveness Training Programme	3
<b>Total</b>				<b>16</b>

## 12 PROPAGATION OF OFFICIAL LANGUAGE

BCPL follows Government guidelines on implementation of Official Language/ 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, drafting, orders and circulars etc., printing in Hindi on the Stationery materials, Labels, Cartons, packing of medicines etc., along with English.

Cash awards are being given to employees who have passed Praveen & Pragya examinations as per Government Guidelines. Company also subscribes Hindi Newspapers for its employees. Hindi version of Company’s website has also been uploaded. BCPL also publish its Hindi Home Magazine named “SANJIVANI” every year. The Hindi Pakhwara was also organized in Corporate Office, all factories of your Company from 14<sup>th</sup> September 2019 to 28<sup>th</sup> September 2019 in which officers and employees of BCPL participated. An Official Language Implementation Committee consisting seven Senior Officers of BCPL under the Chairmanship of Managing Director has also been constituted. This Committee meets regularly and makes its suggestions and recommendation to improve the application of Official Language in Daily Routine Official works. During the year 2019-20, the targets in respect of Correspondence, Notings & Draftings etc. set by Government of India in Annual Programme of 2019-20 were achieved by the BCPL.

The Company continued its endeavor to encourage the eligible employees by arranging Hindi Workshops, Seminars and Trainings etc. to motivate the employees for more official



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

*(A Government of India Enterprise)*



work in Hindi. During the year under review, 6 workshops were conducted. Further, in the year 2019-20, four Meetings of “Official Language Implementation Committee” of BCPL were conducted.

The delegation of Official Language Department, Ministry of Home Affairs visited BCPL on 13/02/2020 to inspect the compliances of provisions of Official Language Act, 1963, and progress of Hindi in the BCPL. Company also nominates its employees for Hindi Competitions/ Programs organized by various member organizations of Town Official Language Implementation Committee.

### **13 ECONOMY IN ADMINISTRATIVE EXPENDITURE**

Keeping in view the Government Directives, efforts were made to achieve economy in expenditures of BCPL during the year 2019-20. During the year under review, the percentage of Administrative Expenses to the Total Income was 35.44% against 26.34% in previous year 2018-19, 30.54% in 2017-18 and 40.10% in 2015-16.

BCPL has taken the following initiatives for cost savings:

Centralized Procurement System, Centralized Accounting System, Centralized Collection System, Centralized Payment System, Centralized Bill Processing System, Centralized Payroll System, Centralized Stores System, Centralized Fund Management System, Centralized HRM Record Maintenance Systems, Closure of inoperative bank accounts, Installation of CCTVs in all units of BCPL, Disposal of Horses which were lying unutilized for many years at Maniktala Factory, Installation of Domestic Electric Meters in Residential Quarters at Maniktala and Panihati by disconnecting Industrial Electric Connection, Surrendering/ Disconnecting of unwanted Telephone Connections, Rationalization of Bank Accounts/ Balances and Reduction in Bank Interests, Implementation of Sales/ Distribution Manual, Compliance of DPE Guidelines and GFR Rules, Reduced Bank Interest Rates after requesting and negotiations with Company’s Bankers, Stock Verification System etc.

### **14 INDUSTRIAL RELATIONS**

The Industrial Relations scenario in all the Factories, Depots and the Business Sector/ Offices of the company remained harmonious and peaceful during the year 2019-20. The thrust on participative culture and communication continued during the year.

### **15 SAFEGUARD OF WOMEN AT WORKPLACE**

An Act to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto called “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”, has come into force from 9<sup>th</sup>



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

*(A Government of India Enterprise)*



December 2013 with notification of rules by Ministry of Women and Child Development, Government of India. The provisions of the Act and the rules thereon are being strictly complied with. In accordance with the Act, an internal Complaints Committee has been constituted. No complaint of sexual harassment is received during the year 2019-20. The official website of the Company also contains the “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

### **16 BOARD OF DIRECTORS**

a) Presently the Board of BCPL comprises the following:

S. No	Name	With effect from
1.	Shri PM Chandraiah* Managing Director & Director (Finance)	25 <sup>th</sup> November 2014
2.	Shri Jitendra Trivedi Part-time (Official) Director [Government Nominee Director]	6 <sup>th</sup> July 2016

\* Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India had assigned Shri PM Chandraiah, Director (Finance) with additional charge of Managing Director of BCPL w.e.f. 01<sup>st</sup> June 2016 for an initial period of 3 months, which was extended time to time upto 31<sup>st</sup> August 2020.

b) During the Year under review, the tenure of Shri Sajal Kumar Roy Choudhury, Non-Official (Independent) Director was completed on 08/08/2019. Further, during this year no new Director/ Key Managerial Personnel (KMP) was appointed. The policy relating to Directors, Key Managerial Personnel and other employees are mentioned in Report on Corporate Governance attached to this report.

### **17 BOARD MEETINGS**

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

### **18 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.

### **19 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.



## **20 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 2019-20.

## **21 EVENTS OCCURRED AFTER THE DATE OF BALANCE SHEET**

No material change and commitment occurred after the date of Balance Sheet i.e. 31<sup>st</sup> March 2020, which affect the Financial Position of the BCPL.

## **22 SAFETY & SECURITY**

At BCPL, it believes 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 its 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 Company. Some of the initiatives have been taken in your Factories/units to build and maintain safety and health culture at work place:

- (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-dioxide 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 QC Laboratory. Treated water is also tested by Pollution Control Board, Govt. of West Bengal at their Laboratory by taking sample from your Company's Plant.
- (g) One segregated area has been created with proper shed and partition for the storage of different hazardous waste in segregated area. One agency authorized by West Bengal Pollution Control Board collects the same from this area for disposal.
- (h) One Vat is being constructed for the storage of different hazardous waste in segregated areas. The authorized agency picks up the same for disposal.
- (i) Smoke detectors and Fire alarm systems are maintained.
- (j) CCTV Cameras has also been installed in all Offices, Factories and Depots of BCPL.



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

*(A Government of India Enterprise)*



(k) Gate Control System is also introduced to prohibit the trespassers around all units of BCPL.

### **23 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 on 31<sup>st</sup> March 2020 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.

### **24 COST AUDIT**

Pursuant to Section 148 of Companies Act 2013, M/s. K. Banerjee & Co., Cost Accountants, was appointed as the Cost Auditor of the Company for the Financial Year 2019-20. Due to some emergent and unavoidable issues, M/s. K. Banerjee & Co., vide its letter dated 18/01/2020, resigned as Cost Auditor of BCPL for 2019-20. Hence, as per provisions of Companies Act, 2013, the casual vacancy of Cost Auditor was filled by Board of BCPL and appointed M/s. Satyabrata Dasgupta & Co. as Cost Auditor for the year 2019-20 on the same remuneration which was approved by the Shareholders in 38<sup>th</sup> Annual General Meeting held on 22/05/2019. The Cost Audit Report for the year 2019-20 will be filed with Central Government within the stipulated time. The Cost Audit Report for the year 2018-19 was filed with the Ministry of Corporate Affairs within statutory time Limit.

### **25 AUDITORS**

The Statutory Auditor of the Company appointed by the Comptroller and Auditor General of India (C&AG) for the year 2019-20 is as under-

S.No	Name of the Firm	Region
1.	M/s. M Choudhury & Co., Kolkata (CA0063)	Audit of Corporate Office, HO, Maniktala, Panihati, Delhi, Jaipur, Chennai, Hyderabad, Patna, Cuttack, Kanpur, Mumbai, and all India consolidation.



## 26 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:

### 26.1 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:

- Energize the All Power Factor Correction (APFC) Panel all time in Auto Mode instead of manual mode to increase the Power Factor which is average 93 and getting a Power Factor Rebate of Rs. 66976/- in Maniktala Factory in the financial year 2019-2020.
- Converting cent percent of light into LED which reduced the energy consumption for lighting.
- For reducing the electrical energy consumption, we use various types of motor drives, HVAC drives, energy efficient devices etc. The advent of variable-speed drives or inverters, which control the flow of power into the motor, provides the opportunity to use power more effectively. Variable-speed drives can extend the lifetime of electric motors by allowing them to be start up slowly, rather than jolted into action with a surge of power up to full speed.
- The energy efficiency of our steam boilers (both 1.2T & 3T) is enhanced by regular maintenance including leak identifications & repair, improving the insulation (on both the boiler and surrounding equipment), by reducing boiler blow-down, and by taking steps to improve heat recovery.
- Switch off any two out of the three 1750KVA transformers considering present load demand.
- At Panihati Factory, the type agreemental load 250 KW is converted into 195 KW



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

*(A Government of India Enterprise)*



High Tension Rate-A and 55 KW High Voltage Domestic Rate-R for our factory outside quarters.

- The industrial type agreemental load Rate-A, 195 KW was reduced to 150 KW.
- At Factory no. 2 BCPL, Panihati, the High Tension agreemental load 50 KW was reduced to 25 KW.
- At Factory no. 2 BCPL, Panihati, the High Tension agreemental load 25KW was surrendered as it was not in used.
- The LT lines of some outside barreers was surrendered as it was also not in used.
- Taking all precautions for optimum utilization of energy in office like switching off lights/ fans/ air conditioners, whenever the employees are not in their chambers.
- Some of old Window Air Conditioner Units were replaced by new Split Air Conditioners which reduced Energy Consumption.
- Installed Domestic Electric Meters in Residential Quarters at Maniktala and Panihati Factory in place of Industrial Meters.

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

- Normal light bulbs and tube lights has been replaced with LEDs.
- Company is planning for Solar Rooftop System.

### **26.3 Technology Absorption**

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

1. Two new variants (1.Neem 2.Lemon fragrance) of one of Home Product Division product – WHITE TIGER, a soap based multi-use cleanser and deodorant has been launched.

#### **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).
- 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





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

*(A Government of India Enterprise)*



from the beginning of the financial year): The Company has not imported any technology in the last three years.

### **27 FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year 2019-20, the Company did not made any transactions in foreign currency.

### **28 QUALITY MANAGEMENT: ISO 9001:2015 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 9001:2015 certified organization from Bureau of Indian Standards (BIS), which is valid from 24.07.2018 to 01.07.2020. A surveillance Audit audit was conducted by BIS on 08.04.2019 and they have recommended for continuation of our certificate, as they were satisfied with the performance of Quality System of your Company as per ISO requirements.

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 is placed before the Board of Directors for its review and further suggestions.

Kanpur Unit: As per Drug Rules, Drugs Licensing and controlling Authority Uttar Pradesh have issued the GMP & GLP Certificate to Kanpur Factory on 18/12/2019 which is valid upto 31/12/2022.

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

Section 197 of the Companies Act, 2013 and rules made thereunder shall not apply to Government Companies in terms of Ministry of Corporate affairs notification dated 05<sup>th</sup> June 2015.

### **30 CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY DEVELOPMENT**

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. During the year 2019-20, BCPL contributed an amount of Rs. 18.66 Lakhs towards the Prime Minister National Relief Fund. Report on Corporate Social Responsibility and Sustainability Development has been placed at **Annexure-III** to this Report.

### **31 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



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

*(A Government of India Enterprise)*



and contributing in the campaign of “**Swachh Bharat Abhiyan**”. The products of Division III of your Company are recommended by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers for **Swachh Bharat Abhiyan**. Further, BCPL also observed “Swachh Bharat Phakwada” from 01/09/2019 to 15/09/2019, 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) Mass pledge by all employees of BCPL and spreading the word through social media for Swachh Bharat Mission.
- b) Displaying of banners, scanning of old records and weeding out old files.
- c) Carrying out cleanliness drive in office/ factory premises.
- d) Distribution of pamphlets regarding Swachha Bharat.
- e) Carrying out Pest Control in working areas in Factory/ Office premises.
- f) Performing cleanliness drive towards Waste Disposal System.
- g) Disposal of expired medicines, setting up plants for Paper Recycling.
- h) Carrying cleanliness drive in office/ factory and adjacent areas.
- i) Carrying out Swachhata Audit and carrying cleanliness drive.

### **32 EXTRACT OF ANNUAL RETURN**

As per the Companies (Amendment) Act, 2017, the requirement of attaching Form MGT-9 (Extract of Annual Return) with the Board’s Report has been done away. The Form MGT-9 (Annual Return) has been uploaded on BCPL’s official website: [www.bengalchemicals.co.in](http://www.bengalchemicals.co.in).

### **33 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 to placed in the Board Meeting on quarterly basis for its review and directions.

### **34 COMPLIANCE OF GOVERNMENT GUIDELINES, POLICIES AND SECRETARIAL STANDARDS**

The guidelines and policies issued by Department of Public Enterprises and Department of Pharmaceuticals and other Government Authorities from time to time including Secretarial Standards were complied.

### **35 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 31<sup>st</sup> March 2020.



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

*(A Government of India Enterprise)*



### **36 REPAYMENT OF LOANS**

Government of India Loan: Government of India has given a Plan Loan of Rs. 10642 Lakhs and Non-Plan Loan of Rs. 2310 Lakhs, mostly during 2005 to 2011. As on 31/3/2020 the balance in Plan Loan was Rs. 900 Lakhs & Non-Plan Loan was Rs.1749 Lakh and the balance amount repaid in last four years.

### **37 POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Being a Central Public Sector Enterprise, all the Directors including Functional Directors are appointed by the President of India through Administrative Ministry. Managing Director is appointed in the 2007 scale of pay of Rs. 65000-75000 and Director (Finance) is appointed in the 2007 scale of pay of Rs. 51300-73000. Their terms and conditions are also fixed by the Administrative Ministry, i.e. Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers.

### **38 DECLARATION BY INDEPENDENT DIRECTOR U/S 149 OF COMPANIES ACT, 2013**

The post of Non-Official (Independent) Director is vacant since 09/08/2019, a letter for appointment of Independent Director on the Board of BCPL has been sent to Administrative Ministry.

However, Shri S.K. Roy Choudhury, Independent Director (upto 08/08/2019) had given a declaration that he meet the criteria of independence provided in section 149 (6) of the Companies Act, 2013.

### **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 2019-20, your Company procured of Rs. 1685.56 Lakh of Goods from Small and Medium Enterprises, out of Rs. 5399.68 Lakhs of procurement (excluding Proprietary items, Branded/Loan Licensing items), which comes to around 31.45%. The detail of MSME procurement is mentioned below:



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



Detail of Procurement in 2019-20	Value In Rs. Lakhs	Percentage
Total Procurement	5399.68	100%
Procurement from MSMEs (including SC/ ST & Women)	1685.56	31.45%

Further, nothing was due/ outstanding to the MSME Suppliers for the financial year ended on 31/03/2020.

### 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 on regular intervals 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:

Method	Details
Print Media	Display in Magazines, and Leading Newspapers
Exhibitions	Local Exhibitions: Panihati Utsav

### 44 OTHER STATUTORY DISCLOSURES

- 44.1 There was no change in the nature of business of the Company during the financial year 2019-20.
- 44.2 An Order for Insolvency & Bankruptcy of BCPL was passed by Hon'ble NCLT in case of M/s. UEM India Private Limited, which has been resolved and Hon'ble National Company Law Tribunal, Kolkata Bench has also passed the order for completion of settlement and disposed off the Corporate Insolvency Resolution Process.
- 44.3 Being a Government Company, BCPL is exempted from the statutory provisions relating to performance evaluation of Directors and disclosure in respect of evaluation mechanism in the Board's Report.
- 44.4 There was no revision of financial statements/ reports during three financial years.
- 44.5 During the year, no changes were occurred in the capital structure of the Company
- 44.6 Material Order of Judicial Bodies/ Regulations:

Union Cabinet's Decision on Strategic Sale of BCPL: The status of Union Cabinet's Decision on Strategic Sale of BCPL is mentioned in point no. 7 of this Report.



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

*(A Government of India Enterprise)*



### **ACKNOWLEDGEMENT**

Directors wish to place on record their appreciation to the valuable support extended by all shareholders during the year 2019-20. 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, Ministry of Corporate Affairs, and various State Governments, Regulatory and Statutory Authorities, Comptroller & Auditor General of India, Statutory Auditors, and 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 Profit Making Company for consequently last four years.

**For and on behalf of the Board**

**Sd/-**

**(PM CHANDRAIAH)  
Managing Director (Additional Charge) &  
Director (Finance)  
DIN: 06970910**

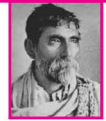
**Sd/-**

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

Place: Kolkata  
Date: 11/05/2020



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



**PSUs PLAY AN IMPORTANT ROLE IN INDIAN ECONOMY**



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





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors would like to inform all the shareholders that your company has 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 have 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:

### GLOBAL PHARMACEUTICAL INDUSTRY

The Pharmaceutical Industry is responsible for the development, production and marketing of medicines. The industry has contributed to significant improvements in patient well-being. India enjoys an important position in the global pharmaceuticals sector. India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. 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 to higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

As per the research, the global pharmaceutical industry will be worth USD 1.57 trillion by 2023. The Governments worldwide are facing pressures of rising healthcare costs, thus emphasising on the importance of generics and their role in making pharmaceutical products affordable to those in need.

### Market Size

The Indian Pharmaceutical Industry is 3<sup>rd</sup> largest in the world in terms of volume and 14<sup>th</sup> largest in terms of value. India exported medicines worth US \$14389 Million in Financial Year 2018-19. India also exported Bulk Drug/ Drug Intermediates worth US \$3911 million in Financial Year 2018-19. However, the country also imports various Bulk Drugs/ Active Pharmaceutical Ingredients (APIs) for producing medicines. Two-thirds of the total imports of Bulk Drugs/ Drug Intermediates come from China. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical etc.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA). The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market. India's biotechnology industry comprising Bio-Pharmaceuticals, Bio-Services, Bio-Agriculture, Bio-Industry and Bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.





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

*(A Government of India Enterprise)*



### **Investments and Recent Developments**

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

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.98 billion between April 2000 and March 2019, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the recent developments/ investments in the Indian Pharmaceutical sector are as follows:

- The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years and has significant growth opportunities.
- Indian pharma companies are capitalising on export opportunities in regulated and semi-regulated markets.

The Government of India has made efforts to make pharmaceutical products more affordable and step up the promotion of generics. Moreover, government-sponsored programmes provide healthcare benefits for the low-income section of the population. The 'Pharma Vision 2020' by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

### **Chemical Industry**

The Indian Chemicals Industry is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Basic Chemicals, Speciality Chemicals, and Agrochemicals. India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale. India is a strong global Dye Supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Chemicals Industry in India has been de-licensed except for few hazardous chemicals. Upcoming Plastic Parks will provide state-of-the-art infrastructure for Chemicals and Petrochemicals Sector. Indian chemical industry comprises of both small scale as well as large scale units. With initiatives like "Make in India" program gaining steam, investments, innovation and infrastructure are going to be the major thrust areas for chemical industry players. The Indian Chemicals Industry is projected to reach \$304 billion by 2025, clocking an annual growth rate of 15-20%. In Chemical Sector 100% FDI is allowed under the automatic route in the chemicals sector other than certain hazardous chemicals. The Country's Chemical Industry is one of the fastest growing in the world, currently ranked the third largest in Asia and sixth globally in terms of output. Indian Chemicals Industry ranks 14<sup>th</sup> in export and 8<sup>th</sup> in import of Chemicals (Excluding pharmaceuticals products) globally. Demand of chemical products is expected to grow at approximately 9% p.a. over the next 5 years.



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

*(A Government of India Enterprise)*



Total export of dyes and dye intermediates, organic and inorganic chemicals, including agro chemicals, cosmetics and toiletries, essential oils and castor oil, stood at US\$ 19.09 Billion during the year 2018-19 and stood at US\$ 16 Billion (Approx) in 2019-20.

The US, the UAE, the UK, Bangladesh and Saudi Arabia are the leading importers of cosmetics, toiletries and essential oils. During 2019-20, Exports of organic, inorganic, and agro chemicals stood at US\$ 863.38 Million, US\$ 7.14 Billion, US\$ 2.83 Billion.

The promotion of product groups such as dyes and dye intermediates, basic inorganic and organic chemicals, including agro-chemicals, cosmetics, toiletries, essential oils, incense sticks, castor oil and its derivatives, is handled by the Basic Chemicals, Cosmetics & Dyes Export Promotion Council, which is popularly known as CHEMEXCIL. The Council organises promotional events and fairs to help exporters identify potential markets abroad and providing publicity and marketing back-up.

To strengthen the domestic production, to curb the imports, and to ensure the robust market size by implementation of new policies upon the sectors, Government of India has announced various plans. Government is also working on a draft chemical policy that will focus on meeting the rising demand for chemicals and reduce imports.

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. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic Parks will provide state-of-the-art infrastructure for Chemicals and Petrochemicals sector.

### **1. Growth Drivers of BCPL**

- Modernization of following plants:
  - a) Betalactum Block
  - b) Ointment & External Solution Block
  - c) Injectable Block
- GMP Compliance & ISO 9001 Certified Company
- License for production of Hydrxychloroquin (HCO)
- Availability of BCPL's products in E-Commerce Platform
- Opening of several Retail Stores in West Bengal and Mumbai
- Optimum utilization of Manpower
- Extension of Vendor base
- Introduction of brand extensions



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



- Shifted from manual operations to automation
- Implementation of Sales/ Distribution Manual
- Introduced Centralized System of Accounting, Payroll Payments, Procurements, Bill Processing, Bill Collection, Biometric Attendance, Installation of CCTVs etc.
- Adjusted/ Recovered all advances

### 2. 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 53% to the total turnover during 2019-20 as compared to 65% during the previous year 2018-19 and 64% in 2017-18. The second largest segment has been Cosmetics and Home Products contributing 43% to the total turnover during 2019-20 compared to 30% during the previous year 2018-19 and 31% in 2017-18. Segment-wise analysis of the operations of the Company is given below:

(Rs. in Lakhs)

Sl. No	Products Segment	2017-18		2018-19		2019-20	
		Turnover	%	Turnover	%	Turnover	%
1	Pharmaceuticals	4966.92	64	6544.45	65	<b>3675.39</b>	<b>53</b>
2	Cosmetic & Home Products	2404.19	31	3020.00	30	<b>3036.67</b>	<b>43</b>
3	Chemicals	430.04	5	486.58	5	<b>315.64</b>	<b>4</b>
	Total	7801.15	100	10050.06	100	<b>7027.70</b>	<b>100</b>

### 3. SWOT ANALYSIS

#### (i) Strengths

- BCPL is one of the most Renowned PSU, being first Chemicals & Pharmaceuticals Company of India, founded by the Eminent Scientist Acharya Prafulla Chandra Ray.
- Strong image of the brand and quality products like Phenoel, Naphthalene Balls, Bleaching Powder etc.
- State of the art manufacturing facility of life saving medicines
- Large Distribution Network of Depots, C&FAs and Retail Stores covering the entire Country.



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

*(A Government of India Enterprise)*



- Production is being made strictly as per Drug Control and BIS Guidelines.
- All the offices of BCPL are situated in cities and have attractive transport facilities.
- Cost management with new product formulation
- Zero Labour Unrest
- Optimum Utilization of Manpower
- Maintaining harmonious industrial relations in the Company and inculcating good work culture amongst the employees.
- In-House production of Dry Powder Injection has been commissioned
- Favorable Market Conditions with a renowned “Brand Name” capable of entering in new market areas
- Able to sustain Quality concurrently of different variants being manufactured at Maniktala Works featuring Tablets (Beta Lactum and Non Betalactum), Capsules (Betalactum), Ointment, Dry Powder Injection
- Scope for New Product development is there

### **(ii) Weaknesses/Risk/Concern**

- Less initiatives for advertisement and brand promotion
- Competitiveness with analogous players
- Lack of facilities of product improvement and new introductions
- Lack of efficiency and adequate skills
- Low capacity utilization
- Problem in attracting and retaining best professionals due to poor salary
- Mostly dependent on Sales to Government Institutions
- Documentation work associated with production specially Batch Manufacturing Record due to less number of Production Officers.
- Old Machines and equipment
- Operation is still mostly on manual operation mode.
- Absence of IT infrastructure and align all the functions.
- Lack of Proper QA & QC setup

### **(iii) Opportunities**

- Constant growth of Pharmaceuticals market especially in Antibiotic & Generics Segment
- Expansion of chronic therapy segments like diabetes and hypertension in India
- Large base of Home Products/ Cleaning Products which is constantly expanding.



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

*(A Government of India Enterprise)*



- Product traceability and Certification
- Swachh Bharat Campaign
- Greater penetration of health insurance
- Product Diversification
- Expansion of medical infrastructure
- Output will increase several fold with respect to Production of Tablet and Capsule as a result of COVID-19 pandemic threat and capacity utilization will be enhanced.
- Global demand for Generics
- Positive approach of parties
- Product traceability and certification
- High demand of Ferric alum, Phenyl, Napthalene, Bleaching Powder and other Division III products.
- High demand of newly launched deodorized floor cleaner.

### **(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
- API/ Excipients Manufacturer's lack of interest in BCPL
- 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
- Price escalation of API'S and Excipients on account of volatile Market due to COVID-19
- Transportation constraint due to Lockdown & COVID-19
- Constant energy inflation in Kanpur Factory
- Lack of Skill development programme/training
- Workforce is unskilled and low on efficiency.



#### 4. 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' 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 compiled report alongwith proceedings of such meeting submitted to the Audit Committee and Board for their review and suggestions.

- **Risk Assessment due to COVID-19**

During these unprecedented times of COVID 19, pharmaceutical companies are responding to the rapid challenges arising from disruption in supply chains and the need to change business processes. However, in case of BCPL, it also manufacture, the Home Products at its Panihati Factory, hence, there is no much adverse impact on the overall performance of the Company. Further, due to COVID-19 pandemic, supply of Active Pharmaceutical Ingredients mainly from China has been affected.

#### 5. OUTLOOK

Your Company has planned increase Pharma products especially in Chronic Therapy Segments like Arthritis, Hypertension, Hyperglycemia, and Dyslipidemia. The Company wants to diversify its presence in complication management of Chronic Disorders and lifestyle management which is need of the present generation.

Further, the Company plans to bring in newer products in Hygiene and cleaning needs of both domestic and industrial segments.

#### 6. 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, which is headed by Chief Internal Auditor. The Internal Audit department checks the adequacy and effectiveness of internal control system through regular audits, system reviews and provide assurance on compliance to the legal, regulatory and internal policies of the Company.

Further the Internal Audit Team continue its efforts to ensure adequacy of such systems, controls and reports thereon which were subjected to periodical review by Audit Committee. In addition to this, during the year 2019-20, BCPL has improved the Internal



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

*(A Government of India Enterprise)*



Financial Control System and also controlled the financial leakage in the Company. BCPL has also adopted and implemented the following Five Tier System of Audit in the Company

- (i) Banking Transaction Audit
- (ii) Internal Audit
- (iii) Statutory Audit by the Audit firm appointed by CAG
- (iv) GST Audit and
- (v) Govt. Audit i.e. by CAG Auditors.

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

### **7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE**

During the year 2019-20, your Company achieved a turnover of Rs. 7028 Lakh compared to previous year turnover of Rs. 10050 Lakh and also reported Profit of Rs. 1446 Lakh compared to Profit of Rs 2526 Lakh of previous year 2018-19. Your Company has reported net profit consecutively for four years and confident of achieving net profit in the future years also.

### **8. MATERIAL DEVELOPMENT IN HUMAN RESOURCE, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF THE PEOPLE EMPLOYED**

The Company provides relevant trainings time to time its employees and update their skills and abilities for its growth and as well as increase the quantity and quality of production, marketing and accounting activities.

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.

The 2007 Pay Scale has also been implemented in the Company in November 2019.

### **9. 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. Employees are sensitized towards reduction in energy consumption by switching off electrical appliances like lights, fans, computers when they are not in use.



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

*(A Government of India Enterprise)*



### **(ii) Technological Conservation:**

As a part of Technological Conservation BCPL has implemented Bar Coding & QR Coding in secondary and tertiary packages of some products. The main advantage of this technology is better traceability of the product in warehouse/stock points.

### **(iii) Foreign exchange conservation:**

During the year 2019-20, the Company did not made any transactions in foreign currency.

### **CAUTIONARY STATEMENT**

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

**For and on behalf of the Board**

**Sd/-**  
**(PM CHANDRAIAH)**  
**Managing Director (Additional Charge) &**  
**Director (Finance)**  
**DIN: 06970910**

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

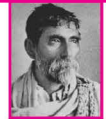
Place: Kolkata

Date: 11/05/2020





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





## REPORT ON CORPORATE GOVERNANCE

### THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes that Good Corporate Governance generates value on a sustainable 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, Guidelines on Corporate Governance issued by Department of Public Enterprises for CPSEs, and Secretarial Standards.

#### 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 Chemicals and Fertilizers). Presently two Directors are in position viz. Director (Finance), one Part-Time Official Director [Government nominee].

##### 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 2019-20 are given below:

Name of Directors	Category	Board Meetings attended	38 <sup>th</sup> AGM attended	No. of Directorships in other Companies (excluding BCPL)	Tenure w.e.f
<b>(i) Whole Time/Functional Directors</b>					
Shri PM Chandraiah DIN: 06970910	Managing Director (Additional Charge & Director (Finance)*	5	Yes	Nil	25/11/2014
<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)	06/07/2016



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



Name of Directors	Category	Board Meetings attended	38 <sup>th</sup> AGM attended	No. of Directorships in other Companies (excluding BCPL)	Tenure w.e.f
<b>(iii) Independent/ Part-Time Non-Official Director</b>					
Shri S.K. Roy Choudhury Independent Director [Part-Time Non-Official Director] DIN: 00757497	Director	2	Yes	NIL	09/08/2016 to 08/08/2019

\*Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India had assigned Shri PM Chandraiah, Director (Finance) with additional charge of Managing Director of BCPL w.e.f. 01<sup>st</sup> June 2016 for an initial period of 3 months, which was extended time to time upto 31<sup>st</sup> August 2020

\*\* Abbreviations used are:

- KAPL-Karnataka Antibiotics & Pharmaceuticals Limited
- RDPL- Rajasthan Drugs & Pharmaceuticals Limited

### Notes:

The details of Directors/ Key Managerial Personnel appointed or have resigned during the year 2019-20, and thereafter till the date of this report is mentioned below:

**Appointments:** Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers vide Order “F.No.25012/1/2014-PSU-I(Vol-II)” dated 27th August 2019 again assigned the additional charge of Managing Director to Shri PM Chandraiah w.e.f. 01/09/2019 till 24/11/2019. Further, the Administrative Ministry vide its Order dated 22nd November 2019 again assigned the additional charge of Managing Director to Shri PM Chandraiah w.e.f. 25/11/2019 till 28/02/2020. The Administrative Ministry vide its Order dated 01st January 2020 again assigned the additional charge of Managing Director to Shri PM Chandraiah w.e.f. 01/03/2020 till 31/08/2020.

The Administrative Ministry vide its Letter dated 18<sup>th</sup> November 2019 extended the tenure of Shri PM Chandraiah, Director (Finance) for further one year i.e. till 24<sup>th</sup> November 2020.

**Cessations:** During the year 2019-20, Shri Sajal Kumar Roy Choudhury, Part Time Non-Official (Independent) Director ceased from the Board of the BCPL due to completion his tenure of three years on 08<sup>th</sup> August 2019.



## **BRIEF RESUME OF DIRECTORS:**

### **(a) SHRI JITENDRA TRIVEDI**

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

Shri Jitendra Trivedi, Aged 43 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 6<sup>th</sup> July 2016. Shri Jitendra Trivedi joined Indian Ordinance Factory Services (IOFS) on 5<sup>th</sup> September 2000. Shri Jitendra Trivedi has vast experience in the field of Ordinance Factory Services, Public Administrative, and Government Services. He is also Board Member of Karnataka Antibiotics & Pharmaceuticals Limited, and Rajasthan Drugs & Pharmaceuticals Limited.

### **(b) SHRI PM CHANDRAIAH**

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

Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers has appointed Shri PM Chandraiah, Aged 55 Years as Director (Finance) vide Order "F.No.25012/2/2014-PSU" dated 3<sup>rd</sup> November 2014 for 5 years from the date of his joining, which was further extended upto 24/11/2020. The tenure of Shri PM Chandraiah has been again extended by the Administrative Ministry for further one year i.e. till 24/11/2020. Shri Chandraiah assumed the charge of Director (Finance) on 25<sup>th</sup> November 2014. Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, vide Order No. "25012/1/2014-PSU-I" dated 19<sup>th</sup> July 2016, has assigned the additional charge of Managing Director of Bengal Chemicals & Pharmaceuticals Limited to Shri PM Chandraiah, Director (Finance), which was extended from time to time and vide Order dated 01<sup>st</sup> January 2020, Administrative Ministry has assigned the additional charge of Managing Director to Shri PM Chandraiah up to 31/08/2020. He is a Cost Accountant and having 35 years of rich experience in various PSUs like NTPC, IREDA, IRCON, NSPCL, EPI, and BCPL and working experience in departments like Human Resources, Vigilance, Financial Management, Marketing etc. BCPL became a Profit making Turnaround Company in the year 2016-17 under the dynamic leadership of Shri PM Chandraiah and achieved the Net Profit consecutively for four years i.e. 2016-17, 2017-18, 2018-19, 2019-20.

## **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 convened by giving appropriate notice alongwith agenda papers. The Board Meetings are normally held at the Company's Registered Office in Kolkata and as per the DPE's OM No. "F.No.18(17)/2005-GM" dated 24/05/2018. 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 discussions. An “Action Taken Report” on the decisions of last Board Meeting is placed in every Meeting of the Board of Directors. The minutes of the proceedings of each Board Meeting are entered in the Minutes Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting. The minutes of Committee of the Board are also placed to the Board for its information. The Board Members have complete access to all information of the Company.

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

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

- Annual operating plans and budget and updates.
- Financial Results on quarterly basis
- Minutes of meetings of Audit Committee and other Committees of the Board.
- 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.
- 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.
- Status implementation of Risk Management Policy.
- Report on Quality Stability Test.
- Review of Vigilance work on half yearly basis
- Any other information required to be presented to the Board either for information or approval.

#### **1.5 Number of Board Meetings:**



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

*(A Government of India Enterprise)*



During the year 2019-20, five meetings of the Board of Directors were held, the details of which are given below:

Sl. No.	Date Of Meeting	Board Strength	No. of Directors Present
1.	29/04/2019	3	3
2.	22/05/2019	3	3
3.	16/08/2019	2	2
4.	21/11/2019	2	2
5.	07/02/2020	2	2

### **1.6 Appointment of Directors**

The appointment of all Directors including part-time directors is done by The President of India through Administrative Ministry i.e. Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers. Further, as per notification no. "G.S.R.,163(E)" dated 5<sup>th</sup> 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. Shri S.K. Roy Choudhury, Independent Director (Till 08/08/2019), regularly visited the Office and Factory Premises of the Company.

## **2.0 COMMITTEES OF THE BOARD OF DIRECTORS**

### **2.1 Audit Committee**

The Audit Committee of the Company has been 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



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



is chaired by the Independent Director (Non-Official Director) of the Company. During the year 2019-20, the Committee had five meetings on 29<sup>th</sup> April 2019, 22<sup>nd</sup> May 2019, 16<sup>th</sup> August 2019, 21<sup>st</sup> November 2019, and 07<sup>th</sup> February 2020.

(i) The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
<b>Shri S.K. Roy Choudhury</b> Independent Director Chairman, Audit Committee	2	2
<b>Shri Jitendra Trivedi</b> Part-Time Official Director Member, Audit Committee	5	5
<b>Shri PM Chandraiah</b> Managing Director (Addl. Charge) & Director (Finance) Member, Audit Committee	5	5

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

1	Shri S.K. Roy Choudhury	Independent Director	Chairman (Till 08/08/2019)
2	Shri Jitendra Trivedi	Govt. Nominee Director	Chairman (w.e.f. 09/08/2019)
3	Shri PM Chandraiah	Managing Director (Addl.Charge) & 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.



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



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 the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
12. Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
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;
  - 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;





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



- 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



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



- 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



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



pool and policy for its distribution across executives and non-unionized supervisors. The Committee has been reconstituted with the following members:

1	Shri S.K. Roy Choudhury	Independent Director	Chairman (Till 08/08/2019)
2	Shri Jitendra Trivedi	Govt. Nominee Director	Chairman (w.e.f. 09/08/2019)
3	Shri PM Chandraiah	Managing Director (Addl. Charge) & Director (Finance)	Member

During the year 2019-20, the Nomination and Remuneration Committee was met thrice on 22/05/2019, 21/11/2019, and 07/02/2020. All the Committee members including Chairman were present in the meeting.

### 2.3 Corporate Social Responsibility And Sustainability Committee

The Company had constituted Board Level Corporate Social Responsibility and Sustainability Development Committee 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 (upto 08/08/2019)
3	Shri PM Chandraiah, Managing Director (Addl. Charge) & Director (Finance)	Member

During the year 2019-20, no meeting of CSR & Sustainability Development Committee was conducted.

### 3.0 SHAREHOLDING PATTERN

The shareholding pattern of the company as on 31<sup>st</sup> March 2020 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, Deptt. of Pharmaceuticals, Ministry of Chemicals & Fertilizers	2
3	Mrs. Uma Magesh 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 to comply with.

#### 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 23<sup>rd</sup> 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/ Head of Organisation	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
38 <sup>th</sup>	2018-19	22 <sup>nd</sup> May 2019 at 12:30 Hrs. at Company's Registered Office
37 <sup>th</sup>	2017-18	05 <sup>th</sup> July 2018 at 14:00 Hrs. at Company's Registered Office
36 <sup>th</sup>	2016-17	19 <sup>th</sup> June 2017 at 15:30 Hrs. at Company's Registered Office

Note: 35<sup>th</sup> AGM held on 11<sup>th</sup> July 2016 for adopting Annual Report of 2015-16.

Notice of 39<sup>th</sup> Annual General Meeting for the financial year 2019-20 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
38 <sup>th</sup>	2018-19	NIL
37 <sup>th</sup>	2017-18	NIL
36 <sup>th</sup>	2016-17	NIL



## 7.0 RIGHT TO INFORMATION (RTI)

The provisions laid down under RTI Act, 2005 have been complied with. The Company has appointed its Deputy Manager level official as Public Information Officer (PIO). A Senior 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 2019-20 are as under:

1	No. of RTI Applications Pending as on 1 <sup>st</sup> April 2019	Nil
2	No. of RTI applications received during the year 2019-20	11
3	No. of RTI applications disposed-off during the year 2019-20	11
4	No. of RTI applications pending on 31 <sup>st</sup> March 2020	Nil
5	No. of RTI applications referred to Appellate Authority during the year 2019-20	Nil

## 8.0 MEANS OF COMMUNICATION WITH SHAREHOLDERS

Bilingual Annual Report (i.e. Hindi & English) and Annual Return as filed with Ministry of Corporate Affairs are 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 Functional Directors and sitting fees paid to Independent Directors during the year 2018-19 are as under:

i) Functional/Whole-time Directors:

(Rs. In Lakhs)

Name of Functional Director	Salary	Benefits	Total
Shri PM Chandraiah Managing Director (Additional Charge) & Director (Finance)	23.58	2.06	25.64



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



ii) Independent Director:

(In Rupees)

Name of Director	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Shri S.K. Roy Choudhury Independent Director (upto 08/08/2019)	10,000	15,000	25,000

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 President of India through Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India 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 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's accounting procedures comply with the Accounting Standards adopted by concerned regulatory authority from time to time.
- 11.8 The detail of Risk Management is described in Directors' Report.
- 11.9 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.
- 11.10 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.
- 11.11 Administrative expenses as a percentage of total income has been 35.44% in 2019-20, compared to 26.34% in 2018-19 and 30.54% in 2017-18 and 40.10% in



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



2015-16. Finance Costs/ Expenses as a percentage of Total Expenses has been 0.96% in 2019-20, compared to 2.74% in 2018-19, 10.69% in 2017-18 and 14.25% in 2016-17.

11.12 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.

11.13 There is no deviation from the prescribed accounting standards in the financial statements of the Company for the year 2019-20.

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

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

Place: Kolkata

Date: 11/05/2020



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



*Prateek Kohli & Associates*  
Company Secretaries

**Certificate on Corporate Governance**

To,  
The Members  
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, 2020 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 Recognised 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 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 and clarifications provided to us by the Directors and the management, we certify that the Board of Directors of BCPL have adapted, to the extent possible, the Guidelines on Corporate Governance, 2010 for CPSE's issued by the Department of Public Enterprises (DPE) on mandatory basis as the Board approved policy on Corporate Governance as stipulated in the aforesaid Guidelines as annexed 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: 11.05.2020**  
**UDIN: A040967B000225008**



**For Prateek Kohli & Associates**  
**Company Secretaries**

**Sd/-**

**Prateek Kohli**  
**Partner**  
**C.P. - 16457**

Office Address : 50, Weston Street 1<sup>st</sup> Floor Room No. 105 Kolkata – 700012  
✉ : [espkohli@gmail.com](mailto:espkohli@gmail.com); ☎ +91 9038410495; ☎ +91 9874737484





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

Being a socially responsible Corporate Citizen, founded by the Legendary of 20<sup>th</sup> Century, 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 behavior 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**

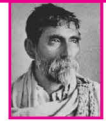
To steer the Corporate Social Responsibility & Sustainability initiatives of the Company, a Board Level Committee in terms of DPE Guidelines on Corporate Social Responsibility & Sustainability has been constituted. This Board Level Committee is headed by Government Nominee Director.

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.



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

*(A Government of India Enterprise)*



### **ACTIVITIES DURING THE YEAR 2019-20**

During the year 2019-20, your Company contributed an amount of Rs. 18.66 Lakhs towards the Prime Minister National Relief Fund.

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

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

Place: Kolkata

Date: 11/05/2020



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

*(A Government of India Enterprise)*



## **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 31<sup>st</sup> March 2020 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 2019-20 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 2019-20;
  - b) Significant changes in accounting policies during the year 2019-20 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)**  
**Managing Director (Addl. Charge),**  
**Director (Finance) &**  
**Chief Financial Officer**  
**DIN: 06970910**

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

Place: Kolkata  
Date: 11/05/2020



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



**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1	Details of contracts or arrangements or transactions not at arm's length basis	No Related Party Transactions was made during the year 2019-20.
2	Details of material contracts or arrangement or transactions at arm's length basis	No Related Party Transaction was made during the Year 2019-20.

**For and on behalf of the Board**

**Sd/-**  
**(PM CHANDRAIAH)**  
**Managing Director (Additional Charge) &**  
**Director (Finance)**  
**DIN: 06970910**

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

Place: Kolkata

Date: 11/05/2020



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



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BENGAL CHEMICALS & PHARMACEUTICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2020.**

The preparation of financial statements of Bengal Chemicals & Pharmaceuticals Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 11 May 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bengal Chemicals & Pharmaceuticals Limited for the year ended 31 March 2020 under section 143(6) (a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit report.

**A. Comment on Financial Statement**

**A.1 Balance Sheet:**

**Equity and Liabilities**

**Long Term Borrowings (Note – 5) – ₹19,370.64 lakh**

The above does not include ₹312.10 lakh being the interest accrued on loan availed (1996) from Government of West Bengal (Government), as a part of rehabilitation package, to discharge sales-tax dues. Subsequent to repayment of Principal (November, 2018), the company reversed the liability for interest created upto March 2018 (₹307.16 lakh) and recognised it as income in the financial statements for the year 2018-19 and also did not provide for the interest pertaining to the period from April 2018 to November 2018 (₹4.94 lakh) without receipt of any approval for waiver of accrued interest on the loan from Government.

This has resulted in understatement of Long Term Borrowings with corresponding under understatement of Reserves & Surplus (Accumulated loss) by ₹312.10 lakh.



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



**A.2 Assets**

**Short Term Loans and Advances (Note – 16) – ₹543.82 lakh**

The above includes ₹100.25 lakh being the balance of Mobilisation Advance recoverable from M/s GMP Technical Solution Private Limited since 2014. As the Bank Guarantee furnished by the contractor for ₹177.50 lakh was already lapsed in August 2012 and since no security exists for the recovery of ₹100.25 lakh from M/s GMP Technical Solutions Private Limited, the same should have been considered doubtful and suitable provision should have been made in the financial statements.

This has resulted in overstatement of Short Term Loans and Advances and understatement of Provisions by ₹100.25 lakh. Profit is also overstated to that extent.

**B. Comment on Profitability:**

**B.1 Statement of Profit & Loss**

**Employee Benefit Expenses (Note-22): ₹1415.56 lakh**

Government of India sanctioned Grants-in-Aid of ₹4470.00 lakh to BCPL during 2006-07 for payment of arrear wages for implementation of 1997 Pay Scales to the employees and implementation of Voluntary Retirement Scheme (VRS). The Grants-in-Aid received is of specific nature and cannot be utilised for the purposes other than its intended purpose.

In contrary, during 2019-20, out of the balance unutilised Grants-in-Aid of ₹825.10 lakh, the company utilised ₹617.01 lakh for payment of arrears arising out of implementation of 2007 Pay Scales to the employees. The expenditure towards payment of arrears arising out of implementation of 2007 Pay Scales should have been met by the company from its own generated funds and charged the expenditure in the statement of Profit & Loss.

This has resulted in understatement of Employee Benefit Expenses and overstatement of Profit by ₹617.01 lakh. Also, Salary and VRS provision/Grants is understated to that extent.

**C. Comment on Disclosure:**

**C.1 Notes on Accounts:**

Government of India released Interest bearing Plan Loans of ₹1812 lakh and Interest bearing Non-Plan Loans of ₹561 lakh to the company during the period from 2005 to 2015. These loans provided for repayment of principal and interest at specified dates failing which compound interest at penal rates was applicable. The company defaulted both in payment of Principal as well as interest on due dates.

The company requested for waiver of interest to the Government in 2017, which was still under consideration. However, since April 2017, the Company created provision for interest on defaulted amount of principal at normal rate instead of at penal rate. Further,



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



no provision was made for interest on the defaulted amount of interest on the plea that the waiver request pending with the Government.

The fact has not been disclosed in the financial statements for 2019-20 though the fact was disclosed in the financial statements for 2017-18 and 2018-19.

**D. Comment on Cash Flow**  
**D.1 Cash Flow Statement**

A reference is invited to Para No.34 of AS-3 wherein it is stated that Cash flows arising from taxes on income should be separately disclosed and should be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

Contrary to the provisions of AS-3, instead of showing Advance Income Tax paid (₹150 lakh) separately, the same was included in increase in "Short Term Loan and Advances" under "Changes in working capital".

Also, Net profit before extraordinary items and tax was disclosed as ₹1307.05 lakh instead of ₹1445.62 lakh in the Cash Flow Statement.

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

Place: Kolkata  
Dated: 09.07.2020

**Sd/-**  
(Mausumi Ray Bhattacharyya)  
**Director General of Audit (Coal)**



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



### Management Reply on CAG Comments

Sl. No.	CAG Comments	Management Reply
A.1	<p>The Long Term Borrowings (Note – 5) of ₹19,370.64 lakh does not include ₹312.10 lakh being the interest accrued on loan availed (1996) from Government of West Bengal (Government), as a part of rehabilitation package, to discharge sales-tax dues. Subsequent to repayment of Principal (November, 2018), the company reversed the liability for interest created upto March 2018 (₹307.16 lakh) and recognised it as income in the financial statements for the year 2018-19 and also did not provide for the interest pertaining to the period from April 2018 to November 2018 (₹4.94 lakh) without receipt of any approval for waiver of accrued interest on the loan from Government.</p> <p>This has resulted in understatement of Long Term Borrowings with corresponding under understatement of Reserves &amp; Surplus (Accumulated loss) by ₹312.10 lakh.</p>	<p>Noted - Company has paid the full amount of Loan in November, 2018 and the fact was also disclosed in the Financial Statements of 2018-19.</p>
A.2	<p>The Short Term Loans and Advances (Note – 16) – ₹543.82 lakh includes ₹100.25 lakh being the balance of Mobilisation Advance recoverable from M/s GMP Technical Solution Private Limited since 2014. As the Bank Guarantee furnished by the contractor for ₹177.50 lakh was already lapsed in August 2012 and since no security exists for the recovery of ₹100.25 lakh from M/s GMP Technical Solutions Private Limited, the same should have been considered doubtful and suitable provision should have been made in the financial statements.</p> <p>This has resulted in overstatement of Short Term Loans and Advances and understatement of Provisions by ₹100.25 lakh. Profit is also overstated to that extent.</p>	<p>Noted - Company has already provided this amount in June, 2020.</p>
B1.	<p>Government of India sanctioned Grants-in-Aid of ₹4470.00 lakh to BCPL during 2006-07 for payment of arrear wages for implementation of 1997 Pay Scales to the employees and implementation of Voluntary Retirement Scheme (VRS). The Grants-in-Aid received is of specific nature and cannot be utilised for the purposes other than its intended purpose.</p> <p>In contrary, during 2019-20, out of the balance unutilised Grants-in-Aid of ₹825.10 lakh, the company utilised ₹617.01 lakh for payment of arrears arising out of implementation of 2007 Pay Scales to the employees. The expenditure towards payment of arrears arising out of implementation of 2007 Pay Scales should have been met by the company from its own generated funds and charged the expenditure in the statement of Profit &amp; Loss.</p> <p>This has resulted in understatement of Employee Benefit Expenses and overstatement of Profit by ₹617.01 lakh. Also, Salary and VRS provision/ Grants is understated to that extent.</p>	<p>Noted - Company has already disclosed this fact in the Financial Statements of 2019-20 vide Note No.2.4(c).</p>





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



Sl. No.	CAG Comments	Management Reply
<b>C.1</b>	<p>Government of India released Interest bearing Plan Loans of ₹ 1812 lakh and Interest bearing Non-Plan Loans of ₹ 561 lakh to the company during the period from 2005 to 2015. These loans provided for repayment of principal and interest at specified dates failing which compound interest at penal rates was applicable. The company defaulted both in payment of Principal as well as interest on due dates.</p> <p>The company requested for waiver of interest to the Government in 2017, which was still under consideration. However, since April 2017, the Company created provision for interest on defaulted amount of principal at normal rate instead of at penal rate. Further, no provision was made for interest on the defaulted amount of interest on the plea that the waiver request pending with the Government.</p> <p>The fact has not been disclosed in the financial statements for 2019-20 though the fact was disclosed in the financial statements for 2017-18 and 2018-19.</p>	<p>Noted - The same will be disclosed in the Financial Statements of future years.</p>
<b>D.1</b>	<p>A reference is invited to Para No.34 of AS-3 wherein it is stated that Cash flows arising from taxes on income should be separately disclosed and should be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.</p> <p>Contrary to the provisions of AS-3, instead of showing Advance Income Tax paid (₹ 150 lakh) separately, the same was included in increase in "Short Term Loan and Advances" under "Changes in working capital".</p> <p>Also, Net profit before extraordinary items and tax was disclosed as ₹ 1307.05 lakh instead of ₹ 1445.62 lakh in the Cash Flow Statement.</p>	<p>Noted - This will be taken care-off in the Financial Statements of future years.</p>

**For and on behalf of the Board of Directors**

Sd/-

**(PM CHANDRAIAH)**

Managing Director (Addl.Charge)  
& Director (Finance)

Sd/-

(N. Roy Pramanik)

HoD (Finance), BCPL



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of**  
**BENGAL CHEMICALS & PHARMACEUTICALS LIMITED**

**Opinion**

1. We have audited the accompanying Financial Statements of **BENGAL CHEMICALS & PHARMACEUTICALS LIMITED** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements") which we have signed under reference to this report.
2. In our opinion and to the best of our information and according to the explanations given to us, read with Paragraph 2.26 in Note No.2 (Notes on Accounts) regarding Impact of COVID-19, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2020, its profit and its cash flows for the year ended on that date.

**Basis for opinion**

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

**Information other than the Financial Statements and Auditor's Report thereon**

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Financial Statements and our Auditor's Report thereon.



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
7. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's responsibility for the Financial Statements**

8. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of 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 of the Company in accordance with the accounting principles generally accepted in India, including the SAs. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level



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

*(A Government of India Enterprise)*



### **M CHOUDHURY & CO.**

Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

- 16 (a) As required by the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of Section 143 (11) of the Act, we give in **Annexure I** to this report, a statement on the matters specified in paragraphs 3 and 4 of the said order.
- (b) As required under section 145(5) of the Act we give in **ANNEXURE II** to this report a statement on the directions and additional directions issued by the Office of the Director General of Commercial Audit & Ex-Officio Member Audit Board II, Kolkata, after complying with the suggested methodology of audit, the actions taken thereon and its impact on the accounts and financial statements of the Company.
- 17 As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
- (e) On the basis of written representations received from the Directors none of the Directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) Our report on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is given in **Annexure III** to this report.
- (g) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) We have not come across any pending litigation which would impact its financial position.
- (ii) The Company was not required to make provision under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.
- (iii) Transfer of funds to the Investor Education and Protection Fund was not applicable to the Company.

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
FRNo.: 302186E

Sd/-  
**D Choudhury**  
**Partner**  
Membership No.: 052066

Place: Kolkata  
Date: 11<sup>th</sup> May 2020

UDIN: 20052066AAAAAN9809



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

**ANNEXURE-I to the INDEPENDENT AUDITORS' REPORT on BENGAL CHEMICALS & PHARMACEUTICALS LIMITED for the Year Ended 31<sup>st</sup> March 2020**

**Statement on the matters specified in the Companies (Auditor's Report) Order, 2016**

(Referred to in Paragraph 16(a) of our report of even date)

In our opinion and to the best of our information and according to the explanations given to us, we state that:

- (i)
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted loans, secured or unsecured, to Companies, Firms, LLPs or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company does not have loans, investments, guarantee and security involving the provisions of Section 185 and Section 186 of the Act.
- (v) The Company has not accepted deposits attracting the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal requiring compliance.
- (vi) In respect of cost records specified by the Central Government under Section 148 (1) of the Act, the Company has made and maintained such accounts and records.
- (vii)
  - (a) The Company was generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other Statutory dues like Goods and Services Tax, except for Rs.1520.10 Lakhs in respect of Municipal Tax and Land Revenue relating to



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

Kolkata and Mumbai properties of the Company which are in arrear for more than six months.

- (b) The amounts involved and the forum where dispute is pending, in respect of dues of income tax or wealth tax or service tax or customs duty or excise duty or value added tax that have not been deposited on account of any dispute, are given in **APPENDIX A** attached. Disputed dues amounting to Rs.195.68 Lakhs, Rs.1175.17 Lakhs, and Rs.1605.16 Lakhs relating to Excise Duty, Central Sales Tax and Value Added Tax respectively has not been provided for and no amount has been deposited against the same with the respective authorities as disclosed in Paragraph No. 2.21 in Note 2.
- (viii) The Company has not defaulted in repayment of loans or borrowings to Financial Institutions or Banks. However, it has defaulted in repayment of loans from Government as given below. The Company did not have any debentures outstanding during the year.

Particulars	Principal Amount (Rs. In Lakhs)	Interest Accrued and Due (Rs. In Lakhs)
Government of India - Plan Loan	9000.00	5308.25
Government of India - Non Plan Loan	1749.00	3313.39

- (ix) Moneys raised by way of initial public offer or further public offer (including debt instruments) was not applicable to the Company. Term Loans were not obtained by the Company during the year.
- (x) Based on the audit procedures performed and as per the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) No Managerial Remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) This clause is not applicable to the Company since it is not a Nidhi Company.
- (xiii) According to the information and explanations given to us and on the basis of examination of books and records of the Company, there are no transactions with related parties as defined in Section 177 and Section 188 of the Act.





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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- ( xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them.
- (xvi) The Company was not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
(FRN: 302186E)

Sd/-

**D Choudhury**  
**Partner**

(Membership No. 052066)

Place: Kolkata

Date: 11<sup>th</sup> May 2020



## APPENDIX A

### Dues that have not been deposited on account of dispute

(Referred to in para (vii)(b) in ANNEXURE I)

Name of the Statute	Nature of Dues	Rs. In Lacs	Period to which it relates	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	Appellate Tribunal, Kolkata
		10.94	April, 1988 to March, 1990	Appellate Tribunal, Kolkata
		41.06	July, 1987	Appellate Tribunal, Kolkata
		41.08	Sept.1989 to Feb 1994	Appellate Tribunal, Kolkata
		1.22	Sept.1999	Appellate Tribunal, Kolkata
		1.51	2015-16	Superintendent of Central Excise Duty, Khardah Division
	0.15	2016-17	Superintendent of Central Excise Duty, Burabazar Division	
	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
		294.97	2006-2007	Appellate and Revision Board, Commercial taxes, West Bengal
16.36		2008-2009	Appellate and Revision Board, Commercial taxes, West Bengal	



**APPENDIX A (Continued)**

**Dues that have not been deposited on account of dispute**

Name of the Statute	Nature of Dues	Rs. In Lacs	Period to which it relates	Forum where dispute is pending
Central Excise Act	Central Sales Tax	5.63	2009-2010	Appellate Authority
		92.13	2010-2011	Appellate Authority
		3.01	2011-12	Appellate Authority
		2.22	2012-13	Appellate Authority
		4.51	2013-14	Appellate Authority
		1.89	2012-13	Sr. Joint Commissioner, Dharamtala.
	Value Added Tax	119.58	2004-2005	Appellate and Revision Board, Commercial taxes, West Bengal
		101.61	2005-2006	Appellate & Revision Board, Commercial taxes, West Bengal
		49.52	2006-2007	Appellate and Revision Board, Commercial taxes, West Bengal
		265.27	2007-2008	Appellate and Revision Board, Commercial taxes, West Bengal
		629.83	2008-2009	Appellate and Revision Board, Commercial taxes, West Bengal
		205.66	2009-2010	Appellate Authority
		88.21	2010-2011	Appellate Authority
93.45	2011-2012	Appellate Authority		
42.29	2012-2013	Appellate Authority		
9.74	2012-13	Sr. Joint Commissioner, Dharamtala		



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

**ANNEXURE II**

(Referred to in Paragraph 16 (b) of our report of even date)

**ANNEXURE A**

**Directions under section 143(5) of the Companies Act 2013 for the year 2019-20 in respect of**  
**BENGAL CHEMICALS & PHARMACEUTICALS LIMITED**

1	Whether the Company has system in place to process all accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place for processing all accounting transactions through the IT System. No transactions are processed outside the IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial implication may be stated.	There has been no restructuring of loan or cases of waiver/write off of debts/loans interest etc. by a lender during the year.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilised as per its terms and conditions? List the cases of deviation.	There were no cases of funds received/ receivable for specific schemes from Central/ State agencies by the Company during the year.

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
FRN: 302186E

Sd/-  
**D Choudhury**  
**Partner**  
Membership No. 052066

Place: Kolkata  
Date: 11<sup>th</sup> May 2020



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068

Ph: (033) 2429-2417

E- mail: emcee\_162@hotmail.com

## **ANNEXURE B**

### **Additional directions under section 143(5) of the Companies Act 2013 in respect of BENGAL CHEMICALS & PHARMACEUTICALS LIMITED for the year 2019-20**

1	State the area of land under encroachment, if any, and briefly explain the steps taken by the Company to remove the same.	As per the records of the Company and physical verification conducted by the management, no part of land has been encroached upon.
---	---	--

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
FRN: 302186E

Sd/-  
**D Choudhury**  
**Partner**  
Membership No. 052066

Place: Kolkata  
Date: 11<sup>th</sup> May 2020



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

**ANNEXURE III to the INDEPENDENT AUDITORS' REPORT on BENGAL CHEMICALS & PHARMACEUTICALS LIMITED for the Year Ended 31<sup>st</sup> March 2020**

(Referred to in Paragraph 17 (f) of our report of even date)

**Independent Auditor's Report on the Internal Financial Controls under Section 143 (3) (i) of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of **BENGAL CHEMICALS & PHARMACEUTICALS LIMITED** ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 the 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 ("the Act").

**Auditors' Responsibility**

3. 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 and the Standards on Auditing ("the Standards"), issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

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

8. In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
FRN: 302186E

Sd/-  
**D Choudhury**  
**Partner**  
Membership No. 052066

Place: Kolkata  
Date: 11<sup>th</sup> May 2020





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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

### COMPLIANCE CERTIFICATE

We have conducted the audit of Accounts of **BENGAL CHEMICALS & PHARMACEUTICALS LIMITED** for the year ended 31<sup>st</sup> March 2020 and we certify that we have complied with all the Directions and Additional Directions, issued to us by the Office of the Director General of Commercial Audit & Ex-Officio Member Audit Board - II, Kolkata as per the requirements of Section 143 (5) of the Companies Act, 2013.

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
FRN: 302186E

Sd/-  
**D Choudhury**  
Partner  
Membership No.: 052066

Place: Kolkata  
Date: 11<sup>th</sup> May 2020



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



**M CHOUDHURY & CO.**  
Chartered Accountants

162 Jodhpur Park, Kolkata - 700 068  
Ph: (033) 2429-2417  
E- mail: emcee\_162@hotmail.com

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of Corporate Governance by **BENGAL CHEMICALS & PHARMACEUTICALS LIMITED** ("the Company) for the year ended 31<sup>st</sup> March 2020 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 thereunder ("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 the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we 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 or of the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

**M CHOUDHURY & CO.**  
**Chartered Accountants**  
FRN: 302186E

Sd/-  
**D Choudhury**  
Partner  
Membership No.: 052066

Place: Kolkata  
Date: 11<sup>th</sup> May 2020



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





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





### Reply to Auditor's Comments on Annual Accounts of 2019-20

Sl.No.	Auditor's Comment	Management Reply
17.	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.	No Comments
	b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.	No Comments
	c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.	No Comments
	d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified in Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules 2014.	No Comments
	e) On the basis of written representations received from the Directors none of the Directors is disqualified as on 31 <sup>st</sup> March 2020 from being appointed as Director in terms of Section 164 (2) of the Act.	No Comments
	f) Our report on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is given in <b>Annexure III</b> of this report.	No Comments
	g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us: i) We have not come across any pending litigation which would impact its financial position; ii) The Company was not required to make provision under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts; iii) Transfer of funds to the Investor Education and Protection Fund was not applicable to the Company.	No Comments
i)	a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. c) The title deeds of immovable properties are held in the name of the Company.	No Comments
ii)	Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.	No Comments



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



Sl.No.	Auditor's Comment	Management Reply									
iii)	The Company has not granted loans, secured or unsecured, to Companies, Firms, LLPs or other parties covered in the register maintained under Section 189 of the Act.	No Comments									
iv)	The Company does not have loans, investments, guarantee and security involving the provisions of Section 185 and Section 186 of the Act.	No Comments									
v)	The Company has not accepted deposits attracting the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal requiring compliance.	No Comments									
vi)	In respect of cost records specified by the Central Government under Section 148 (1) of the Act, the Company has made and maintained such accounts and records.	No Comments									
vii)	<p>a) The Company was generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other Statutory dues like Goods and Services Tax, except for Rs.1520.10 Lakhs in respect of Municipal Tax and Land revenue relating to Kolkata and Mumbai properties of the Company which are in arrear for more than six months.</p> <p>b) The amounts involved and the forum where dispute is pending, in respect of dues of income tax or wealth tax or service tax or customs duty or excise duty or value added tax that have not been deposited on account of any dispute, are given in <b>APPENDIX A</b> attached. Disputed dues amounting to Rs 195.68 lakhs, Rs1175.17 lakhs, and Rs 1605.16 lakhs relating to Excise Duty, Central Sales Tax and Value Added Tax respectively have not been provided for and no amount has been deposited against the same with the respective Authorities as disclosed in Paragraph No.2.21 in Note 2.</p>	No Comments									
viii)	The Company has not defaulted in repayment of loans or borrowings to Financial Institutions or Banks. However, it has defaulted in repayment of loans from Government as given below. The Company did not have any debentures outstanding during the year.	Company started repaying Govt. of India Loans and repaid part amounts of Loan during 2017-18, 2018-19 and 2019-20.									
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Principal Amount (Rs. In Lakhs)</th> <th>Interest Accrued and Due (Rs. In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Government of India - Plan Loan</td> <td>9000.00</td> <td>5308.25</td> </tr> <tr> <td>Government of India - Non Plan Loan</td> <td>1749.00</td> <td>3313.39</td> </tr> </tbody> </table>	Particulars	Principal Amount (Rs. In Lakhs)	Interest Accrued and Due (Rs. In Lakhs)	Government of India - Plan Loan	9000.00	5308.25	Government of India - Non Plan Loan	1749.00	3313.39	As on 31 <sup>st</sup> March 2020, Company has repaid entire interest bearing Loans to Govt. of India.
Particulars	Principal Amount (Rs. In Lakhs)	Interest Accrued and Due (Rs. In Lakhs)									
Government of India - Plan Loan	9000.00	5308.25									
Government of India - Non Plan Loan	1749.00	3313.39									



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



Sl.No.	Auditor's Comment	Management Reply
ix)	Moneys raised by way of initial public offer or further public offer (including debt instruments) was not applicable to the Company. Term Loans were not obtained by the Company during the year.	No Comments
x)	Based on the audit procedures performed and as per the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the year.	No Comments
xi)	No Managerial Remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.	No Comments
xii)	This clause is not applicable to the Company since it is not a Nidhi Company.	No Comments
xiii)	According to the information and explanations given to us and on the basis of examination of books and records of the Company, there are no transactions with related parties as defined in Section 177 and Section 188 of the Act.	No Comments
xiv)	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	No Comments
xv)	The Company has not entered into any non-cash transactions with its directors or persons connected with them.	No Comments
xvi)	The Company was not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.	No Comments

### Annexure – A

1	Whether the Company has a system in place to process all accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any, may be stated.	The Company has a system in place for processing all accounting transactions through the IT system.  No transactions are processed outside the IT system.
2	Whether There is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due the Company's inability to repay the loan? If yes, the financial implication may be stated.	There has been no restructuring of loan or cases of waiver/write off of debts/loans/interest etc. by a lender during the year.



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



Sl.No.	Auditor's Comment	Management Reply
3	Whether funds received/receivable for specific schemes from central/state agencies where properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	There are no cases of funds received/receivable for specific schemes from Central/State agencies by the Company.

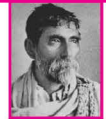
Sd/-  
(N. ROY PRAMANIK)  
HoD (Finance)

Sd/-  
(P.M.CHANDRAIAH)  
Managing Director (Addl. Charge) &  
Director (Finance)





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





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





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



**BALANCE SHEET AS AT 31ST MARCH 2020**

Rs. In Lakhs

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
<b><u>EQUITY AND LIABILITIES</u></b>			
<u>Shareholders' Fund:</u>			
Share Capital	3	7,696.04	7,696.04
Reserves & Surplus	4	(13,067.42)	(14,374.46)
		(5,371.38)	(6,678.42)
<u>Non Current Liabilities :</u>			
Long Term Borrowings	5	19,370.64	20,072.78
Other Long Term Liabilities	6	494.95	574.54
Long Term Provisions	7	753.48	727.29
		20,619.07	21,374.61
<u>Current Liabilities:</u>			
Short Term Borrowings			
Trade Payables	8	2,140.27	2,616.35
Other Current Liabilities	9	3,161.72	3,280.20
Short Term Provisions	10	259.56	299.34
		5,561.55	6,195.89
<b>TOTAL LIABILITIES</b>		<b>20,809.24</b>	<b>20,892.08</b>
<b><u>ASSETS</u></b>			
<u>Non-Current Assets :</u>			
<u>Fixed Assets:</u>			
Tangible Assets	11	9,328.40	9,782.75
Capital Work in Progress	12	4,790.82	4,754.67
		14,119.22	14,537.42
<u>Current Assets :</u>			
Inventories	13	1,652.89	1,708.03
Trade Receivables	14	3,173.31	3,521.31
Cash and Cash Equivalents	15	343.67	63.36
Short Term Loans and Advances	16	543.82	380.79
Other Current Assets	17	976.33	681.17
		6,690.02	6,354.66
<b>TOTAL ASSETS</b>		<b>20,809.24</b>	<b>20,892.08</b>

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 M Choudhury & Co.  
Chartered Accountants  
(FRN. 302186E)

On Behalf of the Board

Sd/-  
**(D CHOUDHURY)**  
Partner  
M. No.052066

Sd/-  
**(PM CHANDRAIAH)**  
Managing Director  
(Addl.Charge) &  
Director (Finance)  
DIN : 06970910

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

Place: Kolkata  
Date: 11th May, 2020

Sd/-  
**(N. ROY PRAMANIK)**  
HoD (Finance)

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

UDIN: 20052066AAAAAN9809



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



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020**

Rs. In Lakhs

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>INCOME</b>			
Revenue from Operations (Gross)		<b>7,027.69</b>	10,050.06
Less: Excise Duty		-	-
Revenue from Operations (Net)	18	<b>7,027.69</b>	10,050.06
Other Income	19	<b>1,535.62</b>	1,917.08
<b>TOTAL INCOME</b>		<b>8,563.31</b>	<b>11,967.14</b>
<b>EXPENSES</b>			
Raw Material Consumed	20	<b>3,501.82</b>	5,270.05
Changes in Inventory	21	<b>1.11</b>	262.33
Employee Benefit Expenses	22	<b>1,415.56</b>	1,478.63
Finance Costs	23	<b>68.46</b>	245.08
Other Expenses	24	<b>1,618.99</b>	1,672.97
Depreciation	11	<b>511.75</b>	512.18
Total Expenses		<b>7,117.69</b>	9,441.24
<b>PROFIT BEFORE TAX</b>		<b>1,445.62</b>	<b>2,525.90</b>
Tax Expenses/Provision for Income Tax		<b>138.58</b>	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>1,307.04</b>	<b>2,525.90</b>
Earning per share Face Value Rs.1000/- (Basic & Diluted)	Rs.	<b>169.83</b>	328.21

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 M. Choudhury & Co.  
Chartered Accountants  
(FRN. 302186E)

On Behalf of the Board

Sd/-  
**(D CHOUDHURY)**  
Partner  
M. No.052066

Sd/-  
**(PM CHANDRAIAH)**  
Managing Director (Addl. Charge) &  
Director (Finance)  
DIN : 06970910

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

Place: Kolkata  
Date: 11th May, 2020

Sd/-  
**(N. ROY PRAMANIK)**  
HoD (Finance)

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

UDIN: 20052066AAAAAN9809



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



**Cash Flow Statement for the Year Ended 31st March 2020**

(Rs. In Lakhs)

		31st March 2020	31st March 2019
<b>A</b> Cash Flow from Operating Activities			
Net Profit before extraordinary items & tax	(i)	1,307.05	2,525.90
Adjustments for:			
Depreciation		511.75	512.18
Finance Cost		68.46	245.08
Interest Income		-3.44	-4.85
Rental from Properties		-1,371.99	-1,409.62
Others		-15.31	-160.79
Provision written back		-144.88	-341.82
Provision for doubtful receivables, loans and advances		-14.91	26.46
Prior Period Adjustments		7.44	0.05
Operating Profit before Working Capital Change	(ii)	-962.88	-1,133.31
Changes in Working Capital:	(iii)=(i+ii)	344.17	1,392.59
Adjustment for increase/(decrease) in operating assets			
Inventories		55.14	261.82
Trade Receivables		348.00	-1,224.37
Short Term Loans and Advances		-163.03	202.95
Other Current Assets		-295.16	10.51
Adjustment for increase/(decrease) in operating liabilities	(iv)	-55.05	-749.09
Trade Payables		-476.08	-777.75
Other Current Liabilities (Other Payables)		83.12	-353.46
Short Term Provisions		-39.78	-78.90
Long Term Provisions		26.19	-223.57
Cash generated from operations	(v)	-406.55	-1,433.68
(Net cash flow/used in operating activities)	(vi)=(iii+iv+v)	-117.43	-790.18

M CHOUDHURY & CO.  
Chartered Accountants  
(FRN: 302186E)

On Behalf of the Board

Sd/-  
**(D CHOUDHURY)**  
Partner  
(Membership No. 052066)

Sd/-  
**(PM CHANDRAIAH)**  
Managing Director (Addl. Charge) &  
Director Finance  
DIN 06970910

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

Kolkata  
11th May, 2020  
UDIN: 20052066AAAAAN9809

Sd/-  
**(N ROY PRAMANIK)**  
HoD (Finance)

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



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



**Cash Flow Statement for the Year Ended 31st March 2020**

(Rs. In Lakhs)

		31st March 2020		31st March 2019	
<b>B</b>	Cash Flows from Investing Activities				
	Capital Expenditure on Fixed Assets, WIP		-93.55		-8.59
	Bank Balances not considered as Cash and Cash Equivalents				
	Matured Term Deposits		-217.57		125.16
	Deposit from Tenants		-79.59		26.80
	Interest Received		3.44		4.85
	Rental Income from Investment properties		1,371.99		1,409.62
	Others (Claim)		15.31	1,000.03	160.79
					1,718.63
<b>C</b>	Cash Flow from Financing Activities				
	Long Term Borrowings		-761.00		-932.48
	Finance Cost		-58.86	-819.86	-47.42
	Net increase/(decrease) in cash and cash equivalents	A+B+C	62.74		-51.45
	Cash and Cash Equivalents at beginning of the Year		5.35		58.92
	Cash and Cash Equivalents at the end of the Year		68.09		5.35
	<b>Reconciliation of Cash and Cash Equivalents</b>				
	Cash and Cash Equivalents as per Balance Sheet		343.67		63.36
	Less: Term deposits not considered as Cash and Cash Equivalents		275.58		58.01
	<b>Net Cash and Cash Equivalents</b>		<b>68.09</b>		<b>5.35</b>
	Cash and Cash Equivalents at the end of the year				
	Cash in hand		0.71		0.32
	Balance with Banks in Current Account		67.38	68.09	5.03
					5.35

M CHOUDHURY & CO.  
Chartered Accountants  
(FRN: 302186E)

On Behalf of the Board

Sd/-  
**(D CHOUDHURY)**  
Partner  
(Membership No. 052066)

Sd/-  
**(PM CHANDRAIAH)**  
Managing Director (Addl. Charge) &  
Director Finance  
DIN 06970910

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

Kolkata  
11th May, 2020  
UDIN: 20052066AAAAAN9809

Sd/-  
**(N ROY PRAMANIK)**  
HoD (Finance)

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



## 1.0 SIGNIFICANT ACCOUNTING POLICIES 2019-20

### 1.1 Basis for preparation of financial statements:

These Financial Statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the Provisions of the Act (to the extent notified). The financial statements are prepared on accrual basis under the historical cost convention. The Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the Accounting Policy hitherto in use. The Financial Statements are presented in Indian Rupee rounded off to the nearest Rupee in Lakhs.

### 1.2 Use of Estimates:

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

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

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

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

#### Assets

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

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



## Liabilities

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

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

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

## Operating cycle:

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

## 1.4 Fixed Assets:

### (A) Tangible Assets

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

### (B) Intangible Assets

- (i) Intangible fixed assets comprise brands, trademarks and computer software, which are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs





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

*(A Government of India Enterprise)*



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 Goods and Services Tax**

Goods and Services Tax (GST) at the applicable rates is charged by the Company on the outward supply of Goods and Services subject to adjustment of available input credits.

### **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 to 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:**

An 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.
- (i) 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.
- (ii) 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 / GST 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



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

*(A Government of India Enterprise)*



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. The valuation of Inventory is calculated on those items which are considered good by the Management.

### **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.



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

*(A Government of India Enterprise)*



- (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 Compensated Absence/ Leave Salary 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.
- (iii) **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.
- (iv) **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 Provision for Doubtful Debts:

The Company sells its products to various Government Departments, Private Firms and Dealers. As on the Balance Sheet date, the Company reviewed the realisability of Trade Receivables and Provision, if required, is made accordingly. Full Provision, however, is made in respect of amounts receivables from entities other than Government Departments, which are outstanding for a period exceeding three years

### 1.24 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.



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



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 The company is engaged in the business of Manufacturing and Selling of Industrial Chemicals, Drugs & Formulations and Cosmetics & Health Care Products

### 2.2 Funds provided by the Government of India and its Utilisation:

- a) Government of India had infused funds/loans amounting to Rs.15200 lakhs towards Share Capital and Modernisation (Repairs & Replacements) of Plants, as detailed hereunder:

(Rs. in Lakhs)

Particulars	Amount
Share Capital [2007-08]	5500
Plan Loan for Modernisation[2007-08 to 2011-12 & 2014-15]	9700
<b>Total</b>	<b>15200</b>

- b) During the years 2005 to 2015 Government of India has released the following loans:

(Rs. in Lakhs)

Type of Loan	Interest Free Loan	Interest Bearing Loan
Plan Loan – Unsecured	9000	1812
Non-Plan Loan- Unsecured	1749	561
<b>Total</b>	<b>10749</b>	<b>2373</b>

Company has repaid the entire Interest bearing Plan Loan of Rs.1812 lakhs and Non-Plan Loan of Rs.561 Lakhs upto 31<sup>st</sup> March, 2020 and there is no outstanding loan on this account.

2.3 Short Term Fixed Deposit with United Bank of India/State Bank of India at the end of the year is Rs.275.58 Lakhs including accrued interest (Previous Year Rs. 58.01 Lakhs), out of which an amount of Rs.33.43 Lakhs (Previous Year Rs.33.43 Lakhs) is pledged with United Bank of India for issuing Bank Guarantees.

### 2.4 Employee benefits under AS-15

- (a) (i) Company has an exempted Provident Fund Account maintained by PF Trust.  
(ii) During the year the Company has recognised Rs.114 Lakhs (Previous Year Rs.55.47 Lakhs) as Employer's Contribution to Provident Fund in the statement of Profit & Loss.  
(iii) During the year, the Company has recognised Rs.28.82 Lakhs (Previous Year Rs.31.20 Lakhs) as Employer's contribution to EPS-95 in the statement of Profit & Loss.





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



- (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:-

(Rs.in Lakhs)

S I. No	Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)		Leave Travel Concession	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1.	Amount recognised in the Balance Sheet						
	Present value of obligations	<b>686.64</b>	887.98	<b>329.51</b>	405.50	-	12.95
2.	Reconciliation of Opening & Closing balance of obligations						
	Opening Balance	<b>686.64</b>	887.98	<b>329.51</b>	405.50	-	12.95
	Benefits Paid	<b>75.42</b>	277.35	<b>25.39</b>	100.48	-	2.43
	Actuarial Gain/(Loss)	<b>5.14</b>	201.34	<b>(2.04)</b>	75.79	-	2.46
	Closing Balance	<b>681.50</b>	686.64	<b>331.55</b>	329.51	-	10.49
3.	Expenses recognised in P&L Account						
	Actuarial Gain/(Loss)	<b>5.14</b>	201.34	<b>(2.04)</b>	75.99	-	2.46
4.	Actuarial Assumptions						
	Mortality Table	<b>2006-08</b>	2006-08	<b>2006-08</b>	2006-08	-	2006-08
	Superannuation Age#	58 yrs	58 yrs	58 yrs	58 yrs	-	58 yrs
	Attrition Rate	<b>7.50%pa</b>	2%pa	<b>7.5%pa</b>	2%pa	-	2%pa
	Discount Rate	<b>6.43%pa</b>	7.80%pa	<b>6.43%pa</b>	7.80%pa	-	7.80%pa
	Inflation Rate	<b>10.00%pa</b>	10.00%pa	<b>10.00%pa</b>	10.00%pa	-	-

# For Board level Directors, the Superannuation age is 60 years.

- (c) Government of India has approved implementation of 2007 Pay Scales to the employees of the Company vide Order under F.No.58017/02/2018-PSU dated 23<sup>rd</sup> October, 2019, wherein it is mentioned that the arrears would be payable from 1<sup>st</sup> April, 2016 and the allowances from the date of issue of the Order. Accordingly, Company has implemented the 2007 Pay Scales. In this connection, an amount of Rs.617.01 lakhs has been paid to the employees by utilizing Provision/Grants available with the Company.



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



**2.5 Segment Reporting- Primary segment information are as below:**

(Rs.in Lakhs)

Particulars	Chemicals		Pharmaceuticals		Cosmetic & H.P.		Unallocated		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>										
External Sales	315.64	486.58	3675.39	6544.45	3036.67	3019.03	0.00	0.00	7027.70	10050.06
Other Income	0.00	0.00	0.00	0.00	2.46	0.97	1533.16	1916.11	1535.62	1917.08
Total Revenue	315.64	486.58	3675.39	6544.45	3039.13	3020.00	1533.16	1916.11	8563.32	11967.14
<b>Result</b>										
Segment Result	64.36	119.99	871.72	1613.81	497.32	744.71	312.60	472.46	1745.99	2950.97
Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	68.46	245.08	68.46	245.08
Depreciation	19.75	20.06	363.62	370.33	116.61	118.39	11.77	3.40	511.75	512.18
Provisions	0.00	0.00	0.00	0.00	0.00	0.00	(279.84)	(332.20)	(279.84)	(332.20)
Net Profit before Tax	44.60	99.93	508.10	1243.48	380.71	626.32	512.21	556.18	1445.62	2525.90
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	138.58	0.00	138.58	0.00
Net Profit after Tax	44.60	99.93	508.10	1243.48	380.71	626.32	373.63	556.18	1307.04	2525.90
<b>Other Information</b>										
Segment Assets	1844.35	168.19	10054.25	11125.44	1572.85	1591.53	7337.79	7998.73	20809.24	20883.89
Addition to Fixed Assets	0.00	0.00	1.78	6.51	0.12	1.69	56.87	0.00	58.77	8.20
Segment Liabilities	2308.14	222.04	12582.55	14687.60	1968.37	2101.11	9182.99	10559.77	26042.04	27570.52

**2.6** As per Accounting Standard -18 the disclosures of transactions with the related party are given below:-

- i) PM Chandraiah Director (Finance) w.e.f. 25-11-2014 & Managing Director (Addl. Charge) w.e.f. 1-6-2016

**Remuneration to Directors:**

(Rs.in Lakhs)

Particulars	Shri PM Chandraiah	
	2019-20	2018-19
Salary	21.68	19.32
Contribution To PF	1.90	1.47
Perquisites	2.06	0.93
<b>Total</b>	<b>25.64</b>	<b>21.72</b>

Recovery as applicable has been made from the Director who has been provided with Company's accommodation and car.



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



### 2.7 Disclosure of Leases as per AS-19 Operating leases as lessors:

The lease rentals are recognised as income as stated in the respective agreements.

(Rs.in Lakhs)

Particulars	2019-20	2018-19
a) Lease Rental recognised as Income during the Period	<b>1371.99</b>	1409.62
b) Lease Rentals (Office premises):-		
Gross Carrying Amount	<b>1077.02</b>	1077.02
Accumulated Depreciation	<b>337.84</b>	320.95
Depreciation recognised in Profit & Loss Account	<b>16.87</b>	16.87

2.8 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 AS - 22 on "Accounting for Taxes On Income".

2.9 The Company is charging CGST and SGST in case of intra state supply of Goods and Services and IGST in case of interstate supply of Goods and Services as per applicable rates. Revenue from operations during the year is disclosed net of GST. As on 31<sup>st</sup> March 2020, the Company has unutilised Input Tax Credit of Rs.83.40 Lakhs (Rs.73.09 lakhs).

2.10 Clearing & Forwarding Agents have been appointed at Raipur, Ahmedabad, Nagpur, Indore, Yamuna Nagar & Bhubaneswar. The accounts of these C&F Agents along with the C&F Agents who have ceased to be Agents during the year, have been incorporated in the accounts as certified by the Management.

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

2.12 As per existing practice, debts (other than Government debts) outstanding for more than three years as on 31.03.2020 has been provided for in the Accounts.

### 2.13 Details of Stock, Work-in-Progress, Sale & Raw Material Consumed:

a) Finished Stock & Sale of Goods Manufactured:-

(Rs.in Lakhs)

Class of Goods	Opening Value		Closing Value		Sales Value	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Chemicals:</b>						
Alum Ferric	<b>8.40</b>	53.12	<b>1.16</b>	8.40	<b>211.88</b>	305.84

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

Class of Goods	Opening Value		Closing Value		Sales Value	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Pharmaceuticals:</b>						
Eutheria	<b>5.69</b>	5.04	<b>0.95</b>	5.69	<b>88.97</b>	216.54
Aqua Ptyocitis	<b>2.92</b>	7.11	<b>0.67</b>	2.92	<b>36.15</b>	67.01
Others	<b>430.14</b>	466.63	<b>425.05</b>	430.14	<b>5351.76</b>	7563.13
<b>Cosmetic &amp; Home Products:</b>						
Cant Hair Oil	<b>45.75</b>	2.60	<b>18.66</b>	45.75	<b>63.24</b>	229.05
Pheneol	<b>86.54</b>	315.40	<b>129.18</b>	86.54	<b>1104.14</b>	1404.86
Napthalene Ball	<b>34.66</b>	20.32	<b>23.91</b>	34.66	<b>12.51</b>	27.07
Others	<b>79.80</b>	72.51	<b>28.09</b>	79.80	<b>159.04</b>	236.56
Bulk Finished	<b>0.04</b>	18.06	<b>96.14</b>	0.04		-
<b>Total</b>	<b>693.94</b>	960.79	<b>723.81</b>	693.94	<b>7027.69</b>	10050.06

a) Work in Progress:-

(Rs.in Lakhs)

Class of Goods	Opening Value		Closing Value	
	2019-20	2018-19	2019-20	2018-19
Pharmaceuticals	-	41.87	<b>28.96</b>	-
Cosmetic & H.P.	<b>78.79</b>	32.40	<b>18.85</b>	78.79
<b>Total</b>	<b>78.79</b>	74.27	<b>47.81</b>	78.79

c) Break up of Raw Materials &amp; Packing materials consumed:-

(Rs.in Lakhs)

Particulars	2019-20	2018-19
Crude Drugs & Extracts	<b>192.02</b>	288.98
Organic Chemicals & solvent	<b>1408.76</b>	2120.12
In Organic Chemicals & solvent	<b>215.88</b>	324.89
Oils, Vegetables & Minerals	<b>477.99</b>	719.35
Minerals	<b>231.18</b>	347.92
Packing Materials	<b>560.83</b>	748.56
Others	<b>415.15</b>	720.23
<b>Total</b>	<b>3501.81</b>	5270.05

2.14 Internal Control System has been designed and implemented to prevent and detect fraud or error, proper custody and use of assets and preparation of financial information.



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

*(A Government of India Enterprise)*



No fraud or suspected fraud on or by the company has been noticed or reported during the year involving Management or Employees, who have significant roles in Internal Control which could have a material effect on the financial information.

- 2.15 Account balances, Trade Receivables, Advances, Deposits and other Current Assets have been taken in the financial statements on the basis of Books and records of the company, as reviewed by the Board about their realisability and obligations to determine the carrying value required, in cases where confirmation of account balances have not been received.
- 2.16 In the opinion of the Board of Directors of the company, the realisable value of the assets in the ordinary course of business is not less than that stated in the Balance Sheet. This evaluation is not applicable in the case of Fixed Assets.
- 2.17 There was no impairment of fixed assets on the basis of evaluation by physical verification during the year.
- 2.18 The company has no litigation or legal/disputed matters relating the claims, if any, or demand against which there could be any future impact on its financial position, except for those disclosure under “Contingent Liabilities” (refer Note No.2.21).
- 2.19 The company was not required to make provision against the applicable laws or Accounting Standards for any material forceable losses on long term contracts.
- 2.20 Though the company has accumulated losses exceeding the Paid-up Capital, there is no significant doubt on the company’s ability to continue as a going concern. The Management’s use of estimates is considered to be appropriate for turning around the company and there is no material uncertainty as of now which would affect its ability to continue as a going concern. In view of this, the accounts have been prepared on going concern basis.

### **2.21 Contingent Liabilities not provided for in respect of:**

- (i) Demand amounting to Rs.195.68 Lakhs (Previous Year Rs.195.68 Lakhs), Rs.1175.17 Lakh (Previous Year Rs.1175.17 Lakh) and Rs.1605.16 Lakhs (Previous Year Rs.1605.16 Lakh) relating to Excise Duty, Central Sales Tax and Value Added Tax respectively has not been accepted by the Company and Appeals have been preferred with the respective Authorities. The Company has not provided for the same in the Accounts till the final decision is received and no amount has been deposited against the same with the concerned Authorities.
- (ii) Claims by Contractors/Landlord/Emps pending in Arbitration/Courts/ NCLT: Rs. 314.63 Lakhs (PY- Rs. 314.63 Lakhs)
- (iii) Counter guarantee given to bank against guarantee issued by them on behalf of the Company Rs.10.75 Lakhs (PY- Rs.10.75 Lakhs)



## BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



### 2.22 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.2658.30 Lakhs (PY Rs. 2753.93 Lakhs)

### 2.23 Basic & Diluted Earning per Share is as below:

(Rs. In Lakhs)

	2019-20	2018-19
Profit after Tax as per Profit & Loss Account	<b>1307.05</b>	2525.91
Weighted average no. Of Equity Shares (in Numbers)	<b>769604</b>	769604
Basic & Diluted Earnings per Share (in Rs)	<b>169.83</b>	328.21

### 2.24 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
<b>NIL</b>			

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.

### 2.25 During the year 2019-20, the movement of various Provisions, are given below:-

(Rs. In Lakhs)

Particulars: Provision for -	Opening Balance	Additions	Utilizations/ Write back	Closing Balance
Gratuity	686.64	197.56	202.70	<b>681.50</b>
Leave Salary	329.51	74.49	72.45	<b>331.55</b>
Leave Travel Concession	10.49	-	10.49	-
Doubtful Debts	53.75	-	0.92	<b>52.83</b>
Doubtful advances	227.02	-	-	<b>227.02</b>
<b>Total</b>	<b>1307.41</b>	<b>272.05</b>	<b>286.56</b>	<b>1292.9</b>
Previous Year	1631.82	7.79	332.20	1307.41

### 2.26 IMPACT OF COVID-19 (In accordance with ICAI Accounting & Auditing Advisory issued by the Institute of Chartered Accountants of India)

COVID-19 has caused severe disruption in business activities in many countries including India. Based on our current assessment from internal and external sources,



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

*(A Government of India Enterprise)*



this situation is likely to continue for some more months. The Company, being in the business of manufacturing of essential Drugs, Pharmaceuticals, Medicines, Disinfectants, etc. is functioning and operating normally since the commencement of lockdown period as per guidelines of Ministry of Home Affairs Order No.40-3/2020-DM-I(A) dated 15th April 2020.

The uncertainty caused by the current pandemic may result in some delays in executing the orders in hand and some delay in sourcing a few of the raw material components. The Company has made an assessment of its liquidity position for the next 12 months, recoverability and carrying value of its assets comprising properties, plant & machineries, trade receivables, investment and inventories as at the year end. Based on this assessment and current indicators of future economic activities, no material adjustment is considered necessary as at the Balance Sheet date to reflect the true and fair view of the financial results for the year 2019-20.

The Management has considered all the possible impact of events that may arise out of COVID-19 in the preparation of its financial statements for the year 2019-20. The Company is closely monitoring the situation on a continuous basis to determine any material change that may take place in future economic conditions.

- 2.27 Previous year's figures have been regrouped and rearranged, wherever considered necessary, in conformity with those of the current year.

Signed for identification

**For M Choudhury & Co**  
Chartered Accountants  
(FRN: 302186E)

**On behalf of the Board**

Sd/-  
**(D CHOUDHURY)**  
Partner  
M. No.052066

Sd/-  
**(PM CHANDRAIAH)**  
Managing Director(Addl.Charge)&  
Director (Finance)  
DIN: 06970910

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

Place: Kolkata  
Date: 11<sup>th</sup> May, 2020

Sd/-  
**(N ROY PRAMANIK)**  
HoD (Finance)

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



### 3. SHARE CAPITAL

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
(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 2020	As at 31st March 2019
Number of Shares outstanding at the beginning of the year	<b>769604</b>	769604
Add: Shares issued during the year	-	-
Number of shares outstanding at the end of the year	<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 2020		As at 31st March 2019	
	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 2020	As at 31st March 2019
(A) Reserves	<b>7,798.87</b>	7,798.87
(B) Opening Balance of P&L (Deficit)	<b>(22,173.33)</b>	(24,699.23)
Add :Profit for the year	<b>1,307.04</b>	2,525.90
Closing Balance (B)	<b>(20,866.29)</b>	(22,173.33)
<b>Total (A)+(B)</b>	<b>(13,067.42)</b>	(14,374.46)





## 5 LONG TERM BORROWINGS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Term Loans</b>		
<b>Unsecured</b>		
(a) Government of India - Plan Loan	<b>9,000.00</b>	9,700.00
Interest Accrued on Government of India - Plan Loan	<b>5,308.25</b>	5,259.76
Date	Rt. of Interest	Loan
27.12.07	Nil	2,000.00
30.12.08	Nil	1,000.00
19.03.09	Nil	1,000.00
03.06.09	Nil	1,000.00
23.12.09	Nil	490.00
28.01.10	Nil	950.00
20.05.10	Nil	2,000.00
15.03.11	Nil	500.00
02.12.11	Nil	60.00
		9,000.00
(b) Government of India - Non Plan Loan	<b>1,749.00</b>	1,810.00
Interest Accrued on Government of India - Non Plan Loan	<b>3,313.39</b>	3,303.02
30.03.07	Nil	1749.00
		1749.00
<b>Total</b>	<b>19,370.64</b>	20,072.78

All Loans are repayable in 5 Equal Annual Instalments on the Anniversary Dates, after a moratorium period of two-years.

## 6 OTHER LONG TERM LIABILITIES

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Deposit from Tenants & Others	<b>494.95</b>	574.54
<b>Total</b>	<b>494.95</b>	574.54

## 7 LONG TERM PROVISIONS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits	<b>753.48</b>	727.29
<b>Total</b>	<b>753.48</b>	727.29



## 8 TRADE PAYABLES

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Small Scale Industrial Undertakings #	-	-
Others	<b>2,140.27</b>	2,616.35
<b>Total</b>	<b>2,140.27</b>	2,616.35

# The names of MSMEs to whom amounts are due for more than 30 days are furnished in Note-2.24

## 9 OTHER CURRENT LIABILITIES

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Interest Accrued but not due on Borrowings	<b>9.09</b>	9.09
Interest Accrued on MSME Payments & C&F Deposits	<b>7.50</b>	0.77
Book Overdraft	-	208.33
Other Payables :		
Statutory Liabilities	<b>1,702.35</b>	1,570.15
Provision for Income Tax	<b>138.58</b>	
Liability for Expenses and Others	<b>549.92</b>	229.21
Payable to Employees and Others	<b>107.96</b>	27.18
Salary & VRS Provisions/Grants	<b>198.56</b>	825.10
Deposits Refundable	<b>447.76</b>	410.37
<b>Total</b>	<b>3,161.72</b>	3,280.20

## 10 SHORT TERM PROVISIONS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits	<b>259.56</b>	299.34
<b>Total</b>	<b>259.56</b>	299.34



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



## 11 FIXED ASSETS (Tangible)

Rs. In Lakhs

Particulars	Gross Block as on 1-4-19	Addition	Sold/ Adj.	As at 31st March 2020	Depre- ciation as on 1-4-2019	For the Year Deprn.	Sold/ Adj.	Cum. Deprn. Upto 31-3-20	Net Block as on 31-3-20	Net Block as on 31-3-19
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	6,933.24			6,933.24	1,192.02	221.07		1,413.09	5,520.15	5,741.22
-Non- Manufacturing	259.43			259.43	61.26	4.06		65.32	194.11	198.17
- Office Building	1,695.42	11.79		1,707.21	416.96	26.81		443.77	1,263.44	1,278.46
Chemical Machinery	1,266.90			1,266.90	951.38	43.17		994.55	272.35	315.52
General Machinery	3,233.98			3,233.98	1,299.90	190.52		1,490.42	1,743.56	1,934.08
Computer	103.39	2.70		106.09	97.63	5.54		103.17	2.92	5.76
Cooler, Refrigerator & AC	83.43	1.04		84.47	56.37	4.94		61.31	23.16	27.06
Printing Equipments	6.89			6.89	6.11	-		6.11	0.78	0.78
Fire Appliances	3.03	2.32		5.35	1.97	0.21		2.18	3.17	1.06
Furniture & Fittings	181.32	40.44	(5.44)	216.32	102.24	12.57	(4.08)	110.73	105.59	79.08
Machine & Equipments	42.93	0.47		43.40	32.94	2.44		35.38	8.02	9.99
Live Stock	0.35			0.35	-	-		-	0.35	0.35
Library Books	4.49			4.49	4.27	-		4.27	0.22	0.22
Laboratory & Others	15.78			15.78	13.07	0.42		13.49	2.29	2.71
<b>Total</b>	<b>14,018.87</b>	<b>58.76</b>	<b>(5.44)</b>	<b>14,072.19</b>	<b>4,236.12</b>	<b>511.75</b>	<b>(4.08)</b>	<b>4,743.79</b>	<b>9,328.40</b>	
Previous Year	14,018.67	8.20	-	14,018.87	3,723.94	512.18	-	4,236.12		9,782.75

## 12 CAPITAL WORK IN PROGRESS

Rs. In Lakhs

Particulars	As at 1st April 2019	Additions	Adjustment/ (Deletion)	Capitalised during the year	As at 31st March 2020
Building	3,231.65				3,231.65
P & M	1,511.10	36.15			1,547.25
Electrical	11.92				11.92
<b>Total</b>	<b>4,754.67</b>	<b>36.15</b>	-	-	<b>4,790.82</b>
Previous Year	4,754.28	0.39	-	-	4,754.67



### 13 INVENTORIES

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
(A) RAW MATERIAL & PACKING MATERIALS:		
[a] Raw Materials	<b>470.41</b>	621.96
[b] Packing Material	<b>385.57</b>	276.15
Raw Materials & Packing Materials (A)	<b>855.98</b>	898.11
(B) FINISHED GOODS & WIP INVENTORY:		
[a] Finished Goods	<b>723.81</b>	693.94
(b) Work-In-Progress	<b>47.81</b>	78.79
[c] Stores and Spare Parts	<b>25.29</b>	37.19
Finished Goods & WIP Inventory (B)	<b>796.91</b>	809.92
<b>Total (A+B)</b>	<b>1,652.89</b>	1,708.03

### 14 TRADE RECEIVABLES

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured):		
More than six months:		
considered good	<b>1,824.59</b>	1,501.11
considered doubtful	<b>52.83</b>	53.75
	<b>1,877.42</b>	1,554.86
Others (less than six months)	<b>1,348.72</b>	2,020.20
	<b>3,226.14</b>	3,575.06
Less: Provision for doubtful debts	<b>52.83</b>	53.75
<b>Total</b>	<b>3,173.31</b>	3,521.31

### 15 CASH AND CASH EQUIVALENTS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Cash and Cash equivalents		
(i) Cash in Hand & Cash Card Balance	<b>0.71</b>	0.32
(ii) Cheques in Hand		
In Current Accounts	<b>67.38</b>	5.03
In Term Deposits	<b>275.58</b>	58.01
<b>Total</b>	<b>343.67</b>	63.36



## 16 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, considered Good :		
Security Deposit Recoverable	<b>242.70</b>	239.91
Advance to Suppliers/Project Advances	<b>305.06</b>	250.71
Advances Recoverable from Employees	<b>10.65</b>	12.92
Prepaid Expenses	<b>0.38</b>	1.87
Unutilised Input GST	<b>21.61</b>	73.09
Advance Income Tax Deposited	<b>150.00</b>	-
Advance payment of Statutory Dues, Duties & Taxes	<b>40.44</b>	29.31
	<b>770.84</b>	607.81
Less : Provision for Doubtful Advance & Others	<b>227.02</b>	227.02
<b>Total</b>	<b>543.82</b>	380.79

## 17 OTHER CURRENT ASSETS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Rent and Other Receivables	<b>664.10</b>	540.95
Less:Provision for Rent & Other Receivables	-	-
	<b>664.10</b>	540.95
Income Tax and Other Deposits	<b>162.24</b>	140.22
Other Current Assets	<b>149.99</b>	-
<b>Total</b>	<b>976.33</b>	681.17

## 18 REVENUE FROM OPERATIONS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Revenue from Operations (Gross)	<b>7,027.69</b>	10,050.06
Less : Inter-Branch Transfers	-	-
	-	-
<b>Revenue from Operations (Net)</b>	<b>7,027.69</b>	10,050.06



## 19 OTHER INCOME

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
A. Interest Income : On Bank Deposits	3.44	4.85
B. Other Non-Operating Income :		
Rent from Properties	1,371.99	1,409.62
Others	15.31	160.79
Provisions written back	144.88	341.82
	1,532.18	1,912.23
	-	-
<b>Total</b>	<b>1,535.62</b>	<b>1,917.08</b>

## 20 COST OF MATERIALS CONSUMED

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Opening Stock of -		
Raw Materials	621.96	664.52
Packing Materials	276.15	241.80
	898.11	906.32
Add : Purchase of -		
Raw Materials #	2,724.13	4,409.63
Packing Materials ( Production )	706.62	825.15
Freight Charges - Inward	28.94	27.06
	3,459.69	5,261.84
Less : Closing Stock of -		
Raw Materials	(470.41)	(621.96)
Packing Materials ( Production )	(385.57)	(276.15)
	(855.98)	(898.11)
<b>Total</b>	<b>3,501.82</b>	<b>5,270.05</b>

# Includes purchases of Finished Good of Rs.532.72 Lakhs in 2019-20 (Rs.917.55 Lakhs in 2018-19)

## 21 CHANGES IN INVENTORY OF FINISHED GOODS & WORK-IN-PROGRESS

Rs. In Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
A. Finished Goods : Opening Stock	693.94	960.79
Less: Closing Stock	723.81	693.94
Decrease / (Increase)	(29.87)	266.85
B. Work In Progress : Opening Stock	78.79	74.27
Less: Closing Stock	47.81	78.79
Decrease / (Increase)	30.98	(4.52)
<b>Total</b>	<b>1.11</b>	<b>262.33</b>



## 22 EMPLOYEE REMUNERATION & BENEFITS EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries & Wages	<b>965.43</b>	1,175.12
Salary Arrears/VRS Expenses	<b>626.55</b>	111.29
Contribution to PF & Other Funds	<b>124.47</b>	100.30
Employees Retirement Benefits	<b>261.12</b>	101.12
Staff Welfare Expenses	<b>64.54</b>	102.09
Provisions/Grants Utilised	<b>(626.55)</b>	(111.29)
<b>Total</b>	<b>1,415.56</b>	1,478.63

## 23 FINANCE COSTS

Rs. In Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest to Bank & Other Loans	-	35.99
Interest on Govt. of India Loans	<b>58.86</b>	197.66
Interest to Others on deposits, etc	<b>9.60</b>	11.43
<b>Total</b>	<b>68.46</b>	245.08

## 24 OTHER EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A : Manufacturing Expenses		
Power & Fuel	<b>162.59</b>	269.61
Repairs:		
Plant and Machinery	<b>7.59</b>	39.45
Building	<b>8.80</b>	21.11
Others	<b>38.50</b>	17.51
Insurance	<b>10.02</b>	7.30
Factory Production Other Expenses	<b>35.67</b>	45.59
<b>Sub-Total [A]</b>	<b>263.17</b>	400.57
B : Administrative Expenses		
Rates and Taxes	<b>214.23</b>	36.39
Provisions and Write Offs	<b>(11.41)</b>	(44.61)
Professional Fees	<b>10.35</b>	18.41



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



Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Research & Development Expenses	11.19	14.75
Corporate Social Responsibility Exp.	18.65	-
Rent to others	24.86	29.45
Directors' Sitting Fees	0.25	0.60
Auditors Remuneration [Ref. Note 24(a)]	3.33	2.98
Miscellaneous Expenses [Ref. Note 24(b)]	217.43	192.76
Prior Period Expenses [(Ref. Note 24(c))]	7.44	0.05
<b>Sub-Total [B]</b>	<b>496.32</b>	<b>250.78</b>
<b>C : Selling Expenses</b>		
Sales Tax	0.39	6.93
Discounts & Commissions	642.06	722.77
Freight Charges	203.40	223.66
Other Selling Overheads	13.65	68.26
<b>Sub-Total [C]</b>	<b>859.50</b>	<b>1,021.62</b>
<b>Total (A+B+C)</b>	<b>1,618.99</b>	<b>1,672.97</b>

## 24(a) AUDITORS REMUNERATION & EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Audit Fees	1.80	1.80
Tax Audit Fees #	0.29	0.29
Certification Fees	0.74	0.74
Reimbursement of Expenses	0.50	0.15
<b>Total</b>	<b>3.33</b>	<b>2.98</b>

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

## 24(b) MISCELLANEOUS EXPENSES

Rs. In Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Advertisement, Press & Publicity	11.11	9.79
Printing & Stationery	9.80	14.42
Postage	1.05	1.28
Website Maintenance & Internet Charges	1.12	1.32
Telephone	6.44	8.28
Vehicles Running & Maintenance Expenses	9.58	14.19
Bank Charges & Commission	0.77	1.78
Legal Expenses	4.01	4.56





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



Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Entertainment Expenses	0.14	1.62
Books and Periodicals	0.33	2.63
Membership Subscription	0.26	1.57
Rental Expenses	6.48	2.04
Filling Fees	0.52	0.01
Travelling Expenses	22.45	24.90
Security Service Charges	113.01	84.14
Miscellaneous Expenses	30.36	20.23
<b>Total</b>	<b>217.43</b>	<b>192.76</b>

**24(c) PRIOR PERIOD ITEMS**

Rs. In Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net Debit Items		
Rates, Taxes & Duties		
Others	12.44	0.08
<b>Sub-Total [A]</b>	<b>12.44</b>	<b>0.08</b>
Net Credit Items	z	
Rent		
Sundry Creditors, Debtors & LD	5.00	
Rates & Taxes		
Legal Charges		
Others		0.03
<b>Sub-Total [B]</b>	<b>5.00</b>	<b>0.03</b>
<b>Total (A+B)</b>	<b>7.44</b>	<b>0.05</b>





# BENGAL CHEMICALS & PHARMACEUTICALS LTD., KOLKATA

(A Government of India Enterprise)



## ARTICLE

### Turnaround Story of BCPL



P. M. Chandraiah  
MD&Director (Finance)  
BCPL

Bengal Chemicals & Pharmaceuticals Ltd (BCPL) has become a "Turnaround Profit Making Organisation" in 2016-17, which is the Biggest Turnaround in the Corporate World and for the consecutive 3<sup>rd</sup> year, BCPL not only reported a Net Profit but also doubling its Net Profits every year since 2016-17. From the year 2015, after I joined as Director (Finance), BCPL started improving its overall

performance and reported a positive Gross Margin (PBDIT) of Rs. 11.24 crores in 2015-16, Net Profit of Rs. 4.51 Crores in 2016-17, Rs. 10.06 Crores in 2017-18 and a Net Profit of Rs. 25.26 Crores in 2018-19, as against reporting of a Gross Loss (PBDIT) of Rs. 22.90 crores in 2012-13 and a Net Loss of Rs. 36.55 Crores in 2013-14. With this achievement, BCPL is now turning its operations and also

achieving the milestones which were laid down in its "Vision and Strategy Document". Further, BCPL is likely to Become The Highest Profit Making Company Out of All PSUs Under The Department of Pharmaceuticals and also PSUs under The Health & Family Welfare Dept. Govt. of India". The financial highlights are given hereunder:  
By reporting a Net Profit of Rs.25.26 Crore in 2018-19, Bengal

(Rs. in Crores)

S. No.	Particulars	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 - 14
1	Total Income	119.67	94.80	110.24	112.76	65.54	36.63
2	Net Profit (Net Loss)	25.26	10.06	4.51	(9.13)	(17.32)	(36.55)
3	Repayment of Bank Loans, Govt. Loans & Other Liabilities	36.00	30.00	24.00	Nil	Nil	Nil
4	Income per Employee	61.37	38.22	34.45	30.48	16.18	7.62
5	Corporate Governance Rating	Excellent	Excellent	Excellent	Excellent	Fair	Poor
6	Holding of AGM	1 <sup>st</sup> among all PSUs (Scheduled on 22 <sup>nd</sup> May 2019)	1 <sup>st</sup> among all PSUs 5 <sup>th</sup> July 2018	1 <sup>st</sup> among all PSUs 19 <sup>th</sup> June 2017	Timely Completed	Timely Completed	Defaulting Company & Defaulting Directors

KALEIDOSCOPE: May, 2019 | 11

## ARTICLE



Chemicals is likely to be listed in the list of "Top 100 Profit Making CPSEs" and I am confident that Bengal Chemicals will be the Higher Profit Making PSU in 2018-19 out of 13 PSUs which are in Pharmaceutical business. Further, Bengal Chemicals is aiming for a Positive Net Worth Organisation by 2022 and thereafter it will apply for a Mini-Ratna Status CFSE by 2023.

The above achievements have become possible due to the stringent actions taken by through by Introduction of Centralized Procurement System, Centralized Accounting System, Centralized Collection System, Centralized Payment System, Centralized Bill Processing System, Centralized Payroll System, Centralized Stores System, Centralized Billing System, Centralized Fund Management System, Centralized HRM Record Maintenance System, etc.

With the above actions, Bengal Chemicals has reduced procurement costs to a large extent and stopped financial leakages, which can be seen from the reduction in Direct Costs to Net Sales ratio which has reduced to 55% in

Bengal Chemicals & Pharmaceuticals Ltd (BCPL) has become a "Turnaround Profit Making Organisation" in 2016-17, which is the Biggest Turnaround in the Corporate World and for the consecutive 3<sup>rd</sup> year, BCPL not only reported a Net Profit but also doubling its Net Profits every year since 2016-17. From the year 2015, after I joined as Director (Finance), BCPL started improving its overall performance and reported a positive Gross Margin (PBDIT) of Rs. 11.24 crores in 2015-16, Net Profit of Rs. 4.51 Crores in 2016-17, Rs. 10.06 Crores in 2017-18 and a Net Profit of Rs. 25.26 Crores in 2018-19, as against reporting of a Gross Loss (PBDIT) of Rs. 22.90 crores in 2012-13 and a Net Loss of Rs. 36.55 Crores in 2013-14, the year before I joined BCPL.

2018-19 compared to 86% in 2013-14 and 64% in 2015-16. Further, BCPL has taken a number of initiatives to improve the overall performance of the company like-

- Stoppage of Cash Transactions by opening more than 200 Salary Accounts,
- Closure of around 50 Bank accounts,
- Introduction of Biometric Attendance System,
- Introduction of Annual Appraisal System of Employees,
- Finalization of Quarterly Financial Results and closely monitoring operations,
- Installation of CCTVs in Corporate Office, Factories and Depots,
- Disposal of more than 30 Horses which were lying unutilized for 10 years,
- Introduced Gate Control system in the Factories & Offices,
- Motivating employees by organizing Birthday & Retirement Day Celebrations, issuing Appreciation Letters for the extraordinary works done by them,
- Tie-up with e-commerce platform Co. and opening of Retail stores of BCPL
- Installation of around 70 Domestic Electric Meters in Quarters at Manikata and Panihati by disconnecting Industrial Electric Connection,
- Surrendering/Disconnecting around 20 Telephone Connections,
- Reducing Manpower, Security Personnel, Daily Rated Labours, etc
- Implementation of Sales/ Distribution System by issuing Manual, etc.

12 | KALEIDOSCOPE: May, 2019

## ARTICLE

Following are the recent achievements of BCPL:-

- Company has achieved a Net Profit of Rs. 25.26 Crores in 2018-19 which is the highest ever Net Profit reported by the Company in its 120 years history, against a Net Loss of Rs. 36.55 crores in 2013-14.
- Company has repaid the entire Bank Loan of Rs. 28.00 Crores to United Bank of India in 2016-17 & 2017-18 from its cash generation and got released its mortgaged Corporate Office Building at Kolkata, which was mortgaged in 1983.
- Company has repaid/settled the Government Loan and other liabilities of Rs. 62 crores during the last three years
- Company has rated Excellent Corporate Governance rating consecutively for the last four years against POOR ratings till 2013-14

Bengal Chemicals was established in 1901 by legendary Chemist Acharya Prafulla Chandra Ray which is the first Pharmaceutical Company established in India. The Government of India has

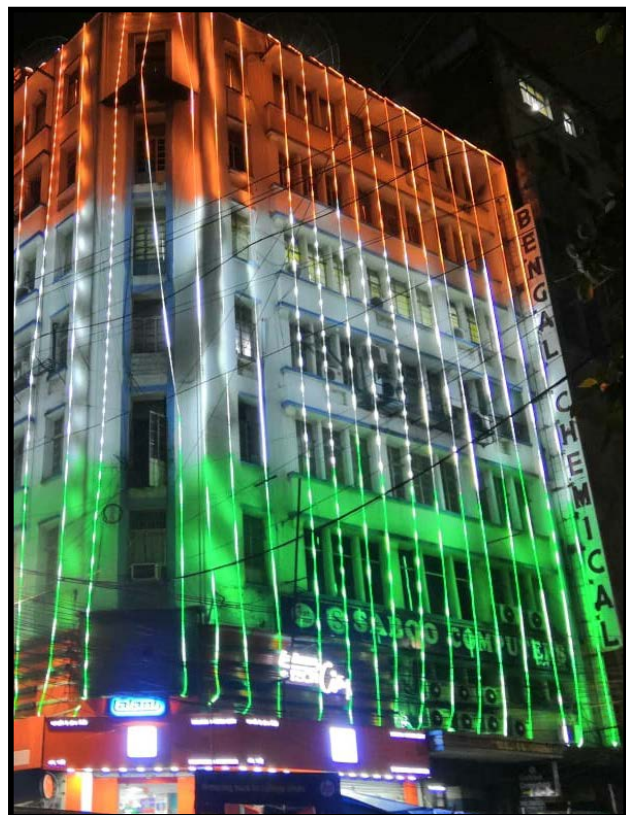


taken over this Private Company in 1977 due to incurring of heavy losses and a number of industrial relation problems. Thereafter, since the company continued to report losses, Bengal Chemicals was referred to BIFR in 1992 and a number of financial packages were given for modernization of its plants but all efforts were became vain and company was continued to suffer losses till 2015. However, after I joined Bengal Chemicals, the things have changed in a positive direction which can be seen from the above financial performance of the Company. My message to the-

**Stakeholders:** "Keep your company in the hands of Experienced, Dynamic, Honest and Goal Oriented Leader for Progress and Sustainability of your Organisation".

**CEOs:** "Take all decisions without Fair or Favour and think that you are spending from your own Pocket for all expenses of your organization, then no organization will incur losses for a prolonged period".

**Employees:** "Treat the organization in which you are working as your Own Organisation and follow the concept of 'मैं ही हूँ, हमारा ही है'".





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



**FINANCIAL RESULTS OF BENGAL CHEMICALS**

(Rs. Lakhs)

Annual Report	Financial Year	Source /BOD Date	Operating Income	Other Income	Total Income	PBT/ (Loss) before Extra-ordinary Income	Extra-ordinary Income	PBT/(Loss) For the Year
<b>PRIOR TO NATIONALISATION:</b>								
25th Year	1925-26	Biography Book	25.00	0.10	25.10	2.81	-	2.81
40th Year	1940-41	09-07-1941	92.88	0.37	93.24	7.68	-	7.68
44th Year	1944-45	Biography Book	140.48	0.50	140.98	13.68	-	13.68
60th Year	1960-61	Biography Book	208.84	3.00	211.84	18.01	-	18.01
61st Year	1961-62	Biography Book	212.50	3.00	215.50	9.16	-	9.16
62nd Year	1962-63	Biography Book	228.00	3.00	231.00	13.24	-	13.24
63rd Year	1963-64	Biography Book	234.00	3.00	237.00	18.50	-	18.50
66th Year	1966-67	1967-68(PY Figs)	296.28	4.60	300.88	20.16	-	20.16
67th Year	1967-68	31-07-1968	299.63	5.46	305.09	(0.41)	0.67	0.26
68th Year	1968-69	26-07-1969	299.46	7.92	307.38	(0.35)	0.44	0.08
69th Year	1969-70	14-08-1970	306.62	7.78	314.40	(23.66)	-	(23.66)
70th Year	1970-71	28-08-1971	277.56	6.07	283.63	(24.90)	-	(24.90)
71st Year	1971-72	30-10-1972	277.89	7.71	285.60	(50.62)	-	(50.62)
72nd Year	1972-73	31-08-1973	354.15	7.46	361.61	(21.00)	-	(21.00)
73rd Year	1973-74	31-08-1974	414.97	8.79	423.76	(11.24)	1.03	(10.22)
74th Year	1974-75	04-08-1975	598.30	7.91	606.21	(0.45)	0.52	0.06
75th Year	1975-76	31-08-1976	575.50	12.19	587.69	(34.79)	-	(34.79)
76th Year	1976-77	ST-LT Action Plan	503.00	10.00	513.00	(111.00)	-	(111.00)
77th Year	1977-78	ST-LT Action Plan	388.00	10.00	398.00	(198.00)	-	(198.00)
78th Year	1978-79	ST-LT Action Plan	690.00	10.00	700.00	(76.00)	-	(76.00)
79th Year	1979-80	ST-LT Action Plan	802.00	10.00	812.00	(146.00)	-	(146.00)
80th Year	1980-81	ST-LT Action Plan	890.00	10.00	900.00	(285.00)	-	(285.00)
<b>PSU - POST NATIONALISATION:</b>								
1st	1981-82	26-03-1983	1,107	23	1,129	(213)	-	(213)
2nd	1982-83	21-12-1984	1,118	21	1,139	(283)	-	(283)
3rd	1983-84	24-03-1986	1,055	36	1,091	(485)	-	(485)
4th	1984-85	14-08-1986	1,068	25	1,092	(484)	-	(484)
5th	1985-86	08-07-1987	1,159	14	1,173	(573)	-	(573)
6th	1986-87	11-03-1988	1,076	28	1,103	(665)	-	(665)
7th	1987-88	04-10-1988	1,245	25	1,270	(771)	-	(771)
8th	1988-89	20-09-1989	1,592	62	1,654	(705)	-	(705)
9th	1989-90	15-09-1990	1,859	50	1,909	(841)	-	(841)
10th	1990-91	30-08-1991	1,778	61	1,839	(946)	-	(946)
			-	-	-	-	-	-
11th	1991-92	28-08-1992	1,615	77	1,691	(1,513)	-	(1,513)
12th	1992-93	27-08-1993	1,323	103	1,426	(1,274)	-	(1,274)
13th	1993-94	26-08-1994	1,584	124	1,708	(1,098)	-	(1,098)
14th	1994-95	01-11-1995	1,928	128	2,056	(638)	-	(638)
15th	1995-96	16-09-1996	2,530	195	2,725	(359)	-	(359)
16th	1996-97	16-09-1997	3,061	150	3,211	(260)	1,835	1,575
17th	1997-98	29-06-1998	3,550	233	3,784	(337)	-	(337)
18th	1998-99	02-07-1999	3,640	214	3,854	(368)	303	(65)
19th	1999-00	30-06-2000	3,633	379	4,013	(387)	-	(387)
20th	2000-01	23-11-2001	3,374	588	3,962	(702)	-	(702)
			-	-	-	-	-	-
21st	2001-02	06-06-2002	3,799	640	4,439	(451)	-	(451)
22nd	2002-03	17-06-2003	4,036	695	4,732	(307)	519	212
23rd	2003-04	25-08-2004	3,705	773	4,479	(209)	1,005	795
24th	2004-05	23-12-2005	3,856	782	4,638	(353)	-	(353)
25th	2005-06	06-12-2006	4,486	723	5,209	(837)	-	(837)
			-	-	-	-	-	-
26th	2006-07	05-01-2009	3,845	791	4,636	(1,995)	-	(1,995)
27th	2007-08	01-06-2010	4,208	1,099	5,306	(970)	-	(970)
28th	2008-09	15-09-2011	6,257	1,344	7,601	(1,246)	-	(1,246)
29th	2009-10	31-12-2012	5,733	1,167	6,899	(1,939)	-	(1,939)
30th	2010-11	04-10-2013	5,485	1,160	6,645	(1,389)	318	(1,070)
31st	2011-12	30-06-2014	4,825	2,419	7,245	(1,823)	-	(1,823)
32nd	2012-13	17-01-2015	2,737	1,749	4,486	(4,069)	-	(4,069)
33rd	2013-14	27-03-2015	1,706	1,629	3,335	(3,655)	-	(3,655)
34th	2014-15	26-06-2015	4,584	1,530	6,113	(2,808)	1,076	(1,732)
35th	2015-16	27-05-2016	8,819	2,373	11,192	(913)	-	(913)
			-	-	-	-	-	-
36th	2016-17	17-05-2017	8,536	2,362	10,898	451	-	451
37th	2017-18	02-06-2018	7,801	1,679	9,480	1,006	-	1,006
38th	2018-19	29-04-2009	10,050	1,917	11,967	2,526	-	2,526
39th	2019-20	43,962	7,028	1,536	8,564	1,446	-	1,446

**ADDITIONAL INFORMATION:**

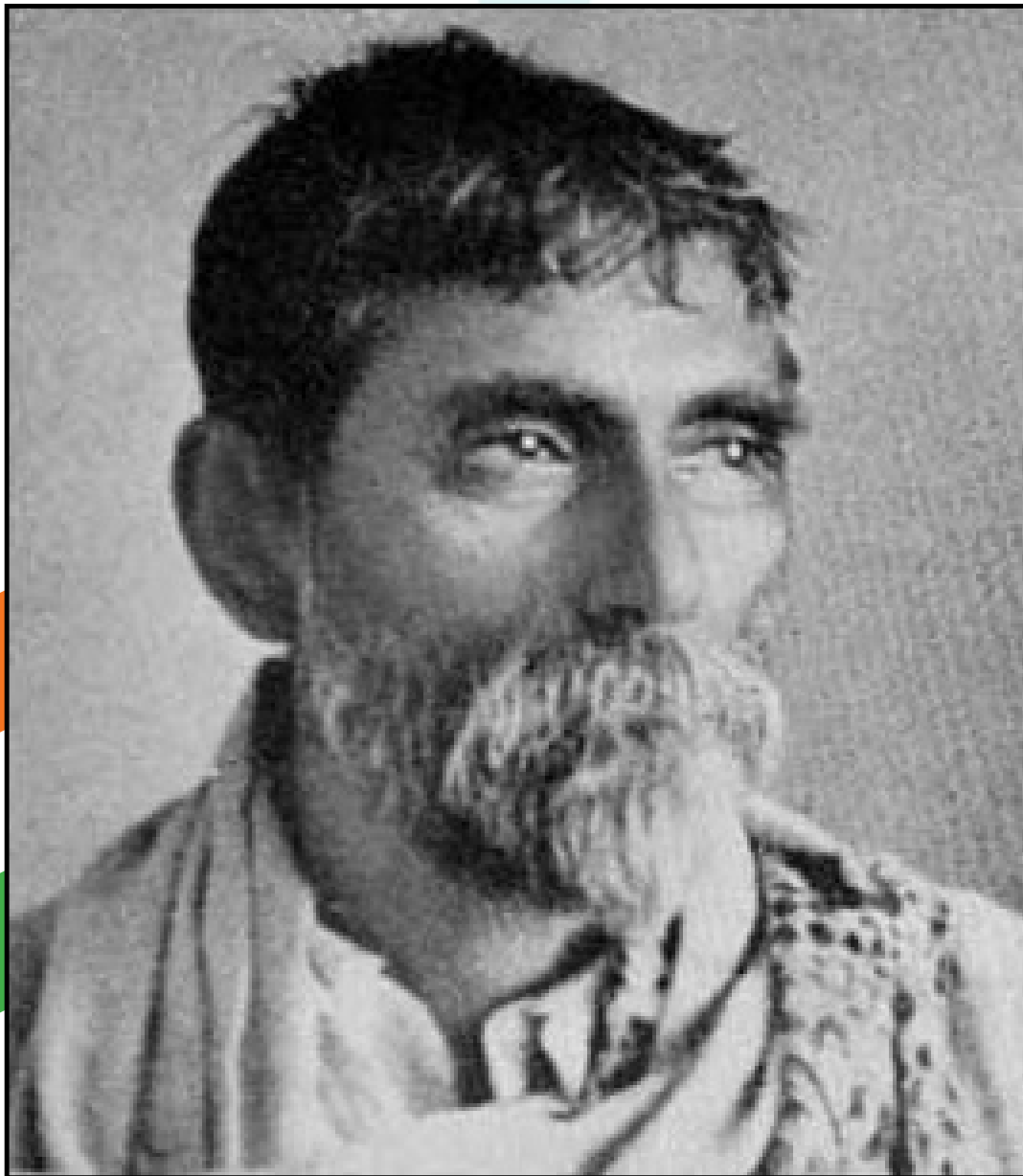
1. Repaid Bank Loan of Rs.28 Crores to United Bank of India & cleared Mortgaged (in 1983) Corporate Office Building
2. Repaid Government Loan of Rs.25 Crores which was taken during 2005-2007
3. Achieved milestones of Rs. 123 Crore Production, Rs.101 Crore Turnover, Rs. 33 Crore Gross Margin and Rs. 25 Crore Net Profit first time in 120 years' History of the Company
4. Reported Net Profit of Rs.4.51 crores (excl. Extraordinary Income) in 2016-17 and Net Profit from Operations of Rs. 6 Crores (excl. Extraordinary Income & Other Income) in 2018-19, which is after a long period of 50 years
5. Conducted AGM first amongst all CPSEs in the last five years in a row from 2015-16.
6. Awarded with Excellent Corporate Governance Rating continuously for last five years.



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



## Our Founder.. Our Inspiration



Eminent Chemist, Educator and Entrepreneur from Bengal. He was the founder of Bengal Chemicals & Pharmaceuticals Ltd. 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 120 years.

**Acharya Prafulla Chandra Ray**

(August 2, 1861- June 16, 1944)

# Hygiene & Healthcare for all

## BENGAL CHEMICAL'S Home Care & Cleanliness Products

CANTHARIDINE HAIR OIL



PHENEOL



WHITE TIGER



NAPHTHALENE BALLS



BLEACHING POWDER



Our Cleanliness products are recommended for  
Swachh Bharat Mission



**Bengal Chemicals &  
Pharmaceuticals Ltd.**

(A Government of India Enterprise)

Products are available at :

Retail Stores :  
6, Ganesh Chunder Avenue, Kolkata-700013  
153, Lenin Sarani, Kolkata-700013  
39, Acharya Jagadish Chandra Bose Road,  
Kolkata-700016  
44, Gopal Lal Thakur Road, Kolkata-700036  
502, S.V. Savarkar Marg, Prbhadevi, Mumbai-400025

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

CIN: U24299WB1981GOI033489