



**Bharat Parenterals Limited**  
*Harnessing Science for Life*

**ANNUAL REPORT**

**2016-17**



# Bharat Parenterals Limited

**Registered Office & Works:**  
Vill. Haripura, Ta. Savli, Dist. Vadodara - 391520 (Guj.) India.  
Tele Fax : (02667)-251679, 251680, 251669, 99099 28332.  
E-mail: bplbrd@bplindia.in, info@bplindia.in, Web.: www.bplindia.in  
CIN NO: U24231GJ1992PLC018237

## NOTICE

Notice is hereby given that the Annual General Meeting of the Members of **Bharat Parenterals Limited** (CIN U24231GJ1992PLC018237) is scheduled to be held on Friday the 1<sup>st</sup> day of September, 2017, at 11.00 a.m. at Survey No. 144-146, Jarod Samlaya Road, Vill.. Haripura, Tal. Savli, Dist. Vadodara – 391520, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statement including the statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2017 together with Reports of the Directors' and Auditors' thereon.
2. To appoint Mr. Hemang J. Shah (holding DIN 03024324) as a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution.

**"RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provision of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 1<sup>st</sup> September, 2017, M/s. M/s. K. K. Parikh & Co., Chartered Accountants, (Firm Registration No. 107552W) be and are hereby appointed as Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2022 (subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) and that the Board of Directors of the Company be and are hereby authorised to fix such remuneration as may be determined in consultation with the auditors,."

**RESOLVED FURTHER THAT** as may be determined by the audit committee in consultation with the auditors, the Board is authorized to fix the remuneration payable to the auditors for the financial year ending March 31, 2018."

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following Resolution as a Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Shailesh Gabhawala (DIN: 07884641), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as Independent Director of the Company."

Registered Office:  
Survey No. 144-146,  
Jarod Samlaya Road,  
Vill. Haripura, Tal. Savli,  
Vadodara – 391520

Place: Vadodara  
Date: 25/05/2017

By order of the Board of Directors



**Bharat R. Desai**  
**Managing Director**  
DIN: 00552596

**Notes:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share transfer Books of the Company will remain closed from 21<sup>st</sup> August, 2017 to 23<sup>rd</sup> August, 2017 (both days inclusive).
4. Members /proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate the change of address, if any, to the registered office situated at Survey No. 144-146, Jarod Samlaya Road, Vill. Haripura, Tal. Savli, Dist. Vadodara - 391520.
6. Members desiring any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
7. The Members, who wish to take advantage of the nomination facility, can obtain the prescribed nomination form, from the Company.
8. Brief resume of Mr. Hemang J. Shah is annexed to this Notice.
9. Voting through electronic means
  - I. In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rule, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The Instruction for members for voting electronically is as under:-**

**The Company has not established the connectivity with CDSL and NSDL and hence all the members of the Company are holding shares of the Company in physical form. Accordingly we are giving instruction for e-voting only for members receiving the physical copy:**

The Instruction for members for voting electronically is as under:-

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
- (iv) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) Please follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut-off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**OTHER INFORMATION:**

- (A) The voting period begins on 1<sup>st</sup> September, 2017 at 11.00 a. m. and ends on 1<sup>st</sup> September, 2017 at 5.00 p. m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21<sup>st</sup> August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (C) The Scrutinizer shall within a period not exceeding 3 (Three) working days from conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (D) The result shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL within Forty Eight (48) hours of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange where shares of the Company are listed.
- 10.** All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office the Company during normal business hours (11:00 am to 5:00 pm) on all working days except Saturday, up to and including the date of the Annual General Meeting of the Company.
- 11.** The Company's Equity Shares are listed at ASE Limited and Vadodara Stock Exchange Limited.

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Place: Vadodara  
Date: 25/05/2017

By order of the Board of Directors



**Bharat R. Desai**  
**Managing Director**  
DIN: 00552596

**Brief resume of person proposed to be re-appointed as Director of the Company at the Annual General Meeting**

<b>Name of the Director</b>	<b>Date of Birth</b>	<b>Date of Appointment</b>	<b>Expertise in Specific functional areas</b>	<b>Qualification</b>	<b>Directorship held in other Public Companies</b>	<b>No of Shares Held</b>
Hemang J. Shah	12.11.1968	08/07/2010	Operations, Human Resource and General Management	B. Com, MSW	NIL	1900

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By order of the Board of Directors



**Bharat R. Desai**  
**Managing Director**  
DIN: 00552596

**Annexure to the Notice**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item No. 4:**

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, Mr. Shailesh Gabhawala was appointed as an Additional Director on the Board of the Company with effect from 3<sup>rd</sup> August, 2017 to hold office upto the date of the Annual General Meeting. In the opinion of the Board, Mr. Shailesh Gabhawala fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Shailesh Gabhawala and his relatives, are in any way, concerned or interested in the said resolution.

The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval.

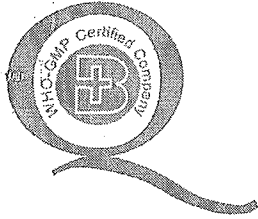
Registered Office:  
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**Bharat R. Desai**  
**Managing Director**  
DIN: 00552596



# Bharat Parenterals Limited

Registered Office & Works:

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Tele Fax : (02667)-251679, 251680, 251669, 99099 28332.  
E-mail: bplbrd@bplindia.in, info@bplindia.in, Web.: www.bplindia.in  
CIN NO: U24231GJ1992PLC018237

## Board's Report

To,  
The Members,  
Bharat Parenterals Limited,  
Vadodara

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous year's figures is given here under

(In Rs.)

PERTICULARS	FOR THE YEAR ENDED ON 31.03.2017	FOR THE YEAR ENDED ON 31.03.2016
Net Income from Business Operations	1112280984	1197367568
Other Income	77081846	47126257
<b>Total Income</b>	<b>1189362829</b>	<b>1244493824</b>
Profit / (loss) before Depreciation	137956102	135494416
Less Depreciation	57906681	42038842
Profit after depreciation and Interest	80049421	93455574
Less Tax Expenses:	5852417	28923743
<b>Net Profit after Tax</b>	<b>74197004</b>	<b>64531831</b>

### 2. DIVIDEND

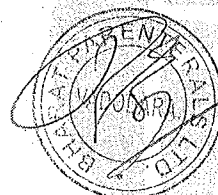
No Dividend was declared for the current financial year due to future expansion planning.

### 3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### 4. FINANCIAL PERFORMANCE AND OPERATION'S REVIEW

During the year under review, the company generated gross income of Rs. 1189362829/-, earned gross profit of Rs. 137956102/- and net profit of Rs. 74197004/- as against gross income of Rs. 1244493824/-, gross profit Rs. 135494416/- and net profit Rs. 64531831/- of previous year.



Corporate Office:

Shree Avenue, 1st Floor, Above Bank of Baroda, Nr. Amit Nagar Circle, VIP Road, Karelbaug,  
Vadodara - 390 022 (Guj.) India. Ph.: (0265)-3935233, 3935324, 99099 84243



**5. MATERIAL CHANGE BETWEEN THE DATE OF BOARD REPORT AND END OF FINANCIAL YEAR:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year to which the report relates and the date of the report.

**6. ANNUAL RETURN:**

The extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith as Annexure – 1.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are applicable to the company and annexed as Annexure – 2.

**8. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate internal financial control system including suitable monitoring procedures commensurate with the size and nature of business. The internal control system provides all documented policies, guidelines, and authorization and approval procedure. The company has internal audit department which carries out audits throughout the year. The statutory auditors while conducting the statutory audit reviewed and evaluated the internal controls and their observations are discussed by the audit committee of the board.

**9. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company is not required to constitute risk management committee as provided in the Listing (Obligation & Disclosure Requirement) Regulation, 2015. However, the Company has in place a Risk Management Policy to monitor the risk plans of the Company and ensure its effectiveness. The Audit Committee has additional oversight in the area of financial risks.

**10. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has developed and implemented Corporate Social Responsibility initiatives as the said provisions are applicable by promoting health care including preventive health care and making available safe drinking water pursuant to rural development projects. The details of CSR expenditures made during the year are provided in Annexure – 3 to this report.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

During the year under review, your company has made investment of Rs. 3021002/- in Varenym Healthcare Private Limited, a wholly owned subsidiary of the company.



**12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There was no a qualification, reservations or adverse remarks made by the Statutory Auditor in their reports. The qualifications in the Secretarial Audit Report are self-explanatory and do not require any clarification. They were noted by the management of the Company and necessary actions were taken.

**13. COST AUDIT COMPLIANCE REPORT:**

For the year under review, specified operations of your Company were covered under the Companies (Cost Accounting Records) Rules, 2014 for maintenance of cost records. Accordingly, as per provisions of section 148 of the Companies Act, 2013 the company has appointed Nawal Sonaje & Associates, practicing cost accountant to carry out cost audit and reappointed them for the financial year 2018-19.

**14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT AND PAYMENT OF REMUNERATION**

The Company has constituted nomination and remuneration committee and adopted Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

07 (Seven) Board Meetings were held during the financial year ended 31st March, 2017 on the following dates:

Sr. No.	Date of meeting
1.	12.04.2016
2.	25.06.2016
3.	26.08.2016
4.	25.11.2016
5.	12.12.2016
6.	11.02.2017
7.	20.03.2017

**16. DIRECTOR RESPOSNSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 (3) (C) OF THE COMPANIES ACT, 2013:**

Your Director wish to inform Members that the Audited Accounts containing financial statements for the financial year 2015-16 are in full conformity with the requirements of the Companies Act, 2013. They believe that the financial statement reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

Your Directors further confirm that:



- In the presentation of the annual accounts for the financial year ended March 31, 2016 the applicable accounting standards have been followed.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable, prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- The directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The directors have prepared the annual Accounts on a going concern basis.
- The directors have laid down internal financial controls, which are adequate and are operating effectively.
- The directors have devised proper system to ensure compliance with the provision of all applicable laws and such systems are adequate and operating effectively.

#### **17. BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and as per the SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015.

The performance of Board was evaluated after seeking inputs from all Directors on basis such as functioning, constitution, effectiveness, etc. The Nomination & Remuneration Committee further evaluated performance of individual directors on criteria such as preparedness on the agenda to be discussed, contribution to the discussion, etc. In a separate meeting of Independent Director, the performance of non-independent directors and the board as a whole.

#### **18. SUBSIDIARIES, ASSOCIATE COMPANY AND JOINT VENTURE:**

The Company has one wholly owned subsidiary company, Varenyam Healthcare Private Limited which was incorporated as on 09/07/2016.

#### **19. DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **20. DIRECTOR'S APPOINTMENT AND/OR RESIGNATION DURING THE YEAR:**

During the year under review, there was no change in the composition of the Board of Directors of the Company.

#### **21. PARTICULARS OF CONTRACTS OR WITH RELATED ARRANGEMENTS MADE PARTIES:**

There were no contracts or arrangements made with related party as defined under Section 188 of the Companies Act, 2013 during the year under review.



## **22. SECRETARIAL AUDITORS**

The provisions of secretarial audit and appointment of secretarial auditor as required under section 204(1) of the Companies Act, 2013 read with rule 9(1) of Companies (Appointment and Remuneration) Rules, 2014 are applicable to the company pursuant to which the Company has appointed M/s Jigar Trivedi & Co., Company Secretaries as the Secretarial Auditor of the Company.

## **23. STATUTORY AUDITORS**

M/s. K. K. Parikh & Co., Chartered Accountants, are recommended to be appointed as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of this Annual General Meeting (subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) in terms of the provisions of Section 139 of the Companies Act, 2013.

## **24. CHANGE IN NATURE OF BUSINESS:**

There was no change in the nature of business of the company during the year under review.

## **25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:**

The provisions of Section 177 & 178 of the Companies Act, 2013 are applicable to the company and the Company has formed Audit Committee pursuant to the said provisions. Further, the Company has adopted a whistle blower policy to provide a formal mechanism to the Directors and employees to report their concerns about the unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is affirmed that no employee has been denied access to the Audit Committee of the Company pursuant to this policy.

## **26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

No significant material order has been passed by the Regulators or Tribunals or Courts which would impact the going concern status of the Company and its future operations.

## **27. PARTICULARS OF EMPLOYEES AND REMUNERATION:**

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limit, during the financial year under review.

## **28. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the work place in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. The policy aims to provide protection to the employees at the work place and prevent and redress complaints of sexual harassment. The Company has not received any complaint of sexual harassment during the financial year under review.

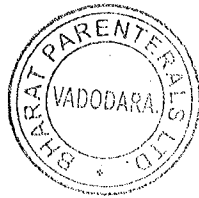
A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text, possibly a company name or official designation.

**29. ACKNOWLEDGMENT BY THE BOARD OF DIRECTORS:**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

  
Chairman



Date: 25/05/2017

Place: Vadodara

**ANNEXURE – 1 :**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**i. REGISTRATION AND OTHER DETAILS:**

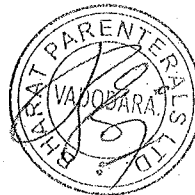
i.	CIN	U24231GJ1992PLC018237
ii.	Registration Date	03/09/1992
iii.	Name of the Company	BHARAT PARENTERALS LIMITED
iv.	Category/Sub-Category of the Company	Company limited by Shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	VILL-HARIPURA, SAVLI, BARODA, GUJARAT-389330 E-mail: bplbrd@bplindia.in Phone: 02667-251679
vi.	Whether Listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent , if any	N.A.

**ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Amoxicillin Capsules BP 500mg	21002	100

**iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name & Address	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Varenyam Healthcare Private Limited	U33300GJ2016PTC092867	Subsidiary	99%	2 (87)



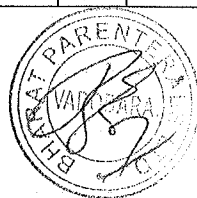
iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i.) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter									
Indian {A}									
Individual/HUF	0	1810605	1810605	31.59	0	1532445	1532445	26.74	-4.85%
Central Govt	0	0	0	0	0	0	0	0	0
State Govt(s)	0	0	0	0	0	0	0	0	0
Bodies Corp	0	2731536	2731536	47.67	0	2731536	2731536	47.67	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	4542141	4542141	79.27		4263981	4263981	74.42	-4.85%
Foreign									
NRIs-Individuals	0	0	0	0	0	0	0	0	0
Other-Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0



Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
<b>Public Shareholding (B1)</b>									
Institutions	0	0	0	0	0	0	0	0	0
Mutual Funds	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
FIs	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions(B2)</b>									
Bodies Corp. (i) Indian	0	369330	369330	6.45	0	369030	369030	6.45	0
Individuals (i) Individual shareholders holding nominal share capital upto	0	600695	600695	10.48	0	884155	884155	15.43	4.95





Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0								
Others(NRI/OCBs)	0	217500	217500	3.80	0	212500	212500	3.71	-0.09
Sub-total(B)(2)	0	1187525	1187525	20.73	0	1465685	1465685	25.58	4.41
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	1187525	1187525	20.73	0	1465685	1465685	25.58	4.41
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	5729666	5729666	100	0	5729666	5729666	100	0

ii. Shareholding of Promoters:-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the compan	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged /	
1.	BHARAT R DESAI	1024675	17.88	-	746515	13.03	-	4.85%
2.	HIMA B. DESAI	783430	13.67	-	783430	13.67	-	-
3.	BHAIM B. DESAI	2500	0.04	-	2500	0.04	-	-
4.	DESAI SHARES & STOCK PVT. LTD.	2731536	47.67	-	2731536	47.67	-	-



(iii) Change in Promoters' Shareholding

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4542141	79.27%	4263981	74.42
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Date	Increase/ Decrease	Reason	
		20/03/2017	Decrease	Transfer	
	At the End of the year	4263981	74.42%	4263981	74.42

(iv.) Shareholding pattern of top ten Shareholders (Other than Directors, promoters and holders of GDRs and ADRs)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	Anchor Group of the Company (Asoj Soft Caps Pvt. Ltd.)	340130	5.94	340130	5.94
	Sohini C Patel	50000	0.87	50000	0.87
	Hansaben H Gabhawala	0	0.76	43600	0.76
	Nakul Kiritkumar Gabhawala	0	0	43000	0.75
	Swapnil K. Gabhawala	0	0	43000	0.75
	Kiritikant K Shah	35000	0.61	35000	0.61
	Manjula Patel	35000	0.61	35000	0.61
	Sohini G Patel	35000	0.61	35000	0.61
	Bijal k. Gabhawala	0	0	43000	0.75
	Manishaben S. Gabhawala	0	0	36000	0.63
	Date wise Increase / Decrease in Promoters Shareholding				



	during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Decrease as a result of transfer dated 20/03/2017			
	At the End of the year	564730	9.86%	690630	12.00

**(V) Shareholding pattern of Directors and Key Managerial Personnel**

Sr. no	For Each of the Director & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	1) Bharat Desai	1024675	17.88%	746515	13.03
	2) Himaben Desai	783430	13.67%	783430	13.67
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Date	Increase/ Decrease	Reason	
		25/03/2016	Increase	Transfer	
	At the End of the year(Total)	1808105	31.55%	1529945	26.70

**v. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

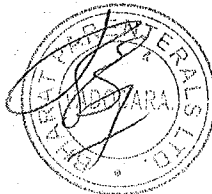
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	36,695,355	3,387,089	-	40,082,444
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	36,695,355	3,387,089	-	40,082,444

Change in Indebtedness during the financial year			-	
- Addition		89,883		89,883
- Reduction	28886224			28886224
Net Change	-28886224	-	-	-28796341
Indebtedness at the end of the financial year				
i) Principal Amount	7809131	3,387,089		40,082,444
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total ( I + ii + iii)	7809131	3,387,089		40,082,444

**vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/ or Manager**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				
		Bharat Desai (M.D.)	Hima Desai	Hemang J. Shah	Pankaj Shah	Total Amount (Rs. in Lacs)
	Gross salary	30	24	12.26	10.48	76.74
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
	Stock Option	-	-	-	-	-
	Sweat Equity	-	-	-	-	-
	Commission - as % of profit	-	-	-	-	-



Others, please specify	-		-		-
Total(A)	30	24	12.26	10.48	76.74

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

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors		NONE	NONE	
	·Fee for attending board committee meetings ·Commission ·Others ,please specify	NIL			NIL
	Total(1)	NIL			NIL
	<u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	NIL			NIL
	Total(2)	NIL			NIL
	Total(B)=(1+2)	NIL			NIL

**C.Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS**	CFO	Total
1.	Gross salary a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 b) Value of perquisites u/s	NONE	55000/-	842500/-	=



	17(2)Income-tax Act,1961 c) Profits in lieu of salary under section 17(3)Income-tax Act,1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit	-	-	-	-
5.	Others, please specify	-	-	-	-

\*\*Since February, 2017

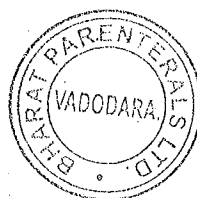
**vii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	NONE				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	NONE				
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty	NONE				
Punishment					
Compounding					

Date: 25/05/2017

Place: VADODARA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



*[Signature]*  
Chairman

## Annexure - 2

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Particulars pursuant to the Companies (Accounts) Rules, 2014)

#### CONSERVATION OF ENERGY

We continue to strengthen our energy conservation efforts. Inter alia the following steps have been taken to reduce energy consumption:

- Use of energy efficient devices/motors for running of machineries.
- Standardization of utility pipelines leading to optimum utilization.

The process is ongoing and the Engineering team is working on various measures to conserve this scarce resource.

#### RESEARCH & DEVELOPMENT

The Company's Research and development Team continued its efforts in the area of improvement of quality/process cycle/ product design.

We continue to focus on product and process improvement and collaborate with product vendors to co-create business solutions on customer specific themes.

#### TECHNOLOGY ABSORPTION

The Company is associate of Desai Share & Stock Pvt. Ltd. The company did not incur any costs for gaining access to this expertise and this has resulted in availability of an entirely new product/market for the company to explore.

#### FOREIGN EXCHANGE EARNING AND OUTGO

Activity in Foreign Currency

Expenditure incurred in foreign currency during the financial year on account of royalty, know-how, professional , consultation fees, interest and other matters Rs.

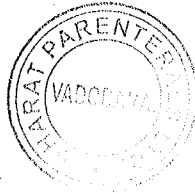


Particulars	Amount (In Lac Rs.)	Amount (In \$)
Export Commission	1.37	\$ 2000.00
Interest (Buyer's credit)	Nil	Nil
Registration charges	12.79	\$ 19032
Professional Fees	Nil	Nil

Date: 25/05/2017

Place: VADODARA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



A handwritten signature in black ink, appearing to be "S. J." or similar.

Chairman



**ANNEXURE – 3**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

CSR Policy is stated herein below:

<http://bplindia.in/wp-content/uploads/2016/02/CSR-POLICIES.pdf>

2. The Composition of the CSR Committee:

The details of CSR Committee is available on : [http://bplindia.in/?page\\_id=5224](http://bplindia.in/?page_id=5224)

3. Average net profit of the company for last three financial years:

Year	2015-16	2014-15	2013-14
Net Profit	Rs. 64531831/-	Rs. 74384114/-	Rs. 65455329/-

Average net profit of the company for last three financial years is: Rs. 6.812 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Rs. 13,62,475/-

5. Details of CSR spent for the financial years:

a) Total amount to be spent for the financial year: Rs. 13,62,475/-

b) Amount unspent, if any: Nil

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

Sr. No.	CSR Project/ Activities	Sector	Location	Amount Outlay (Budget) Project Program wise	Amount Spent on the project or programs Sub – Heads: 1. Direct Expenditure Projects 2. Overheads*	Cumulative Expenditure Upto reporting period	Amount Spent: Direct through implementati agency
1	Rural Transformation & help for poor people free supply of medicines	Rurar Deve lopment	Savli	1100000	Direct Expenditure	1087851	Direct Expenditure
2	Health	Health	Savli	765000	Direct Expenditure	762350	Direct Expenditure
3	Education	Educ ation	Vadodara	525000	Direct Expenditure	522000	Direct Expenditure



6. In case the Company has failed to spend the two percent of average net profit of the last three years, the Company shall provide the reason for not spending the amount in its board's report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the company:

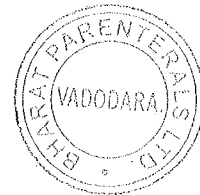
CSR projects were designed, implemented and periodically monitored based on need assessment reports and CSR Policy of the Company, which in turn is based on and implemented with statutory requirements.

Place: Vadodara

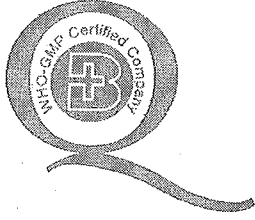
Date: 25/05/2017

For Bharat Parenterals Limited

  
Chairman







# Bharat Parenterals Limited

**Registered Office & Works:**

Vill. Haripura, Ta. Savli, Dist. Vadodara - 391520 (Guj.) India.

Tele Fax : (02667)-251679, 251680, 251669, 99099 28332.

E-mail: bplbrd@bplindia.in, info@bplindia.in, Web.: www.bplindia.in

CIN NO: U24231GJ1992PLC018237

## DECLARATION

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to inform that the company has adopted a code of conduct for its employees, non-executive directors and executive directors which is also available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2017, received from the Senior Management Team of the Company and Members of the Board, a declaration of compliance with the code of conduct as applicable to them.

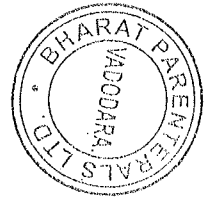
For the purpose of this declaration, Senior Management Team includes the Chief Financial Officer and other employees in the executive cadre as on March 31, 2017.

Date: 25/05/2017

Place: Vadodara

For and on behalf of  
Board of Directors

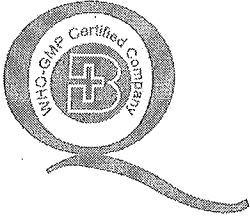
Bharat R. Desai  
Managing Director



### Corporate Office:

Shree Avenue, 1st Floor, Above Bank of Baroda, Nr. Amit Nagar Circle, VIP Road, Karelibaug,  
Vadodara - 390 022 (Guj.) India. Ph.: (0265)-3935233, 3935324, 99099 84243





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CIN NO: U24231GJ1992PLC018237

## CERTIFICATION FROM THE MANAGING DIRECTOR

In terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the BSE and NSE, I hereby certify as under:

- a. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

There have been no

- i. Significant changes in internal control over financial reporting during the year;
- ii. Significant changes in accounting policies during the year;
- iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

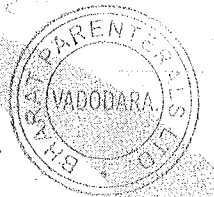
Date: 25/05/2017

Place: Vadodara

For and on behalf of  
Board of Directors

  
Bharat R. Desai

Managing Director



## Corporate Office:

Shree Avenue, 1st Floor, Above Bank of Baroda, Nr. Amit Nagar Circle, VIP Road, Karelibaug,  
Vadodara - 390 022 (Guj.) India. Ph.: (0265)-3935233, 3935324, 99099 84243



# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

## **1. Economic Overview and Indian Pharmaceutical market:**

India with a Gross Domestic Product (GDP) estimated at US \$ 2487.94 billion is the world's 6<sup>th</sup> largest economy in terms of nominal GDP and 3<sup>rd</sup> largest in terms of purchasing power parity. The Indian economy is also on a high growth arc despite adverse macroeconomic factors. Better infrastructure and ease of doing business are promoting private resources and attracting foreign investments. However, the demonetization drive of the government had implications such as lack of cash circulation in the market, lower liquidity, rise in non-performing assets, etc. The union budget laid out pathways to boost the country's growth along with fiscal prudence.

The Indian pharmaceutical market increased at a CAGR of 17.46 percent in year 2015 from US \$ 6 billion in 2005 and is expected to expand at a CAGR of 15.92 percent to US \$ 55 billion by 2020. With 70% of market share (in terms of revenue), generic drugs form the largest segment of the Indian pharmaceutical segment. India supplies 20% of global generic medicines market exports in terms of volume, making the country the largest provider of generic medicines globally and is expected to expand even further in coming years. Department of pharmaceuticals target to export 18 billion worth of pharmaceuticals in coming year. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world's leader in Drug Master Files (DMFs) applications with the US. The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

## **2. Industry Structure and Development:**

With more than 500 formulations to choose, a strong formulation development base and coveted WHO-cGMP certificate to its credit, Bharat Parenterals Limited has already made an export presence across the globe. The large scale modern production facility at Haripura, Savli is WHO-cGMP certified and abides by its stringent norms. Its processes are ISO 9001:2000 certified as well over years, Bharat Parenterals Limited





has sharpened its production expertise, built modern production lines and consolidated manufacturing processes, which conform to international standards.

### **3. *Opportunities and Threats:***

The Indian pharmaceutical environment is evolving rapidly with government involvement which may impact the development of the Indian Pharmaceutical Market. Factors like government mandated price controls, patent scenario, weakening of rupee, stringent quality standards, etc. are some of the major issues that need consideration in the current scenario. However, pharmaceuticals companies which have succeeded in achieving manufacturing excellence over the year and developed cost effective synthesis routes have scope for partnering with other companies for contract manufacturing and research services. With the state of the art and regulatory compliant manufacturing facilities Bharat Parenterals Limited is geared up to encase the business opportunities available in this space.

### **4. *Outlook:***

The Company is focusing on its core business of manufacturing and marketing of formulations. Research and development has been put on fast track for cost competitiveness and to comply with the regulatory market. Cost rationalization and management control at all levels are practiced to ensure operational efficiency in the sphere of manufacturing and marketing. Armed with strong resources base and a vision to be a leading manufacturer of formulations, the company is poised to unleash its true potentials to meet the challenges and exploit growth opportunities ahead.

### **5. *Internal Control System and their adequacy:***

The Company has in place adequate internal control mechanism to ensure proper and stringent compliance of all policies, procedures and statutes, applicable to the company, nationally as well internationally. The company undergoes periodical review and a report thereon is provided to the management for taking further actions.

### **6. *Human Resource:***

Your company knows and believes that the success in establishment of Bharat Parenterals Limited as an international player with core strengths



of R&D and Quality has been achieved due to the hard work and commitment of the human resource. A happy organization is made by happy human resource and thus, the company ensures continuous development, work-life balance and high morale of its employees at all times. Recognizing that people are important part of the organization, a major exercise in development and training of employees is undertaken at all levels of the company.

**7. Financial Status:**

A detailed financial overview is given in the Board's Report of the Company.

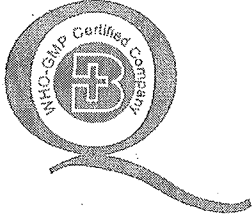
Place: Vadodara  
Date: 25/05/2017

By order of the Board of Directors

  
Bharat R. Desai  
Managing Director







# Bharat Parenterals Limited

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CIN NO: U24231GJ1992PLC018237

## CORPORATE GOVERNANCE REPORT

Report on Corporate Governance pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015) for the financial year 2016-17.

### Company's Philosophy on Code of Corporate Governance

The Company believes that Corporate Governance envisages attainment of high level of transparency, accountability, fair and equal treatment of all shareholders, compliance with regulations, and sustainable value creation for all shareholders, ethical practices and integrity thereby assisting the top management of the Company in efficient conduct of its business. The Company believes that its systems and actions must be integrated for enhancement of corporate performance resulting in maximization of shareholders' value in the long run, protection of the interest of its shareholders and employees and maintenance of cordial relationship with its customers and bankers. The Company gives due emphasis on regulatory compliances.

#### 1. Board of Directors:

##### a. Composition of Board:

The present Board of Directors of the Company comprises of Six directors of which one is woman director, three executive directors and two independent directors.

##### b. No. of Board Meetings during the year:

The Board of Directors met 7 (Seven) times during the year under review. Detailed agenda notes and the information required to be given in terms of Business on the agenda were circulated in advance to all the Directors of the Company. The Directors including Non-Executive Directors actively participated in the Board Meetings.

Attendance of Directors at the Board and Shareholders' Meeting during the financial year 2016-17:

Name of Director	No. of BM held	No. of BM attended	No. of Committee Meeting held	No. of Committee Meeting attended
Bharat R. Desai	7	7	12	12
Hima B. Desai	7	7	12	12
Hemang Shah	7	7	12	12
Pankaj Shah	7	7	12	12

Corporate Office:

Shree Avenue, 1st Floor, Above Bank of Baroda, Nr. Amit Nagar Circle, VIP Road, Karelibaug,  
Vadodara - 390 022 (Guj.) India. Ph.: (0265)-3935233, 3935324, 99099 84243



Mahendra Turakhia	7	7	12	10
Bharat Doshi	7	7	12	10

- c. Information required under Regulation 36(3) of the Listing Regulations, 2015 (earlier clause 49 (VIII) (E) of the listing agreement) on Directors seeking appointment / re-appointment:

Mr. Hemang Shah

Name of the Director	Hemang Shah
DIN	03024324
Date of Joining Board	08/07/2010
Brief Resume	Mr. Hemang Shah is Bachelor of Commerce and also holds degree of MSW. He is associated with the Company since last seven years and has played a pivotal role in the growth and development of the Company.
Disclosure of Inter-se relationship between directors	None
Name of Listed entities in which person also holds directorship or membership of committee	None
No. of shares held	1900 Nos. Shares

## 2. Audit Committee:

The terms of Reference to this Committee, inter-alia, covers all the matters, specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Clause 49 of the Listing Agreement and the respective provisions of the Listing Regulations, 2015 with the Stock Exchange such as overseeing the Company's financial reporting process and disclosure of financial information to ensure presentation is correct, sufficient and credible financial statements, recommending the appointment, remuneration and terms of appointment of Auditors of the Company. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

The Audit Committee of the Company comprises of the following persons:

1. Mr. Hemang Shah
2. Mr. Bharat Doshi
3. Mr. Mahendra Turakhia



#### 4. Company Secretary

#### 3. Nomination and Remuneration Committee:

In terms of the provisions Section 178 of the Companies Act, 2013 and Listing Agreement with BSE Limited, the Board has constituted a Nomination and Remuneration Committee. Terms of reference of the Committee are as follows:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management;
- c) Formulation of criteria for evaluation of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee has formulated the Nomination and Remuneration Policy. The Nomination and Remuneration Policy is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good Corporate Governance and compliance of Section 178 and other applicable provisions of the Companies Act, 2013.

Composition of the Nomination and Remuneration Committee:

This Committee consists of 3 Directors i.e.

1. Hima B. Desai
2. Bharat Doshi
3. Mahendra Turakhia

#### PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee has formulated the performance evaluation criteria in the Nomination and Remuneration Policy of the Company. Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance of the Board, its Committees, individual Directors, Chairman and Independent Directors was evaluated on the basis of a structured questionnaire as it was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation



of the Independent Directors was carried out by the entire Board except the Independent Director being evaluated.

The Directors were asked to rate the performance on various parameters including a high degree of commitment to his responsibilities as an Independent Director, appears to be familiar with the business model of the Company and the industry it belongs to, he is aware of his role, rights and responsibilities as an Independent Director, he has been actively participating in the Board/Committee discussions and contributing to the decision-making process, he has been known to take initiative on matters of common interest of the Company and to exhibit sensitivity to the interest of all the stakeholders, he comes across as a person with expertise and experience, he keeps himself informed on the latest developments in corporate governance.

#### REMUNERATION OF DIRECTORS

The Board, within the overall limits approved by the Members, considered the matters with regard to review and approval of remuneration payable to the Executive and Non-Executive Directors of the Company. Details of remuneration to the Directors of the Company for the year ended March 31, 2017 are as follows:

Name	Sitting Fees	Salary & Perquisites (in lakhs)
Bharat R. Desai	N.A.	30
Hima B. Desai	N.A.	24
Hemang Shah	N.A.	12.26
Pankaj Shah	N.A.	10.48
Mahendra Turakhia	N.A.	-
Bharat Doshi	N.A.	-

#### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required by the provisions of Companies Act 2013, the Corporate Social Responsibility Committee was formed in the Board Meeting held on May 23, 2014. This Committee consists of:

- a) Bharat R. Desai
- b) Hima B. Desai
- c) Hemang Shah
- d) Mahendra Turakhia
- e) Company Secretary

#### 5. STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder Relationship Committee consists of following:

1. Mahendra Turakhia
2. Bharat Doshi



3. Hima Desai

No transfers were pending as on March 31, 2017. The Company has received total 0 complaints during the year under review and the same were resolved satisfactorily. No complaint was pending as on March 31, 2017.

6. ANNUAL GENERAL MEETINGS:

The details of the last three Annual General Meetings held are as follows:

Financial Year	Venue	Date & Time
2013-14	Registered Office of the Company	30 <sup>th</sup> September, 2014 at 11:00 AM
2014-15	Registered Office of the Company	30 <sup>th</sup> September, 2015 at 10:30 AM
2015-16	Registered Office of the Company	30 <sup>th</sup> September, 2016 at 11:00 AM

7. DISCLOSURES:

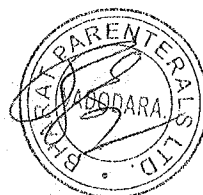
**Independent Director's Meeting during the year:**

During the year under review, the Independent Directors met inter alia, to discuss and review:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non- Executive Directors of the Company.
- Evaluation of the quality, content and timeliness of the flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duty.

**Vigil Mechanism/ Whistle Blower Policy:**

As required by the provisions of Companies Act 2013 and Listing Agreement with BSE Limited, the Company has established Vigil Mechanism and adopted Whistle Blower Policy to provide for adequate safeguards against victimization of employees and





directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee or the director nominated to play the role of Audit Committee. No employee has been denied access to the Chairman of the Audit Committee.

**Code of Conduct:**

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company. All the Directors and Senior Management Personnel have affirmed their compliance with the said Code. A declaration by the Chief Executive Officer of the Company to this effect is given below.

**Related Party Transactions:**

All contracts/ transactions/ arrangements/ entered into during the year with related parties were in the ordinary course of business and on arm's length basis. The company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with policy of the company.

**Reconciliation of share capital audit:**

A qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued equity share capital of the company. The audit confirms that the total issued capital is in agreement with the total number of shares in physical form and dematerialised form held with NSDL and CDSL.

8. **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

None

**9. GENERAL SHAREHOLDER INFORMATION:**

- i. **Annual General Meeting:**

Date: 1<sup>st</sup> September, 2017

Time: 10.30 AM

Venue: Survey No. 144-146, Jarod Samlaya Road, Vill. Haripura, Taluka Savli, Dist.

Vadodara - 391520



ii. **Financial Year:**

The Company follows Accounting financial year which starts from the 1st April and ends on 31st March.

iii. **Date of Book Closure:** 21<sup>st</sup> August, 2017 to 23<sup>rd</sup> August, 2017

iv. **Listing on Stock Exchange:** Ahmedabad Stock Exchange & Vadodara Stock Exchange

v. **Stock Code:** Nil

vi. **ISIN:** Nil

vii. **RTA:** Nil

viii. **Share Transfer:**

All transfers received are processed by the Share Transfer Personnel of the Company and the Share Transfer Register is kept at registered office of the Company. The Stakeholder Relationship Committee comprising Directors considers and approves the same. Thereafter, the Share Transfer Agents carry out necessary endorsements on the share certificates and dispatch the same to the transferees.

ix. **Category of Shareholding and Dematerialisation of shares as on 31/03/2017:**

Category	No. of shares in physical form	No. shares in demat form	No. of total shares	Percentage of aggregate holding to total share capital
Promoter	4263981	0	4263981	74.42%
FII	0	0	0	0
PFI	0	0	0	0
MF	0	0	0	0
Nationalized banks & others	0	0	0	0
NRI's & OCB	212500	0	212500	3.71%
Others	1253185	0	1253185	21.87%
Total	5729666	0	5729666	
Percentage	100%	0	100%	100%

x. **Plant Location:**

Survey No. 144-146, Jarod Samlaya Road, Vill. Haripura, Tal. Savli, Dist. Vadodara – 391520

xi. **Company Secretary and Compliance Officer:**



**Name:** Ms. Monica Ahir  
**Contact at:** [cs@bplindia.in](mailto:cs@bplindia.in) , +91-9909984241  
**Website:** [www.bplindia.in](http://www.bplindia.in)  
**Address for correspondence:** Survey No. 144-146,  
Jarod Samlaya Road,  
Vill. Haripura, Tal. Savli,  
Dist. Vadodara – 391520

Place: Vadodara  
Date: 25/05/2017

By order of the Board

  
Chairman



**Registered office:**

Survey No. 144-146, Jarod Samlaya Road, Vill. Haripura, Tal. Savli, Dist. Vadodara – 391520



## ALKESH J. SHAH & CO.

Chartered Accountants  
203, Opal Square,  
Behind Hotel Express,  
Alkapuri,  
Vadodara

(O) 0265 231 3074

Email – alkeshjshah@yahoo.co.in

### INDEPENDENT AUDITORS' REPORT

To the Members of

**M/S –BHARAT PARENTERALS LIMITED**

**Report on Standalone Financial Statements**

We have audited the accompanying statement of standalone financial statements of **BHARAT PARENTERALS LIMITED** (“the Company”) which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as ‘the standalone financial statements’)

#### **Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of



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appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant



Chartered Accountants to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at March 31, 2017, of the state of affairs of the Company as at March 31, 2017, and its financial performance, its cash flow and the changes in the equity for the year ended on that date.

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

1. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable 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 it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.
- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on it hence, there would not arise any impact on the financial position in its financial statements.



Chartered Accountants

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company is not required to transfer any amounts to the Investor Education and Protection Fund.
  - iv. The company has provided requisite disclosure in the standalone financial statements as regards its holding and dealings in specified bank notes as defined in the notification S.O.3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the company and produced to us by the management.
2. As required by 'the Companies (Auditor's Report) Order, 2016' ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**Date: 25.05.2017**

**Place: Vadodara**

**For Alkesh J. Shah & Co.**

**Chartered Accountants**



**(Proprietor)**

**FRN – 100280W**

**M.No.038932**



**“Annexure A” to the Independent Auditors’ Report of even dated on the Standalone Financial Statements of M/s Bharat Parenterals Limited**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification and, the same have been properly dealt with in the books of account;
- 2) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013;
- 4) The company has neither accepted nor granted any loans from and to the directors or such concerns in which the directors are substantially interested, nor made any investments, guarantees, and security to such concerns in which the directors are substantially interested, hence the question of complying with the provisions of section 185 and 186 of the Companies Act, 2013 doesn’t arise;



- 5) The Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, are not required to be complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, hence the same is not required to be complied with.
- 6) In accordance to the explanation given to us and the information obtained by us Company is maintaining Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013;
- 7) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. However, the extent of arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they become payable, shall be indicated;
- b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which needs to be deposited on account of any dispute. Hence, there is no disclosure for the amounts involved and the forum where the dispute is pending shall be mentioned;



- 8) In accordance to the explanations given to us and the information obtained by us, the Company has not accepted any loan or borrowing so there is no reporting for a default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;
- 9) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans so there doesn't arise any question to report whether they were applied for the purpose for which they are raised;
- 10) There is no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) The Company is not a Nidhi Company hence, is not required to comply with requirements of maintaining the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;
- 13) The transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;



- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, the requirement of section 42 of the Companies Act, 2013 is not required to be complied with;
- 15) The company has not entered into any non-cash transactions with directors or persons connected with him and hence, there doesn't arise the question to comply with the provisions of section 192 of the Act, 2013;
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, the registration has not been obtained;

Date: 25.05.2017

For Alkesh J. Shah & Co.

Chartered Accountants

Place: Vadodara



  
(Proprietor)

FRN – 100280W

M.No.038932

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of M/s Bharat Parenterals Ltd.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of**

**Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of M/s Bharat Parenterals Ltd (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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



### **Auditors' Responsibility**

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

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



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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 25.05.2017

For Alkesh J. Shah & Co.

Chartered Accountants

Place: Vadodara



(Proprietor)

FRN – 100280W

M.No.038932



**BHARAT PARENTERALS LTD**

**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDING ON 31ST MARCH 2017**

INCOME	NOTE NO.	31.03.2017 AMT. RS.	31.03.2016 AMT. RS.
<b>I REVENUE</b>			
Revenue from operations	14	1,232,381,929	1,311,068,495
Less: Goods Returns		(8,561,356)	(8,696,839)
Less: Excise Duty		(72,581,651)	(61,297,402)
Less: Vat and other		(38,957,938)	(43,706,687)
<b>Net Revenue from operations</b>		<b>1,112,280,984</b>	<b>1,197,367,568</b>
Other income	15	77,081,846	47,126,257
<b>Total Income...</b>		<b>1,189,362,829</b>	<b>1,244,493,824</b>

EXPENDITURES & CHARGES	NOTE NO.	31.03.2017 AMT. RS.	31.03.2016 AMT. RS.
<b>II EXPENSES</b>			
Cost of Raw Material Consumed	16	805,028,760	838,826,457
Change in inventories of WIP & F.G.	17	(12,351,378)	(8,736,447)
Employee Benefits	18	110,513,448	98,515,155
Depreciation	7	57,906,681	42,038,842
Financial Cost	19	9,052,789	14,860,504
Other Expenses	20	139,163,108	165,533,740
<b>Total Expenses...</b>		<b>1,109,313,408</b>	<b>1,151,038,251</b>

III Profit/Loss before Tax 80,049,421 93,455,574

IV Less: Tax Expense

(a) Income Tax (Earlier)	1,443,960	16,401,138
(b) Current Tax	16,534,472	18,988,770
(c) Deferred Tax Liability	(12,126,015)	(6,466,165)
	5,852,417	28,923,743

V Profit after tax 74,197,004 64,531,831

VI Earning per Share

Earning Per Equity Share(Nominal Value per share Rs 10 each)	12.95	11.26
Basic and Diluted		
Number of shares in computing Earning per share	5,729,666	5,729,666
Basic and diluted		


Summary of Significant Accounting Policies  
The Notes are an integral part of the financial Statements

This is the statement of profit & Loss Referred to in our Report of even date

For Bharat Parenterals Limited



Bharat R Desai  
(Managing Director)  
DIN : 00552596



Hima B Desai  
(Director)  
DIN: 00558482

For Alkesh J. Shah & Co.  
Chartered Accountants



Alkesh J Shah  
(Proprietor)  
Mem.No. 38932

Place : Vadodara  
Date : 25/05/2017



**BHARAT PARENTERALS LTD****BALANCE SHEET AS ON 31ST MARCH 2017**

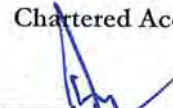
<b>SOURCES OF FUNDS</b>	<b>NOTES NO.</b>	<b>31.03.2017 AMT. RS.</b>	<b>31.03.2016 AMT. RS.</b>
<b>1 <u>SHARE HOLDERS FUND</u></b>			
(a) Share Capital	1	57,296,660	57,296,660
(b) Reserve & Surplus	2	583,823,744	509,626,740
<b>2 <u>NON CURRENT LIABILITIES</u></b>			
(a) Long Term Borrowings	3	40,082,444	68,968,668
(b) Deferred Tax Liability		(7,172,490)	4,953,525
<b>3 <u>CURRENT LIABILITIES</u></b>			
(a) Short Term Borrowings	4	24,014,555	125,316,572
(b) Trade Payables		363,664,754	388,356,324
(c) Short Term provisions	5	37,173,182	44,434,682
(d) Other short term liabilities	6	2,114,373	3,654,952
<b>Total Rs.</b>		<b>1,100,997,222</b>	<b>1,202,608,123</b>
<b>APPLICATION OF FUNDS</b>			
	<b>NOTES NO.</b>	<b>31.03.2017 AMT. RS.</b>	<b>31.03.2016 AMT. RS.</b>
<b>1 <u>NON CURRENT ASSETS</u></b>			
(a) Fixed Assets			
Tangible Assets	7	311,560,581	346,891,350
(b) Non Current Investments		7,499,000	5,000,000
(c) Long Term Loans & Advances	8	61,496,160	56,623,331
(d) Other Non Current Assets	9	82,163,376	77,928,146
<b>2 <u>CURRENT ASSETS</u></b>			
(a) Inventories	10	150,722,772	141,195,255
(b) Trade Receivables	11	436,828,081	440,612,311
(c) Cash & cash equivalents'	12	15,756,918	127,432,089
(d) Other Current Assets	13	34,970,334	6,925,641
<b>Total Rs.</b>		<b>1,100,997,222</b>	<b>1,202,608,123</b>

**Summary of Significant Accounting Policies****The Notes are an integral part of the financial Statements****This is Balance Sheet Referred to in our Report of even date****For Bharat Parenterals Limited**


**Bharat R Desai**  
(Managing Director)  
DIN : 00552596



**Hima B Desai**  
(Director)  
DIN: 00558482

**For Alkesh J. Shah & Co.  
Chartered Accountants**


**Alkesh J Shah**  
(Proprietor)  
Mem.No. 38932



Place : Vadodara  
Date : 25/05/2017



NOTE 1: SHARE CAPITAL	31.03.2017	31.03.2016
<b>Authorised Share Capital:-</b>		
58,00,000 Equity Shares of Rs10/- each.	58,000,000	58,000,000
	<b>58,000,000</b>	<b>58,000,000</b>
<b>Issued,Subscribed &amp; Paidup ShareCapital:-</b>		
57,29,666 Equity Share of Rs. 10.00 each	57,296,660	57,296,660
<b>Total Rs.</b>	<b>57,296,660</b>	<b>57,296,660</b>

**Reconciliation of Number of shares**

	As at 31.03.2017 Number of shares	As at 31.03.2016 Number of shares
<b>Equity Shares</b>		
Opening Balance	5,729,666	5,729,666
Changes during the year.		
	<b>5,729,666</b>	<b>5,729,666</b>

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.**

	As at 31.03.2017 Number of shares	As at 31.03.2016 Number of shares
<b>Equity Shares</b>		
Bharat R Desai	746,515	957,335
	13.03%	16.71%
Hima B. Desai	783,430	783,430
	13.67%	13.67%
Desai Shares & Stock Pvt. Ltd	2,731,536	2,731,536
	47.67%	47.67%
	<b>4,261,481</b>	<b>4,472,301</b>

NOTE 2 : RESERVE & SURPLUS	31.03.2017	31.03.2016
<b>PROFIT AND LOSS A/C :-</b>		
Opening Balance	509,227,579	444,695,748
Add:Profit during the year	74,197,004	64,531,831
	583,424,583	509,227,579
<b>RESERVES &amp; SURPLUS</b>	399,161	399,161
<b>TOTAL</b>	<b>583,823,744</b>	<b>509,626,740</b>



**NOTE 3 : LONG TERM BORROWINGS**

31.03.2017

31.03.2016

**Secured Loan****Term Loan:**

Axis Bank Term Loan 6	-	561,158
Axis Bank Term Loan 8	16,026,920	21,962,490
Axis Bank Term Loans	16,026,920	22,523,648

(Hypothecation with Axis Bank Ltd. on Fixed Assets created out of Term Loans & Current Assets of the company)

Axis Bank FCTL	19,008,172	40,507,081
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**Vehicle Loan:**

Commercial Vehicle Loans	1,660,263	2,640,734
(Hypothecation with Axis Bank Ltd. & HDFC Bank on Assets created out of respective Bank's Vehicle Loans		

	<b>36,695,355</b>	<b>65,671,462</b>
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**Unsecured Loan:**

Asoj Soft Caps Pvt Ltd (Group Company of Anchor Electrical Pvt Ltd)	3,297,206	3,297,206
Capital First Loan A/c No. 207963460	82,220	-
Capital First Loan A/c No. 207963460	7,663	-

	<b>3,387,089</b>	<b>3,297,206</b>
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<b>Total</b>	<b>40,082,444</b>	<b>68,968,668</b>
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**NOTE 4: SHORT TERM BORROWINGS**

31.03.2017

31.03.2016

Axis Bank Ltd. (CC)	-	37,295,278
(Mortgage with Axis Bank Ltd. of Factory Building, Plant & Machinery and Land situated at Survey No 144 & 146, Vill. Haripura)		
Axis Bank Term Loan 6	527,700	3,120,000
Axis Bank FCDL	-	63,013,500
Axis Bank FCTL	22,506,383	20,997,599
Commercial Vehicle Loans	980,472	890,195
Axis Bank Term Loans	24,014,555	88,021,294
(Hypothecation with Axis Bank Ltd. on Fixed Assets created out of Term Loans & Current Assets of the company)		

<b>Total</b>	<b>24,014,555</b>	<b>125,316,572</b>
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**NOTE 5: SHORT TERM PROVISIONS**

31.03.2017

31.03.2016

Provision for taxation	16,534,472	-
Less Advance Tax Paid and TDS deducted	14,468,601	-
	2,065,871	-
Audit Fees Payable	351,000	351,000
Boiler Operation Charges Payable	-	150,000
Bonus Payable	2,906,222	2,609,664
Professional fees Payable	45,000	45,000
Employer Contribution Payable (PF&FPF)	140,811	129,100
Employees Contribution Payable (PF&FPF)	140,811	129,100
Professional Tax Payable	41,870	37,300
Directors' Remuneration	499,687	487,041
Salary & Wages	4,391,230	3,631,429
Listing Fees	92,500	92,500
TDS/TCS Payable	756,059	992,451
Cost Auditor Remuneration Payable	75,000	75,000
Sales Commission Payable	23,698,088	33,245,260
Provision for Expenses	1,106,752	967,248
Provision for CSR Expenses	862,281	1,492,589

<b>Total</b>	<b>37,173,182</b>	<b>44,434,682</b>
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NOTE 6: OTHER SHORT TERM LIABILITIES	31.03.2017	31.03.2016
Security Deposit From Staff	161595	136731
Advance from customers	656578	1256578
Other Party Balances (Excise Loan Licence)	1296200	2261643
<b>Total</b>	<b>2,114,373</b>	<b>3,654,952</b>

NOTE 8: LONG TERM LOANS & ADVANCES	31.03.2017	31.03.2016
Staff & Worker Advances	305,628	184,243
<b>Excise PLA</b>		
Edu.Cess PLA 1%	1,602	1,602
Edu.Cess PLA 2%	266	266
Excise PLA	9,623	18,215
<b>Excise - RG23A PART II</b>		
Edu. Cess (Cenvet) A/c	57,177	57,922
Edu.Cess S& H 1% ( Cenvate ) A/c.	28,789	28,654
RG 23 A Part II 4% Ad. Duty	2,689,909	33,469,477
Rg-23 PartII A&C	47,689,950	14,410,267
Addl. Cenvat Duty Receivable	17,473	180,341
Cenvat Credit Receivable	194,890	1,445,402
<b>Excise - RG23C PART II</b>		
Cenvate Rec (50% Bal) ( Capital )	205,643	133,623
Edu.Cess (50% Bal) Receivable (Capital)	-	7,724
RG 23 C Part II Ad.Duty (Capital)	269,016	268,955
RG23C PART II (Capital)	1,118,079	732,606
RG23 C PART II -EDU.CESS ( Capital )	9,787	9,778
Rg 23C Part II H & Edu.Cess 1% ( Capital )	5,367	5,362
Sec.& High Edu.Cess 1% ( 50 %) Receivable (Capital)	-	3,012
Excise Duty (Receivable year end)	-	41,575
<b>Service Tax Part II</b>		
Edu. Cess 2%on Service Tax ( Basic)	40,904	42,086
Sec.& High Edu.Cess 1% on S.Tax (Basic)	18,648	19,208
Service Tax ( Basic A/c)	7,635,120	4,290,467
Service Tax (Receivable year end)	1,151,622	1,272,546
K K Cess 0.5%	46,667	-
<b>Total Rs.</b>	<b>61,496,160</b>	<b>56,623,331</b>

NOTE 9: OTHER NON CURRENT ASSETS	31.03.2017	31.03.2016
Advance Tax Paid	-	19,000,000
Tax Deducted at Source	-	275,261
	-	19,275,261
Less : Provision for Taxation	-	18,988,770
	-	286,491
Security Deposits	1,760,771	1,944,499
Deposit with G. E. B./MCVCL	2,572,400	2,572,400
Fixed Deposit / Margin Money / Earnest Money/Other	13,819,681	12,561,303
Bank Guarantee	29,703,518	20,775,594
Tender/Other Deposits	10,199,513	10,199,513
Varenyam Healthcare Private Limited	3,021,002	-
Income Tax Refund Receivable	1,786,491	10,218,817
Sales Tax Appeal Deposit (AY 2007-08)	-	1,569,529
VAT Claim Refund Receivable F.Y.2008-09	800,000	800,000
VAT Claim Refund Receivable F.Y.2013-14	8,000,000	8,000,000
VAT Claim Refund Receivable F.Y.2014-15	7,500,000	7,500,000
VAT Claim Refund Receivable F.Y.2015-16	1,500,000	1,500,000
VAT Claim Refund Receivable F.Y.2016-17	1,500,000	-
<b>Total Rs.</b>	<b>82,163,376</b>	<b>77,928,146</b>



NOTE 10: INVENTORIES	31.03.2017	31.03.2016
Raw Material,Packing Material (At Cost)	113,644,225	116,585,495
Work-in-progress (At cost)	13,353,128	13,343,871
Finished goods (At cost or market price whichever is less)	22,548,717	10,206,596
Raw Material (F&D)	1,176,702	1,059,293
<b>Total Rs.</b>	<b>150,722,772</b>	<b>141,195,255</b>
NOTE 11: TRADE RECEIVABLES	31.03.2017	31.03.2016
<b>GOVT DEBTORS:</b>		
More than six months	19,357,598	10,602,175
Others	103,863,006	95,218,252
<b>OTHERS:</b>		
More than six months	58,499,111	39,117,067
Others	255,108,366	295,674,817
<b>Total Rs.</b>	<b>436,828,081</b>	<b>440,612,311</b>
NOTE 12: CASH AND CASH EQUIVALENTS	31.03.2017	31.03.2016
Cash on Hand	285,125	138,244
Axis Bank C/A	(5,712,277)	34,982,603
Axis Bank Ltd. (CC) (DR)	5,681,418	
HDFC Bank Ltd.	70,416	67,486
Dena Bank	-	80,997
Bank of Baroda	911,321	747,234
Axis Bank Foreign Currency Account (\$)	14,326,867	30,180,947
Axis Bank Foreign Travel Card (\$)	148,064	286,740
Axis Bank Foreign Travel Card (Euro)	-	-
First Rand Bank	-	194,102
Indusland Bank Ltd	-	14,435
ICICI Bank A/c No 624506000027 \$	35	35
Axis Bank Liquid Fund	45,949	60,739,269
<b>Total Rs.</b>	<b>15,756,918</b>	<b>127,432,089</b>
NOTE 13: OTHER CURRENT ASSETS	31.03.2017	31.03.2016
Pre-paid Expenses	1,042,388	1,198,274
Advance to Suppliers	1,292,122	1,191,432
Duties and Taxes (VAT Balance)	668,634	1,193,557
Accured Interest / Dividend Receivable	770,041	2,057,464
Goods In Transit	31,188,515	1,284,914
TDS Recoverable From Employees	8,634	
<b>Total Rs.</b>	<b>34,970,334</b>	<b>6,925,641</b>



NOTE 14: REVENUE FROM OPERATIONS	31.03.2017	31.03.2016
<b>Sales of Products</b>		
Domestic sales of Mfg.Products	654,808,484	627,872,944
Export Sales of Mfg.Products	575,952,366	680,509,107
Less: Goods return	(8,561,356)	(8,696,839)
<b>Sales of Services</b>		
Job Work	1,621,079	2,686,444
Less: Excise Duty	(72,581,651)	(61,297,402)
Less: Vat and Other	(38,957,938)	(43,706,687)
<b>Total Rs.</b>	<b>1,112,280,984</b>	<b>1,197,367,568</b>

NOTE 15: OTHER INCOME(Net)	31.03.2017	31.03.2016
Interest Income	3,642,868	2,257,352
Dividend on liquid fund	1,899,613	742,317
Insurance Claim Received	6,062	299,946
Policy Assignment Receipt	416,025	-
Duty Draw Back / Refund Claim Received	35,666,739	44,045,041
Foreign Exchange Rate fluctuations gain/(loss)	12,919,514	(3,263,815)
Rent Received	600,000	150,000
Recovery of Analytical Testing Charges	1,391,999	-
Sales Tax Refund & Other Income	-	681,630
Bad Debts Recovery	5,871	2,213,786
Export Registration Recovery	289,639	-
Excess Provision for Commission Written Back	20,243,516	-
<b>Total Rs.</b>	<b>77,081,846</b>	<b>47,126,257</b>

NOTE 16: COST OF RAW MATERIAL CONSUMED	31.03.2017	31.03.2016
Opening Stock	117,644,788	116,309,668
Add :- Purchase of Raw Materials ,Packing Materials & Laboratory Materials(including custom duty)	805,436,604	843,197,477
Less :- Closing Stock	114,820,927	117,644,788
Less :- Raw Material Issued to F& D Dept	814,156	867,838
Less :- Laboratory Material F&D	2,417,549	2,168,062
<b>Total Rs.</b>	<b>805,028,760</b>	<b>838,826,457</b>

NOTE 17: CHANGE IN INVENTORIES OF WIP AND FINISHED GOODS	31.03.2017	31.03.2016
Closing Stock	35,901,845	23,550,467
Opening Stock	23,550,467	14,814,020
<b>Increase/ (Decrease) in Stock</b>	<b>12,351,378</b>	<b>8,736,447</b>

NOTE 18: EMPLOYEE BENEFIT EXPENSES	31.03.2017	31.03.2016
Salary & Wages/Ex-Gratia	13,412,470	12,995,952
Worker & Staff Allowances	34,809,217	30,111,384
Staff Welfare	650,851	1,112,758
Salary to Apprentice	262,396	158,414
P. F. & E. P. F.	1,614,532	1,535,251
Bonus	2,736,444	4,823,225
Overtime	235,648	149,197
Directors' Remuneration	7,676,019	7,514,468
Group Gratuity Premium A/c	-	2,250
Medical Expenses	250,177	248,868
Canteen Expenses/Retrenchment Compensation	5,325,541	3,343,999
PF admin charges	115,972	110,522
Employee - Employer Life Insurance Premium	40,358,955	34,238,049
House Rent Paid	-	6,900
Education Expenses	39,163	17,500
Salary & Wages Staff & Worker ( F & D)	3,023,993	2,105,018
Uniform Expenses	2,070	41,400
<b>Total Rs.</b>	<b>110,513,448</b>	<b>98,515,155</b>



NOTE 19: FINANCIAL COST	31.03.2017	31.03.2016
Bank Charges	3,271,830	6,773,691
Interest on Vehicle Loan	-	5,507
Other Interest	470,274	11,814
Interest on Term Loan	4,858,784	6,381,563
Interest on CC / Processing Charges	148,335	1,030,855
Interest on EPC (Packing Credit)/ Buyer's Credit	-	377,891
Interest on Staff Bus Loan	303,566	183,009
Credit Rating Charges	-	96,174
<b>Total Rs.</b>	<b>9,052,789</b>	<b>14,860,504</b>

NOTE 20 :OTHER EXPENSES	31.03.2017	31.03.2016
Consumable Stores	9,032,803	9,372,912
Power Consumption	16,911,746	17,910,971
Factory Expenses	1,497,283	1,286,996
Freight, Octroi and Carting	310,352	436,346
Boiler Operation Charges & Lubricant Oil	995,883	944,233
Labour Charges	9,435,844	9,265,043
Repairing for Computer Exp.	374,733	136,165
Repair & Maintenance	1,511,788	1,130,677
Job Work Charges Paid A/c	298,900	388,540
Testing Charges	3,565,693	4,184,396
Procurement charges	4,000	475,275
Other clearing CHA Charges	742,596	1,758,795
Auditor's Remuneration	351,000	351,000
Books and Periodicals/Service Tax Expenses	10,048	-
Conveyance	210,639	821,774
Cost Auditor's Remuneration	75,000	75,000
CSR Expenses	1,741,893	2,913,945
Diwali Expenses	1,370,407	1,415,802
Donation	283,501	155,000
Electrical Expenses	842,770	485,188
Electric Expenses Office	157,490	289,151
Garden Maintenance Expenses	15,024	511,676
Insurance Charges	1,261,319	1,403,069
Legal & Liasion Charges	1,665,352	1,180,983
Mehsul & kasar	129,670	129,797
Deduction for Late/Short/Non Quantity/Poor Quality Supply etc.	9,703,839	18,192,423
Post & Courier Exps.	697,111	838,739
Printing & Stationery	977,282	1,065,462
Professional Charges	5,643,247	3,886,679
Professional Tax	2,400	2,400
Repair & Maintenance-Factory Building	3,710,641	1,728,264
Repair & Maintenance-Vehicles/ Wind Mill	1,476,514	999,803
Rent Paid	792,000	792,000
Rent, Rate & Taxes	204,686	128,515
Security Services Charges	1,101,149	1,075,323
Social Welfare Expenses	-	89,670
Sundry & Other Expenses	745,171	1,396,325
Telephone Charges	397,208	443,738
Toll Charges	60,325	18,835
Travelling Expenses	2,664,162	2,826,932
Petrol Expenses	2,032,976	1,907,303
Inspection Charges	593,894	351,743
Washing Charges	28,460	336,419
Software Exps.	404,314	109,727
Interest on TDS Payment	102,564	630
Advertisement & Publicity	150,669	326,251
Discount / Rate Difference	4,914,200	2,253,519
Freight Outward & Transportatoion	8,319,028	8,092,690
Entertainment Exp (Hotel Lodging & Boarding)	258,884	438,732
Sales Commission	32,624,865	44,267,734
Sales Promotion	2,887,934	1,297,742
Subscription & Membership Fees	193,110	133,456
Seminar Expenses	45,461	84,045
Tender Fees	200,525	136,374
Raw Material Consumed - R&D	1,435,826	1,150,075
Laboratory Material Purchase - R&D	2,417,549	2,168,062
Travelling / Other Misc Exp - R&D	208,009	1,012,115
Professional Fees R&D	-	3,227,619
Profit/Loss On Sale of Fixed Asset	135,013	(135,801)
Bad Debts	-	5,450,217
Dr/Cr Balance Written Off	1,238,359	2,417,248
<b>Total Rs</b>	<b>139,163,108</b>	<b>165,533,740</b>





## BHARAT PARENTERALS LTD

Additional Disclosure with respect to Cash & Bank

	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	2232500	53009.55	2285509.55
(+) Permitted Receipts	448000	38493	486493
(-) Permitted Payments	1135000	71511	1206511
(-) Amount deposited in Banks	1507500	0	1507500
Closing Cash in hand as on 30.12.2016	38000	19991.55	57991.55



## ALKESH J. SHAH & CO.

Chartered Accountants

- **BHARAT PARENTERALS LTD** is engaged in the business of Manufacturing of Pharmaceutical Formulations.

### • SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by Central Government, in consultation with the National Advisory Committee on Accounting Standards and the Provisions of the Companies Act, 2013.

#### 2. Fixed Assets & Depreciation

- Fixed assets are stated at cost less depreciation and impairment loss, if any. The cost of assets comprises of purchased price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date of commissioning.
- Depreciation on Fixed Assets is provided for under W.D.V. method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.
- Depreciation on additions to Gross Block is calculated on pro-rata basis

#### 3. Investments.

- Investments are stated at cost of acquisition.

#### 4. Foreign Currency Transactions

Transactions in foreign currency are recorded in the reporting currency by applying currency rate at the date of transaction. Receivables and payables involving foreign currency are translated at the rates of exchange prevalent on the Balance Sheet date. Variations arising on account of fluctuation in foreign exchange rates are treated as Revenue except relating to the fixed assets, which are adjusted in the carrying amount of the respective assets.



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### 5. Inventories

- Raw Material & WIP are valued at cost & Finished goods is valued at cost or net realizable value whichever is lower

### 6. Retirement Benefits to Employees

- Company's contribution to Provident Fund and Employee's State Insurance are accounted for on accrual basis.

### 6. Sales / Revenue Recognition

- a. Sales are net of Sales Tax. Revenue from sales is recognized at the point of dispatch to customers when risk and reward stand transferred to the customers.
- b. Interest income is recognized on time proportion basis.

### 7. Research and Development Expense

Revenue expenditure pertaining to Formulation and Development is charged to the Statement of Profit and Loss. Capital Expenditure pertaining to Formulation and Development is capitalized.

### 8. Taxes on Income

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.



## ALKESH J. SHAH & CO.

Chartered Accountants

### NOTES TO ACCOUNTS

1. Previous year's figures are regrouped wherever necessary.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil)
3. Contingent liabilities in respect of following items are as below:
  - a. The claims against the company the company not acknowledged as debt Rs. Nil (Previous Year Rs. Nil).
  - b. Bill of exchange discounted with banks Rs. Nil (Previous Year Rs. Nil).
  - c. Counter guarantee given to bank on behalf of others Rs. Nil (Previous Year Rs. Nil).
  - d. Guarantees issued to different govt. agencies Rs. 1487.60 lakh (Previous year Rs.998.15 lakh).
  - e. Letter of Credit Rs.292.63 Lakh (US\$ 4,30,350) (Previous Year Rs.439.0 Lakh) (US\$ 6,41,750)
  - f. Buyer's Credit in foreign Currency NIL/- (Previous Year \$ Nil)
4. Demand under Excise, Custom, Sales Tax, Income Tax and other proceedings disputed Rs. Nil (Previous Year Rs. Nil).
5. During the year company has made Gross Sales of Rs. 123.24 crores (Inclusive of Excise Duty, Sales Tax & Other Charges).

Company has also manufactured for other company under contract manufacturing and clearance value for such goods is Rs.3.05 crores.
6. During the year company has earned job work income of Rs. 0.16 crores (Previous Year Rs.0.27Crore). As per the information & explanations provided to us by the board of directors, company has cleared goods worth Rs.126.29 crores and total excise paid on the same is Rs.7.26 crores (Excluding clearance value of Job Work undertaken for others).



## ALKESH J. SHAH & CO.

Chartered Accountants

7. The Balances under Sundry Creditors, Other Liabilities, Liabilities of Financial Institution, Sundry Debtors, and Loans & Advances are subject to confirmation, wherever applicable.
8. The company does not hold any security against balances receivable from Sundry Debtors, Advances to Suppliers and Advances to Staff other than personal security given by the respective parties.

9. **Directors' Remuneration:**

Particulars	Current Year	Previous Year
Remuneration	Rs. 76.76 lacs	Rs. 75.14 lacs

10. **Auditor's Remuneration:**

Particulars	Current Year	Previous Year
As Statutory Auditors	Rs.2.00 lakh	Rs.2.00 lakh
As Tax Auditors	Rs.0.85 lakh	Rs.0.85 lakh
In other Capacity's	Rs.0.66 lakh	Rs.0.66 lakh

11. The information to be furnished under section 217(2A) of the Companies Act, 1956 is not applicable as none of the personnel of the company was in receipt of remuneration in excess of prescribed limit.
12. In the opinion of the Board of Directors, the value on realization of Current Assets, Loans & Advances, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
13. **Expenditure on Formulation and Development(R&D)**  
The Company's F & D Centre, as certified by Department of Scientific and Industrial Research functions at Survey No 144/146 Jarod-Samlaya Road, Village Haripura, Vadodara.

Expenditure incurred in the F & D Centre during the financial year 2015-16 and 2016-17 are given below: (Amt in Rs)

Particulars	Year 2015-16	Year 2015-16
Capital Expenditure	8,744,106	77,541,148
Recurring (Include. Salaries)	7,085,377	9,662,889
Total	15,829,483	87,204,037



## ALKESH J. SHAH & CO.

Chartered Accountants

### 14. Corporate Social Responsibility (CSR)

- CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule 7 thereof by the company during the year is Rs. 32,34,482/-.
- Expenditure spent during the year relating to CSR is Rs. 23,72,201/-

Details of Amount Spent towards CSR is as under –

Particulars	2016-17
Rural Transformation & help for poor people free supply of medicines	10,87,851/-
Health	7,62,350/-
Education	5,22,000/-

### 15. Deferred Tax Effect as at 31<sup>st</sup> March 2017

Net Deferred Tax Liability of the company shown in the Balance Sheet as at 31<sup>st</sup> March 2017 have been determined as follows:

Particulars of Deferred Tax Liabilities/Asset	Amount (In Rs.)
Effect on Taxation due to difference in Depreciation as per Companies' Act, 1956 & Depreciation as per Income Tax Act, 1961. (33.063 % of Rs.36,675,482/-)	1,21,26,015.00
Deferred Tax Asset	1,21,26,015.00

### 16. Earning Per Share as at 31<sup>st</sup> March 2017

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Net Profit After Tax Available for Equity Shareholders	7,41,97,004	6,45,31,831
No. of Equity Shares of Rs. 10 Each Fully Paid up	57,29,666	57,29,666
Basic & Diluted Earning Per Share (In Rs.)	12.95	11.26

### 17. Related Party Disclosure & Transaction with them

For the year ended on 31<sup>st</sup> March 2017, following is the list of Related Parties:

Particulars	Position in the Company
Mr. Bharat R. Desai	Managing Director
Mrs Hima B Desai	Director
Mr. Hemang J Shah	Director
Mr. Pankaj Shah	Director
Mr. Bharat Doshi	Director
Mr. Mahendra Turakhia	Director



# ALKESH J. SHAH & CO.

Chartered Accountants

During the year, the company has done following transactions with the stated related parties as below:

Particulars	Nature of Transaction	Amount Involved (In Lac Rs.)
Mr.Bharat R Desai	Remuneration	30.00
Mrs.Hima B Desai	Remuneration	24.00
Mr.Hemang J. Shah	Remuneration	12.27
Mr.Pankaj Shah	Remuneration	10.49
Mr.Bhahim B Desai	Salary	5.88

18. Additional information pursuant to Clause 3 & 4 of part II of Schedule VI of the Companies Act, 1956:

Licensed & Installed Capacity:

- a. Licensed Capacity  
Not Applicable
- b. Installed Capacity

Annual Installed Capacity for 3 shifts is as follows:

Particulars		31.03.2016
Items Specified	Unit	No. Of Items
<b>Tablets</b>		
- Tablets	Tablet	1.35 Billions
- B- Lactum Tablets	Tablet	360 Millions
<b>Capsules</b>		
- General Capsules	Capsule	1439 Millions
- B- Lactum Capsules	Capsule	518 Millions
Ointments	Avg wt. 15gm Tube	26 Millions Tubes
<b>Liquid Oral</b>		
- Suspension Avg. Vol 60ml	Bottles	37 Millions
- Syrup Avg. 60ML	Bottles	36 Millions
- Oral Powder upto 30 gm (General)	Pouches	52 Millions
- Oral Powder upto 30 gm (B- Lactum)	Pouches	35 Millions
<b>Injections</b>		
<i>a. General Parentals</i>		
1. Ampoules	Ampoules	104 Millions
2. Vials	Vials	168 Millions
<i>b. B-Lactum</i>		
-Sterile Powder	Vials	52 Millions



# ALKESH J. SHAH & CO.

Chartered Accountants

## Consumption of Raw Material:

Particulars of Raw Material Consumed	Amount (In Rs.)	% age of Total Raw Material Consumed
Imported Raw Material Consumed	766.28 lakh	9.51 %
Indigenous Raw Material Consumed	7283.95 lakh	90.49 %
<b>Total Raw Material Consumed</b>	<b>8050.23 lakh</b>	<b>100.00 %</b>

Amount remitted in foreign currency on account of dividend is Rs. Nil.

Value of imports by the company during the financial year in respect of:

Raw Material	Rs. 766.28 lakh
Lab Equipment (F&D)	Rs. NIL

Total Value goods exported during the year is Rs 5759.52 lakh. Where value of Direct Export is Rs 2998.35 lakh, Deemed Export Rs. Nil and Export through Form ARE-1 and CT-1 is Rs 2761.17 lacs

Expenditure incurred in foreign currency during the financial year on account of royalty, know-how, professional, consultation fees, interest, and other matters Rs.

Particulars	Amount (In lac Rs.)	Amount (In \$.)
Export Commission	1.37	\$2000
Interest (Buyer's Credit)	Nil	Nil
Registration Charges	12.79	\$ 19032
Professional Fees	Nil	Nil

19. The company has formed 100% subsidiary on 9th July 2016 named as Varenyam Healthcare Private Limited for trading business.

Place: Vadodara

Date:- 25/05/2017

For Alkesh J. Shah & Co.  
Chartered Accountants



Alkesh J Shah  
(Proprietor)  
Mem.No. 38932





Sr. No	Particulars	Useful Life in Years	GROSS BLOCK						Depreciation												
			Balance As on 01.04.2016	Before 30.09.2016	After 01.10.16 to 31.03.17	Total Addition	Deletion	Total Assets	Upto 31-03-16	Dep. for the Current year	Total Dep. on Deletion of Assets	Total Dep. as on 31.03.2017	Closing Balance As on 31.03.2017								
	Air-Conditioner and Refrigerator	10	29,92,887	33,000	43,500	76,500															
	Building	30	10,20,48,134	-	-	-															
	Computer	3	56,53,378	3,58,140	66,570	4,24,710															
	Dies & Tools	15	1,44,00,274	1,06,647	4,38,188	5,44,835															
	Electric Installation Fax, Epbx & Telephone & Zerex	10	1,16,09,023	5,91,425	3,53,820	9,45,245															
	Furniture & Fixtures	10	22,01,731	18,779	4,530	23,309															
	Lab-Equipment	10	1,35,89,806	9,33,578	1,67,429	11,01,007															
	Land & Site Development	10	52,52,124	7,14,000	1,25,000	8,39,000	1,26,880														
	Plant & Machinery	15	3,94,07,880	21,25,800	-	21,25,800															
	Utility	15	7,96,21,869	15,65,025	31,38,609	47,03,634	1,00,27,612														
	Vehicle	8	6,89,00,062	13,34,583	11,33,430	24,68,013	8,75,288														
	Weight Scale, Trolley Carrels	10	2,81,53,637	9,98,775	35,000	10,33,775	5,98,681														
	Wind Mill	22	43,95,467	-	8,625	8,625															
	New Building- GF & FF Total		5,60,64,045	13,41,143	25,000	13,66,143	-														
	Computer (GF&FF)	3	2,87,10,088	-	-	-															
	Building-2 (GF&FF)	30	7,24,797	-	-	-															
	Electrical Installation (GF&FF)	10	1,85,80,167	13,41,143	-	13,41,143															
	Fax, Telephone, EPBX & Camera (GF&FF)	10	12,14,249	-	-	-															
	Furniture and Fixtures (GF&FF)	10	3,54,328	-	25,000	25,000															
	Utility (GF&FF)	15	56,98,657	21,37,890	-	21,37,890															
	<b>Total</b>		<b>463000404</b>	<b>1,01,20,895</b>	<b>55,39,701</b>	<b>15660596</b>	<b>11428441</b>	<b>467232559</b>	<b>243216928</b>	<b>2,89,20,922</b>	<b>95,99,651</b>	<b>262538199</b>	<b>204694360</b>								



Sr. No	Particulars	Useful Life in Years	Balance As on 01.04.2016	Before 30.09.2016	After 01.10.16 to 31.03.17	Total Addition	Deletion	Total Assets	Depreciation			Closing Balance As on 31.03.2017
									Dep. for the Current year	Total Dep. on Deletion of Assets	Total Dep. as on 31.03.2017	
<b>GROSS BLOCK</b>												
	Old Building F&D											
A	Building (R & D)	30	23,25,000	-	-	-	-	23,25,000	23,866	20,65,029	20,88,895	2,36,105
B	Electrical Installation(R&D)	10	2,85,695	-	-	-	-	2,85,695	-	2,71,264	2,71,264	14,431
C	Lab-Equipment(R&D)	10	6,76,743	-	-	-	-	6,76,743	-	6,42,572	6,42,572	34,171
D	Plant & Machinery(R&D)	15	53,438	-	-	-	-	53,438	2,253	45,917	48,170	5,268
	<b>Total</b>		<b>33,40,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,40,876</b>	<b>26,119</b>	<b>30,24,782</b>	<b>30,50,901</b>	<b>2,89,975</b>
	New Building F&D											
A	Building-2 (F & D)	30	2,65,78,543	3,96,078		3,96,078		2,69,74,621	25,63,502		25,63,502	2,44,11,119
B	Building-2-Electrical Installation (F&D)	10	75,84,313	1,36,748	32,028	1,68,776		77,53,089	20,07,007		20,07,007	57,46,082
C	Computer (F & D)	3	9,55,892	7,74,373	33,495	8,07,868		17,63,760	8,28,390		11,19,747	6,44,013
D	Furniture & fixture (F & D)	10	72,30,343	7,76,728	18,400	7,95,128		80,25,471	18,67,941		27,10,924	53,14,547
E	Vehicle (F & D)	8	33,77,516					33,77,516	6,40,170		19,79,462	13,98,054
F	Lab Equipment (F & D)	10	9,52,90,419	38,73,835	26,32,849	65,06,684		10,17,97,103	1,81,14,324		4,58,62,002	5,59,35,101
G	Utility (F & D)	15	1,70,97,325	69,572		69,572		17,16,897	28,70,960		42,32,376	1,29,34,521
H	Weigh Scale & Trolley (F & D)	10	6,210					6,210	1,024		3,278	2,932
I	Fax, Telephone, EPBX & Camera (F&D)	10	2,56,202					2,56,202	66,322		66,322	1,89,880
	<b>Total</b>		<b>15,83,76,763</b>	<b>60,27,334</b>	<b>27,16,772</b>	<b>87,44,106</b>	<b>-</b>	<b>16,71,20,869</b>	<b>2,89,59,640</b>	<b>3,15,84,981</b>	<b>6,05,44,621</b>	<b>10,65,76,248</b>
	<b>Total F&amp;D FIXED ASSETS</b>		<b>16,17,17,639</b>	<b>60,27,334</b>	<b>27,16,772</b>	<b>87,44,106</b>	<b>-</b>	<b>17,04,81,745</b>	<b>2,89,85,759</b>	<b>3,46,09,763</b>	<b>6,35,95,522</b>	<b>10,68,86,223</b>



Sr. No.	Particulars	rate	Op.W.D.V.	Addition			Deduction	Net Bal	Add Dep. P & M	Dep	op	before	after	Total Depreciation as on 31-03-2017	Cio WDV
				Bel Sep'30	Alt Sep'30	Total									
1	Air conditioner	15%	12,22,859	33000	43500	76,500	-	12,99,359	-	1,91,641	1,83,429	4,950	3,263	1,91,641	11,07,718
2	Building	10%	4,58,14,541	0	0	-	-	4,58,14,541	-	45,81,454	45,81,454	-	-	45,81,454	4,12,33,087
3	computers	60%	4,97,734	358140	66570	4,24,710	-	9,22,444	-	5,33,495	2,98,640	2,14,884	19,971	5,33,495	3,88,949
4	Dies & Tools	15%	48,52,485	106647	438188	5,44,835	-	53,97,320	-	7,76,734	7,27,873	15,997	32,884	7,76,734	48,20,586
5	Electric Installation	15%	33,05,525	591425	338820	9,45,245	-	42,50,770	-	6,11,079	4,95,829	88,714	26,597	6,11,079	36,99,691
6	Fax, Epbx & Telephone & Zerox	15%	10,50,500	18779	4530	23,309	-	10,73,809	-	1,60,732	1,57,575	2,817	340	1,60,732	9,13,077
7	Furniture & Fixtures	10%	71,52,762	0	1101007	11,01,007	-	82,53,769	-	7,70,327	7,15,276	-	55,050	7,70,327	74,83,442
8	Lab-Equipment	15%	16,47,333	714000	125000	8,39,000	4,500	24,81,833	-	3,62,900	2,46,425	1,07,100	9,375	3,62,900	21,18,933
9	Land	-	3,93,79,107	2129800	0	21,25,800	-	4,15,04,907	-	-	-	-	-	4,15,04,907	4,38,70,179
10	Plant and Machinery & Utility Ser.	15%	4,62,77,922	2899608	4272039	71,71,647	14,77,050	5,19,72,519	6,28,866	81,02,341	67,20,131	4,34,941	3,20,403	81,02,341	4,38,70,179
11	Plant and Machinery (Energy Saver)	80%	7,106	998775	35000	10,33,775	-	7,106	-	5,684	5,684	-	-	5,684	1,421
12	Vehicles-car & other Commercial	15%	1,30,31,042	0	8625	8,625	2,87,775	1,37,77,042	-	20,63,931	19,11,490	1,49,816	2,625	20,63,931	1,17,13,111
13	Weight Scale, Tolly Carria	15%	14,25,457	0	0	8,625	-	14,34,082	-	2,14,465	2,13,818	-	647	2,14,465	12,19,616
14	Wind Mill ( Pavan Shakti)	80%	8,676	0	0	8,676	-	8,676	-	6,941	6,941	-	-	6,941	1,735
15	Formulation & Development	-	15,53,33,356	6027334	2716772	87,44,106	-	16,40,77,462	-	28,49,475	27,14,110	1,34,114	1,250	28,49,475	16,40,77,462
16	Capital W/P - GF & FF	-	25235700	1341143	25000	13,66,143	0	2,66,01,843	-	-	-	-	-	2,66,01,843	2,37,52,368
A	Building-2 (GF & FF) W/P	-	-	0	0	-	-	-	-	-	-	-	-	-	-
B	Electrical Installation (GF&FF) W/P	-	-	0	0	-	-	-	-	-	-	-	-	-	-
C	Furniture and Fixtures (GF&FF) W/P	-	-	0	0	-	-	-	-	-	-	-	-	-	-
D	Utility (GF&FF) W/P	-	-	0	0	-	-	-	-	-	-	-	-	-	-
A	Computer (GF&FF)	60%	64,832	0	0	-	-	64,832	-	38,899	38,899	-	-	38,899	25,933
F	Fax, Telephone, EPBX & camera (GF&FF)W/P	10%	1,68,47,671	0	0	13,41,143	-	1,81,88,814	-	18,18,881	16,84,767	1,34,114	-	18,18,881	1,63,69,932
B	Building-2 (GF&FF)	15%	10,44,105	0	0	-	-	10,44,105	-	1,56,616	1,56,616	-	-	1,56,616	8,87,489
C	Electrical Installation (GF&FF)	15%	3,01,179	0	0	-	-	3,01,179	-	45,177	45,177	-	-	45,177	2,56,002
D	Fax, Telephone, EPBX & camera (GF&FF)	10%	51,60,706	0	25000	25,000	-	51,85,706	-	5,17,321	5,16,071	-	1,250	5,17,321	46,68,386
E	Furniture and Fixtures (GF&FF)	15%	18,17,207	0	0	-	-	18,17,207	-	2,72,581	2,72,581	-	-	2,72,581	15,44,626
F	Utility (GF&FF)	-	-	0	0	-	-	-	-	-	-	-	-	-	-
	Total		34,62,42,105	1,52,14,651	91,90,051	2,44,04,702	17,69,325	36,88,77,482	6,26,866	2,12,31,198	1,89,78,676	11,53,333	4,72,324	2,12,31,199	34,76,46,283



**BHARAT PARENTALS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON**

31st March 2017

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>31,737,826</b>
Net Profit Before tax & Extra ordinary Items		80,049,421
Adjustments for		
Depreciation	57,906,681	
Loss/(Profit) on sale of F.A.	135,013	
Interest & Financial Charges	9,052,789	
Interest Received	(3,642,868)	
Rent Received	(600,000)	
Dividend Received	(1,899,613)	
<b>Cash Flow from Operation before Working Capital Adjustments</b>		<b>141,001,423</b>
<b>Working Capital Adjustments</b>		
Decrease/(Increase) in Stock	(9,527,517)	
Decrease/(Increase) in Debtors	3,784,230	
Decrease/(Increase) in Advances	(4,872,829)	
Decrease/(Increase) in Other Non-current Assets	(4,235,230)	
Decrease/(Increase) in Other Current Asset	(28,044,693)	
Increase/(Decrease) in Provisions	(8,837,150)	
Increase/(Decrease) in Other Short Term Liabilities	(1,540,579)	
Increase/(Decrease) in Creditors	(25,091,883)	
<b>Adjustments for:</b>		<b>(78,365,651)</b>
Foreign Exchange Rate-Difference-Gain /Loss		12,919,514
Current Tax		17,978,432
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-</b>	<b>31,737,826</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(16,492,895)</b>
Purchase of Fixed Assets	(24,404,702)	
Sale of Fixed Assets	1,769,325	
Dividend Received	1,899,613	
Rent Received	600,000	
Interest Received	3,642,868	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(16,492,895)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(139,839,616)</b>
Interest & Financial Charges	(9,052,789)	
Secured Loan Paid	(130,786,827)	
Unsecured Loan From Directors & Others		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(139,839,616)</b>
<b>INCREASE/ DECREASE IN CASH &amp; CASH EQUIVALENTS</b>		<b>(124,594,685)</b>
Opening Cash & Cash Equivalents[ As on 1st April 2016 ]		127,432,089
Increase/Decrease in Cash & Cash Equivalents		(124,594,685)
<i>Adjustments on account of Extra Ordinary Items</i>		
Foreign Exchange Rate Difference		12,919,514
<b>Closing Cash &amp; Cash Equivalents[ As on 31st March 2017 ]</b>		<b>15,756,918</b>
As per Balance Sheet as on 31/03/2017		15,756,918



**BHARAT PARENTERALS LTD**  
(P.Y.2016-17) (A.Y.2017-18)

	2016-17	2015-16
<b>Statement 7 Accounting Ratios with Calculations: Clause 32</b>	C.Y.	P.Y.
A. Gross Profit Ratio	14.14%	17.79%
B. Net Profit Ratio	7.20%	7.81%
C. Stock Turnover Ratio	2.03%	0.85%
D. Material Consumed to Finished Goods Produced Ratio	83.22%	85.27%

Calculations are as follows:

<b>Gross Profit Ratio</b>		
Turnover	1,112,280,984	1,197,367,568
Labour Charges & Other Income	-	-
Increase/ (Decrease) in Stock[Semi Finished & Finished Goods	12,351,378	8,736,447
<b>Total A</b>	<b>1,124,632,362</b>	<b>1,206,104,015</b>
<b>Less:</b>		
Material Consumed	805,028,760	838,826,457
Manufacturing Expenses & Other Direct Exps.	54,872,974.90	57,859,250.48
Employees Cost	107,489,455	96,410,137
<b>Total B</b>	<b>967,391,189</b>	<b>993,095,844</b>
<b>Gross Profit</b>	<b>Total (A-B)</b>	<b>157,241,172</b>
<b>157,241,172</b>	<b>157,241,172</b>	<b>213,008,170</b>
Turnover	1,112,280,984	1,197,367,568
Gross Profit	157,241,172	213,008,170
<b>Gross Profit Ratio</b>	<b>14.14%</b>	<b>17.79%</b>

Turnover	1,112,280,984	1,197,367,568
Net Profit as per P&L A/c	80,049,421	93,455,574
<b>Net Profit Ratio</b>	<b>7.20%</b>	<b>7.81%</b>

Stock in Trade	Closing stock of Finished Goods		22,548,717	10,206,596
Turnover			1,112,280,984	1,197,367,568
<b>Average Stock</b>	<b>2016-17</b>	<b>2015-16</b>		
	Opening Stock	23,550,467	14,814,020	
	Closing Stock	35,901,845	23,550,467	
	Average Stock	29,726,156	19,182,244	
<b>Stock Turnover Ratio</b>			<b>0.0203</b>	<b>0.0085</b>
			Times	Times

**Material Consumed to Finished Goods Produced Ratio**

	Material Consumed	805,028,760	838,826,457	
Add:	Manufacturing Expenses & Other Direct Exps.	54,872,975	57,859,250	
Add:	Employees Cost	107,489,455	96,410,137	
Add:	Opening Work In Progress	13,343,871	3,974,410	
Less:	Closing Work In Progress	13,353,128	13,343,871	
	<b>Finished Goods Produced</b>	<b>967,381,932</b>	<b>983,726,383</b>	
Material Consumed		805,028,760	838,826,457	
Finished Goods Produced		967,381,932	983,726,383	
<b>Ratio</b>			<b>83.22%</b>	<b>85.27%</b>

	2016-17	2015-16
<b>Other Direct Exps.</b>		
Discount on Sale	4,914,200	2,253,519
Freight Outward/ Transportation	8,319,028	8,092,690
Sales Commission	32,624,865	44,267,734
Duty Draw Back / Refund Claim Received	(35,666,739)	(44,045,041)
<b>TOTAL</b>	<b>10,191,354</b>	<b>10,568,902</b>





## ALKESH J. SHAH & CO.

Chartered Accountants

203, Opal Square,

Behind Hotel Express,

Alkapuri,

Vadodara

(O) 0265 231 3074

Email – alkeshjshah@yahoo.co.in

### INDEPENDENT AUDITORS' REPORT

To the Members of

**M/S –BHARAT PARENTERALS LIMITED**

**Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **BHARAT PARENTERALS LIMITED** (hereinafter referred to as “the Parent”) and its subsidiary (the Parent and its subsidiary together referred to as “the Group”) comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the consolidated financial statements’)

#### **Management’s Responsibility for the Consolidated Financial Statements**

The Parent’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of





## ALKESH J. SHAH & CO.

Chartered Accountants

changes in equity of the Group in accordance with the accounting principles generally accepted in India, prescribed under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.





## ALKESH J. SHAH & CO.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) of the Other Matters paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary referred below in the Other Matters paragraphs, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.







**Other Matters**

1. We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of Rs. 68.70 Lacs as at March 31, 2017, total revenues of Rs.80.71 Lacs and net cash inflows amounting to Rs.0.77 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of section 143 of the act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ information certified by the Management

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of subsidiary companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:





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- 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 of aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books, and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.
- e. On the basis of written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.





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- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls , refer to our separate Report in “Annexure A”, which is based on the auditor’s report of the Parent, subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent’s, subsidiary companies incorporated in India.

Date: 25.05.2017

Place: Vadodara

For Alkesh J. Shah & Co.

Chartered Accountants



(Proprietor)

FRN – 100280W

M.No.038932



**“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of M/s Bharat Parenterals Ltd.**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of M/s Bharat Parenterals Ltd (hereinafter referred to as “the Parent”), its subsidiary company which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Parent, its subsidiary companies which are the companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting





## ALKESH J. SHAH & CO.

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records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained





## **ALKESH J. SHAH & CO.**

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by the other auditors of subsidiary companies which are companies incorporated in India, in terms of report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of





## ALKESH J. SHAH & CO.

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors referred to the Other Matters paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.





# ALKESH J. SHAH & CO.

Chartered Accountants  
For Alkesh J. Shah & Co.

Date: 25.05.2017

Chartered Accountants

Place: Vadodara



(Proprietor)

FRN - 100280W

M.No.038932



**BHARAT PARENTERALS LTD**

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDING ON 31ST MARCH 2017**

INCOME	NOTE NO.	31.03.2017 AMT. RS.	31.03.2016 AMT. RS.
<b>I REVENUE</b>			
Revenue from operations	14	1,236,002,885	1,311,068,495
Less: Goods Returns		(9,486,115)	(8,696,839)
Less: Excise Duty		(72,581,651)	(61,297,402)
Less: Vat and other		(39,507,438)	(43,706,687)
<b>Net Revenue from operations</b>		<b>1,114,427,681</b>	<b>1,197,367,568</b>
Other income	15	77,081,846	47,126,257
<b>Total Income...</b>		<b>1,191,509,526</b>	<b>1,244,493,824</b>
<b>EXPENDITURES &amp; CHARGES</b>			
EXPENSES	NOTE NO.	31.03.2017 AMT. RS.	31.03.2016 AMT. RS.
Cost of Raw Material Consumed	16	805,028,760	838,826,457
Change in inventories of WIP & F.G.	17	(14,341,628)	(8,736,447)
Employee Benefits	18	113,760,968	98,515,155
Depreciation	7	57,906,681	42,038,842
Financial Cost	19	9,059,606	14,860,504
Other Expenses	20	144,902,988	165,533,740
<b>Total Expenses...</b>		<b>1,116,317,375</b>	<b>1,151,038,251</b>
<b>III Profit/Loss before Tax</b>		<b>75,192,151</b>	<b>93,455,574</b>
<b>IV Less: Tax Expense</b>			
(a) Income Tax (Earlier)		1,443,960	16,401,138
(b) Current Tax		16,534,472	18,988,770
(c) Deferred Tax Liability		(12,126,015)	(6,466,165)
		<b>5,852,417</b>	<b>28,923,743</b>
<b>V Profit after tax</b>		<b>69,339,734</b>	<b>64,531,831</b>
<b>VI Earning per Share</b>			
Earning Per Equity Share(Nominal Value per share Rs 10 each)		12.10	11.26
Basic and Diluted			
Number of shares in computing Earning per share		5,729,666	5,729,666
Basic and diluted			

**Summary of Significant Accounting Policies**

The Notes are an integral part of the financial Statements

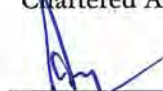
This is the statement of profit & Loss Referred to in our Report of even date

For Bharat Parenterals Limited

  
Bharat R Desai  
(Managing Director)  
DIN : 00552596

  
Hima B Desai  
(Director)  
DIN: 00558482

For Alkesh J. Shah & Co.  
Chartered Accountants

  
Alkesh J Shah  
(Proprietor)  
Mem.No. 38932



Place : Vadodara  
Date : 25/05/2017



**BHARAT PARENTERALS LTD****CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2017**

SOURCES OF FUNDS	NOTES NO.	31.03.2017 AMT. RS.	31.03.2016 AMT. RS.
<b>1 SHARE HOLDERS FUND</b>			
(a) Share Capital	1	57,296,660	57,296,660
(b) Reserve & Surplus	2	578,966,474	509,626,740
(c) Minority Interest		1,000	-
<b>2 NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	3	40,082,444	68,968,668
(b) Deferred Tax Liability		(7,172,490)	4,953,525
<b>3 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	4	24,014,555	125,316,572
(b) Trade Payables		363,664,754	388,356,324
(c) Short Term provisions	5	38,091,269	44,434,682
(d) Other short term liabilities	6	2,114,373	3,654,952
<b>Total Rs.</b>		<b>1,097,059,039</b>	<b>1,202,608,123</b>
APPLICATION OF FUNDS	NOTES NO.	31.03.2017 AMT. RS.	31.03.2016 AMT. RS.
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed Assets			
Tangible Assets	7	311,560,581	346,891,350
(b) Non Current Investments		5,000,000	5,000,000
(c) Long Term Loans & Advances	8	61,498,102	56,623,331
(d) Other Non Current Assets	9	79,162,374	77,928,146
<b>2 CURRENT ASSETS</b>			
(a) Inventories	10	152,713,022	141,195,255
(b) Trade Receivables	11	435,986,860	440,612,311
(c) Cash & cash equivalents'	12	15,834,356	127,432,089
(d) Other Current Assets	13	34,970,334	6,925,641
(e) Misc Exenditures		333,410.00	-
<b>Total Rs.</b>		<b>1,097,059,039</b>	<b>1,202,608,123</b>

**Summary of Significant Accounting Policies**

The Notes are an integral part of the financial Statements

This is Balance Sheet Referred to in our Report of even date



For Bharat Parenterals Limited



Bharat R Desai  
(Managing Director)  
DIN : 00552596



Hima B Desai  
(Director)  
DIN: 00558482

For Alkesh J. Shah & Co.  
Chartered Accountants



Alkesh J Shah  
(Proprietor)  
Mem.No. 38932

Place : Vadodara  
Date : 25/05/2017



**NOTE 1: SHARE CAPITAL** 31.03.2017 31.03.2016

<b>Authorised Share Capital:-</b>		
58,00,000 Equity Shares of Rs10/- each.	58,000,000	58,000,000
	<u>58,000,000</u>	<u>58,000,000</u>
<b>Issued,Subscribed &amp; Paidup ShareCapital:-</b>		
57,29,666 Equity Share of Rs. 10.00 each	57,296,660	57,296,660
<b>Total Rs.</b>	<u>57,296,660</u>	<u>57,296,660</u>

**Reconciliation of Number of shares**

	As at 31.03.2017 Number of shares	As at 31.03.2016 Number of shares
<b>Equity Shares</b>		
Opening Balance	5,729,666	5,729,666
Changes during the year.		
	<u>5,729,666</u>	<u>5,729,666</u>

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company .

	As at 31.03.2017 Number of shares	As at 31.03.2016 Number of shares
<b>Equity Shares</b>		
Bharat R Desai	746,515 13.03%	957,335 16.71%
Hima B. Desai	783,430 13.67%	783,430 13.67%
Desai Shares & Stock Pvt. Ltd	2,731,536 47.67%	2,731,536 47.67%
	<u>4,261,481</u>	<u>4,472,301</u>

**NOTE 2 : RESERVE & SURPLUS** 31.03.2017 31.03.2016

<b>PROFIT AND LOSS A/C :-</b>		
Opening Balance	509,227,579	444,695,748
Add:Profit during the year	69,339,734	64,531,831
	<u>578,567,313</u>	<u>509,227,579</u>
<b>RESERVES &amp; SURPLUS</b>	399,161	399,161
<b>TOTAL</b>	<u>578,966,474</u>	<u>509,626,740</u>



## NOTE 3 : LONG TERM BORROWINGS

31.03.2017

31.03.2016

**Secured Loan****Term Loan:**

Axis Bank Term Loan 6	-	561,158
Axis Bank Term Loan 8	16,026,920	21,962,490
Axis Bank Term Loans	16,026,920	22,523,648

(Hypothecation with Axis Bank Ltd. on Fixed Assets created out of Term Loans & Current Assets of the company)

Axis Bank FCTL	19,008,172	40,507,081
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**Vehicle Loan:**

Commercial Vehicle Loans	1,660,263	2,640,734
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(Hypothecation with Axis Bank Ltd. & HDFC Bank on Assets created out of respective Bank's Vehicle Loans)

	36,695,355	65,671,462
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**Unsecured Loan:**

Asoj Soft Caps Pvt Ltd (Group Company of Anchor Electrical Pvt Ltd)	3,297,206	3,297,206
Capital First Loan A/c No. 207963460	82,220	-
Capital First Loan A/c No. 207963460	7,663	-
	3,387,089	3,297,206
<b>Total</b>	<b>40,082,444</b>	<b>68,968,668</b>

## NOTE 4: SHORT TERM BORROWINGS

31.03.2017

31.03.2016

Axis Bank Ltd. (CC)	-	37,295,278
(Mortgage with Axis Bank Ltd. of Factory Building, Plant & Machinery and Land situated at Survey No 144 & 146, Vill. Haripura)		
Axis Bank Term Loan 6	527,700	3,120,000
Axis Bank FCDL	-	63,013,500
Axis Bank FCTL	22,506,383	20,997,599
Commercial Vehicle Loans	980,472	890,195
Axis Bank Term Loans	24,014,555	88,021,294
(Hypothecation with Axis Bank Ltd. on Fixed Assets created out of Term Loans & Current Assets of the company)		

<b>Total</b>	<b>24,014,555</b>	<b>125,316,572</b>
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## NOTE 5: SHORT TERM PROVISIONS

31.03.2017

31.03.2016

Provision for taxation	16,534,472	-
Less Advance Tax Paid and TDS deducted	14,468,601	-
	2,065,871	-
Audit Fees Payable	366,000	351,000
Boiler Operation Charges Payable	-	150,000
Bonus Payable	2,906,222	2,609,664
Professional fees Payable	45,000	45,000
Employer Contribution Payable (PF&FPF)	151,886	129,100
Employees Contribution Payable (PF&FPF)	151,886	129,100
Professional Tax Payable	74,040	37,300
Directors' Remuneration	499,687	487,041
Salary & Wages	4,857,353	3,631,429
Listing Fees	92,500	92,500
TDS/TCS Payable	833,705	992,451
Cost Auditor Remuneration Payable	75,000	75,000
Sales Commission Payable	23,758,222	33,245,260
Provision for Expenses	1,281,690	967,248
Vat Payable	69,926	-
Provision for CSR Expenses	862,281	1,492,589
<b>Total</b>	<b>38,091,269</b>	<b>44,434,682</b>



NOTE 6: OTHER SHORT TERM LIABILITIES	31.03.2017	31.03.2016
Security Deposit From Staff	161595	136731
Advance from customers	656578	1256578
Other Party Balances (Excise Loan Licence)	1296200	2261643
<b>Total</b>	<b>2,114,373</b>	<b>3,654,952</b>

NOTE 8: LONG TERM LOANS & ADVANCES	31.03.2017	31.03.2016
Staff & Worker Advances & Others	307,570	184,243
<b>Excise PLA</b>		
Edu.Cess PLA 1%	1,602	1,602
Edu.Cess PLA 2%	266	266
Excise PLA	9,623	18,215
<b>Excise - RG23A PART II</b>		
Edu. Cess (Cenvet) A/c	57,177	57,922
Edu.Cess S& H 1% ( Cenvate ) A/c.	28,789	28,654
RG 23 A Part II 4% Ad. Duty	2,689,909	33,469,477
Rg-23 PartII A&C	47,689,950	14,410,267
Addl. Cenvat Duty Receivable	17,473	180,341
Cenvat Credit Receivable	194,890	1,445,402
<b>Excise - RG23C PART II</b>		
Cenvate Rec (50% Bal) ( Capital )	205,643	133,623
Edu.Cess (50% Bal) Receivable (Capital )	-	7,724
RG 23 C Part II Ad.Duty (Capital)	269,016	268,955
RG23C PART II (Capital )	1,118,079	732,606
RG23 C PART II -EDU.CESS ( Capital )	9,787	9,778
Rg 23C Part II H & Edu.Cess 1% ( Capital )	5,367	5,362
Sec.& High Edu.Cess 1% ( 50 %) Receivable (Capital)	-	3,012
Excise Duty (Receivable year end)	-	41,575
<b>Service Tax Part II</b>		
Edu. Cess 2%on Service Tax ( Basic)	40,904	42,086
Sec.& High Edu.Cess 1% on S.Tax (Basic)	18,648	19,208
Service Tax ( Basic A/c)	7,635,120	4,290,467
Service Tax (Receivable year end)	1,151,622	1,272,546
K K Cess 0.5%	46,667	-
<b>Total Rs.</b>	<b>61,498,102</b>	<b>56,623,331</b>

NOTE 9: OTHER NON CURRENT ASSETS	31.03.2017	31.03.2016
Advance Tax Paid	-	19,000,000
Tax Deducted at Source	-	275,261
	-	19,275,261
Less : Provision for Taxation	-	18,988,770
	-	286,491
Security Deposits	1,780,771	1,944,499
Deposit with G. E. B./MCVCL	2,572,400	2,572,400
Fixed Deposit / Margin Money / Earnest Money/Other	13,819,681	12,561,303
Bank Guarantee	29,703,518	20,775,594
Tender/Other Deposits	10,199,513	10,199,513
Income Tax Refund Receivable	1,786,491	10,218,817
Sales Tax Appeal Deposit (AY 2007-08)	-	1,569,529
VAT Claim Refund Receivable F.Y.2008-09	800,000	800,000
VAT Claim Refund Receivable F.Y.2013-14	8,000,000	8,000,000
VAT Claim Refund Receivable F.Y.2014-15	7,500,000	7,500,000
VAT Claim Refund Receivable F.Y.2015-16	1,500,000	1,500,000
VAT Claim Refund Receivable F.Y.2016-17	1,500,000	-
<b>Total Rs.</b>	<b>79,162,374</b>	<b>77,928,146</b>



NOTE 10: INVENTORIES	31.03.2017	31.03.2016
Raw Material,Packing Material (At Cost)	113,644,225	116,585,495
Work-in-progress (At cost)	13,353,128	13,343,871
Finished goods (At cost or market price whichever is less)	22,548,717	10,206,596
Raw Material (F&D)	1,176,702	1,059,293
Trading Stock	1,990,250	-
<b>Total Rs.</b>	<b>152,713,022</b>	<b>141,195,255</b>

NOTE 11: TRADE RECEIVABLES	31.03.2017	31.03.2016
<b>GOVT DEBTORS:</b>		
More than six months	19,357,598	10,602,175
Others	103,863,006	95,218,252
<b>OTHERS:</b>		
More than six months	60,673,625	39,117,067
Others	257,381,797	295,674,817
Less : VHPL Creditors included in debtors	(5,289,166)	-
<b>Total Rs.</b>	<b>435,986,860</b>	<b>440,612,311</b>

NOTE 12: CASH AND CASH EQUIVALENTS	31.03.2017	31.03.2016
Cash on Hand	362,563	138,244
Axis Bank C/A	(5,712,277)	34,982,603
Axis Bank Ltd. (CC) (DR)	5,681,418	-
HDFC Bank Ltd.	70,416	67,486
Dena Bank	-	80,997
Bank of Baroda	911,321	747,234
Axis Bank Forign Currency Account (\$)	14,326,867	30,180,947
Axis Bank Forign Travel Card (\$)	148,064	286,740
First Rand Bank	-	194,102
Indusland Bank Ltd	-	14,435
ICICI Bank A/c No 624506000027 \$	35	35
Axis Bank Liquid Fund	45,949	60,739,269
<b>Total Rs.</b>	<b>15,834,356</b>	<b>127,432,089</b>

NOTE 13: OTHER CURRENT ASSETS	31.03.2017	31.03.2016
Pre-paid Expenses	1,042,388	1,198,274
Advance to Suppliers	1,292,122	1,191,432
Duties and Taxes (VAT Balance)	668,634	1,193,557
Accured Interest / Dividend Receivable	770,041	2,057,464
Goods In Transit	31,188,515	1,284,914
TDS Recoverable From Employees	8,634	-
<b>Total Rs.</b>	<b>34,970,334</b>	<b>6,925,641</b>



NOTE 14: REVENUE FROM OPERATIONS	31.03.2017	31.03.2016
<b>Sales of Products</b>		
Domestic sales of Mfg.Products	654,808,484	627,872,944
Export Sales of Mfg.Products	575,952,366	680,509,107
Domestic Trading Sales(VHPL)	8,070,965	-
Less : Varenyam Purchases	(4,450,009)	-
Less: Goods return	(9,486,115)	(8,696,839)
<b>Sales of Services</b>		
Job Work	1,621,079	2,686,444
Less: Excise Duty	(72,581,651)	(61,297,402)
Less: Vat and Other	(39,507,438)	(43,706,687)
<b>Total Rs.</b>	<b>1,114,427,681</b>	<b>1,197,367,568</b>

NOTE 15: OTHER INCOME(Net)	31.03.2017	31.03.2016
Interest Income	3,642,868	2,257,352
Dividend on liquid fund	1,899,613	742,317
Insurance Claim Received	6,062	299,946
Policy Assignment Receipt	416,025	-
Duty Draw Back / Refund Claim Received	35,666,739	44,045,041
Foreign Exchange Rate fluctuations gain/(loss)	12,919,514	(3,263,815)
Rent Received	600,000	150,000
Recovery of Analytical Testing Charges	1,391,999	-
Sales Tax Refund & Other Income	-	681,630
Bad Debts Recovery	5,871	2,213,786
Export Registration Recovery	289,639	-
Excess Provision for Commission Written Back	20,243,516	-
<b>Total Rs.</b>	<b>77,081,846</b>	<b>47,126,257</b>

NOTE 16: COST OF RAW MATERIAL CONSUMED	31.03.2017	31.03.2016
Opening Stock	117,644,788	116,309,668
Add :- Purchase of Raw Materials ,Packing		
Materials & Laboratory Materials(including custom duty)	805,436,604	843,197,477
Less :- Closing Stock	114,820,927	117,644,788
Less :- Raw Material Issued to F& D Dept	814,156	867,838
Less :- Laboratory Material F&D	2,417,549	2,168,062
<b>Total Rs.</b>	<b>805,028,760</b>	<b>838,826,457</b>

NOTE 17: CHANGE IN INVENTORIES OF WIP AND FINISHED GOODS	31.03.2017	31.03.2016
Closing Stock	35,901,845	23,550,467
Closing Stock - VHPL	1,990,250	-
Opening Stock	23,550,467	14,814,020
<b>Increase/ (Decrease) in Stock</b>	<b>14,341,628</b>	<b>8,736,447</b>

NOTE 18: EMPLOYEE BENEFIT EXPENSES	31.03.2017	31.03.2016
Salary & Wages/Ex-Gratia	16,492,111	12,995,952
Worker & Staff Allowances	34,809,217	30,111,384
Staff Welfare	681,117	1,112,758
Salary to Apprentice	262,396	158,414
P. F. & E. P. F.	1,712,103	1,535,251
Bonus	2,736,444	4,823,225
Overtime	235,648	149,197
Directors' Remuneration	7,676,019	7,514,468
Group Gratuity Premium A/c	-	2,250
Medical Expenses	250,177	248,868
Canteen Expenses/Retrenchment Compensation	5,325,541	3,343,999
PF admin charges	128,526	110,522
Employee - Employer Life Insurance Premium	40,358,955	34,238,049
House Rent Paid	-	6,900
Education Expenses	39,163	17,500
Salary & Wages Staff & Worker ( F & D)	3,023,993	2,105,018
Recruitment Expenses	27,488	-
Uniform Expenses	2,070	41,400
<b>Total Rs.</b>	<b>113,760,968</b>	<b>98,515,155</b>



NOTE 19: FINANCIAL COST	31.03.2017	31.03.2016
Bank Charges	3,278,647	6,773,691
Interest on Vehicle Loan	-	5,507
Other Interest	470,274	11,814
Interest on Term Loan	4,858,784	6,381,563
Interest on CC / Processing Charges	148,335	1,030,855
Interest on EPC (Packing Credit)/ Buyer's Credit	-	377,891
Interest on Staff Bus Loan	303,566	183,009
Credit Rating Charges	-	96,174
<b>Total Rs.</b>	<b>9,059,606</b>	<b>14,860,504</b>

NOTE 20 :OTHER EXPENSES	31.03.2017	31.03.2016
Consumble Stores	9,032,803	9,372,912
Power Consumption	16,911,746	17,910,971
Factory Expenses	1,497,283	1,286,996
Freight, Octroi and Carting	310,352	436,346
Boiler Operation Charges & Lubricant Oil	995,883	944,233
Labour Charges	9,435,844	9,265,043
Repairing for Computer Exp.	596,455	136,165
Repair & Maintenance	1,511,788	1,130,677
Job Work Charges Paid A/c	298,900	388,540
Testing Charges	3,565,693	4,184,396
Procurement charges	4,000	475,275
Other clearing CHA Charges	742,596	1,758,795
Auditor's Remuneration	366,000	351,000
Books and Periodicals/Service Tax Expenses	10,048	-
Conveyance	1,129,621	821,774
Cost Auditor's Remuneration	75,000	75,000
CSR Expenses	1,741,893	2,913,945
Diwali Expenses	1,370,407	1,415,802
Donation	283,501	155,000
Electrical Expenses	842,770	485,188
Electric Expenses Office	157,490	289,151
Garden Maintenance Expenses	15,024	511,676
Insurance Charges	1,344,763	1,403,069
Legal & Liasion Charges	1,726,715	1,180,983
Mehsul & kasar	129,670	129,797
Deduction for Late/Short/Non Quantity/Poor Quality Supply etc.	9,703,839	18,192,423
Post & Courier Exps.	697,656	838,739
Printing & Stationery	1,076,747	1,065,462
Professional Charges	7,273,372	3,886,679
Professional Tax	2,400	2,400
Repair & Maintenance-Factory Building	3,710,641	1,728,264
Repair & Maintenance-Vehicles/ Wind Mill	1,476,514	999,803
Rent Paid	792,000	792,000
Rent, Rate & Taxes	205,886	128,515
Security Services Charges	1,101,149	1,075,323
Social Welfare Expenses	-	89,670
Sundry & Other Expenses	749,355	1,396,325
Telephone Charges	397,208	443,738
Toll Charges	60,325	18,835
Travelling Expenses	2,804,144	2,826,932
Petrol Expenses	2,032,976	1,907,303
Inspection Charges	593,894	351,743
Washing Charges	28,460	336,419
Software Exps.	404,314	109,727
Interest on TDS Payment	103,042	630
Advertisement & Publicity	400,295	326,251
Discount / Rate Difference	4,984,745	2,253,519
Freight Outward & Transportatoion	8,321,504	8,092,690
Entertainment Exp (Hotel Lodging & Boarding)	648,888	438,732
Sales Commission	32,779,301	44,267,734
Sales Promotion	4,469,270	1,297,742
Subscription & Membership Fees	193,110	133,456
Packing & Designing Expenses	2,520	-
Entry Tax	27,859	-
Seminar Expenses	46,689	84,045
Tender Fees	200,525	136,374
Raw Material Consumed - R&D	1,435,826	1,150,075
Laboratory Material Purchase - R&D	2,417,549	2,168,062
Travelling / Other Misc Exp - R&D	208,009	1,012,115
Professional Fees R&D	-	3,227,619
Profit/Loss On Sale of Fixed Asset	135,013	(135,801)
Bad Debts	-	5,450,217
Priliminary Expenses Wittrn Off	83,353	-
Dr/Cr Balance Written Off	1,238,366	2,417,248
<b>Total Rs.</b>	<b>144,902,988</b>	<b>165,533,740</b>





- **BHARAT PARENTERALS LTD** is engaged in the business of Manufacturing of Pharmaceutical Formulations.
- **SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation**

The financial statements are prepared under the historical cost convention in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by Central Government, in consultation with the National Advisory Committee on Accounting Standards and the Provisions of the Companies Act, 2013.

**2. Fixed Assets & Depreciation**

- Fixed assets are stated at cost less depreciation and impairment loss, if any. The cost of assets comprises of purchased price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date of commissioning.
- Depreciation on Fixed Assets is provided for under W.D.V. method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.
- Depreciation on additions to Gross Block is calculated on pro-rata basis

**3. Investments.**

- Investments are stated at cost of acquisition.

**4. Foreign Currency Transactions**

Transactions in foreign currency are recorded in the reporting currency by applying currency rate at the date of transaction. Receivables and payables involving foreign currency are translated at the rates of exchange prevalent on the Balance Sheet date. Variations arising on account of fluctuation in foreign exchange rates are treated as Revenue except relating to the fixed assets, which are adjusted in the carrying amount of the respective assets.



**5. Inventories**

- Raw Material & WIP are valued at cost & Finished goods is valued at cost or net realizable value whichever is lower

**6. Retirement Benefits to Employees**

- Company's contribution to Provident Fund and Employee's State Insurance are accounted for on accrual basis.

**6. Sales / Revenue Recognition**

- a. Sales are net of Sales Tax. Revenue from sales is recognized at the point of dispatch to customers when risk and reward stand transferred to the customers.
- b. Interest income is recognized on time proportion basis.

**7. Research and Development Expense**

Revenue expenditure pertaining to Formulation and Development is charged to the Statement of Profit and Loss. Capital Expenditure pertaining to Formulation and Development is capitalized.

**8. Taxes on Income**

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.



**CONSOLIDATED NOTES TO ACCOUNTS**

1. Previous year's figures are regrouped wherever necessary.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil)
3. Contingent liabilities in respect of following items are as below:
  - a. The claims against the company the company not acknowledged as debt Rs. Nil (Previous Year Rs. Nil).
  - b. Bill of exchange discounted with banks Rs. Nil (Previous Year Rs. Nil).
  - c. Counter guarantee given to bank on behalf of others Rs. Nil (Previous Year Rs. Nil).
  - d. Guarantees issued to different govt. agencies Rs. 1487.60 lakh (Previous year Rs.998.15 lakh).
  - e. Letter of Credit Rs.292.63 Lakh (US\$ 4,30,350) (Previous Year Rs.439.0 Lakh (US\$ 6,41,750)
  - f. Buyer's Credit in foreign Currency NIL/- (Previous Year \$ Nil)
4. Demand under Excise, Custom, Sales Tax, Income Tax and other proceedings disputed Rs. Nil (Previous Year Rs. Nil).
5. During the year company has made Gross Sales of Rs. 123.60 crores (Inclusive of Excise Duty, Sales Tax & Other Charges).

Company has also manufactured for other company under contract manufacturing and clearance value for such goods is Rs.3.05 crores.
6. During the year company has earned job work income of Rs. 0.16 crores (Previous Year Rs.0.27Crore). As per the information & explanations provided to us by the board of directors, company has cleared goods worth Rs.126.65 crores and total excise paid on the same is Rs.7.26 crores (Excluding clearance value of Job Work undertaken for others).



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7. The Balances under Sundry Creditors, Other Liabilities, Liabilities of Financial Institution, Sundry Debtors, and Loans & Advances are subject to confirmation, wherever applicable.
8. The company does not hold any security against balances receivable from Sundry Debtors, Advances to Suppliers and Advances to Staff other than personal security given by the respective parties.
9. **Directors' Remuneration:**

Particulars	Current Year	Previous Year
Remuneration	Rs. 76.76 lacs	Rs. 75.14 lacs

10. **Auditor's Remuneration:**

Particulars	Current Year	Previous Year
As Statutory Auditors	Rs.2.15 lakh	Rs.2.00 lakh
As Tax Auditors	Rs.0.85 lakh	Rs.0.85 lakh
In other Capacity's	Rs.0.66 lakh	Rs.0.66 lakh

11. The information to be furnished under section 217(2A) of the Companies Act, 1956 is not applicable as none of the personnel of the company was in receipt of remuneration in excess of prescribed limit.
12. In the opinion of the Board of Directors, the value on realization of Current Assets, Loans & Advances, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
13. **Expenditure on Formulation and Development(R&D)**

The Company's F & D Centre, as certified by Department of Scientific and Industrial Research functions at Survey No 144/146 Jarod-Samlaya Road, Village Haripura, Vadodara.

Expenditure incurred in the F & D Centre during the financial year 2015-16 and 2016-17 are given below: (Amt in Rs)

Particulars	Year 2015-16	Year 2016-17
Capital Expenditure	8,744,106	77,541,148
Recurring (Include. Salaries)	7,085,377	9,662,889
Total	15,829,483	87,204,037



**14. Corporate Social Responsibility (CSR)**

- a. CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule 7 thereof by the company during the year is Rs. 32,34,482/-.
- b. Expenditure Spent during the year relating to CSR is Rs. 23,72,201/-

Details of Amount Spent towards CSR is as under –

Particulars	2016-17
Rural Transformation & help for poor people free supply of medicines	10,87,851/-
Health	7,62,350/-
Education	5,22,000/-

**15. Deferred Tax Effect as at 31<sup>st</sup> March 2017**

Net Deferred Tax Liability of the company shown in the Balance Sheet as at 31<sup>st</sup> March 2017 have been determined as follows:

Particulars of Deferred Tax Liabilities/Asset	Amount (In Rs.)
Effect on Taxation due to difference in Depreciation as per Companies' Act, 1956 & Depreciation as per Income Tax Act, 1961. (33.063 % of Rs.36,675,482/-)	1,21,26,015.00
<b>Deferred Tax Asset</b>	<b>1,21,26,015.00</b>

**16. Earning Per Share as at 31<sup>st</sup> March 2017**

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Net Profit After Tax Available for Equity Shareholders	6,93,39,734	6,45,31,831
No. of Equity Shares of Rs. 10 Each Fully Paid up	57,29,666	57,29,666
Basic & Diluted Earning Per Share (In Rs.)	12.10	11.26

**17. Related Party Disclosure & Transaction with them**

For the year ended on 31<sup>st</sup> March 2017, following is the list of Related Parties:

Particulars	Position in the Company
Mr. Bharat R. Desai	Managing Director
Mrs Hima B Desai	Director
Mr. Hemang J Shah	Director
Mr. Pankaj Shah	Director
Mr. Bharat Doshi	Director
Mr. Mahendra Turakhia	Director



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During the year, the company has done following transactions with the stated related parties as below:

Particulars	Nature of Transaction	Amount Involved (In Lac Rs.)
Mr.Bharat R Desai	Remuneration	30.00
Mrs.Hima B Desai	Remuneration	24.00
Mr.Hemang J Shah	Remuneration	12.27
Mr.Pankaj Shah	Remuneration	10.49
Mr.Bhahim B Desai	Salary	5.88

18. **Additional information pursuant to Clause 3 & 4 of part II of Schedule VI of the Companies Act, 1956:**

Licensed & Installed Capacity:

- a. **Licensed Capacity**  
Not Applicable
- b. **Installed Capacity**

Annual Installed Capacity for 3 shifts is as follows:

Particulars		31.03.2016
Items Specified	Unit	No. Of Items
<b>Tablets</b>		
- Tablets	Tablet	1.35 Billions
- B- Lactum Tablets	Tablet	360 Millions
<b>Capsules</b>		
- General Capsules	Capsule	1439 Millions
- B- Lactum Capsules	Capsule	518 Millions
Ointments	Avg wt. 15gm Tube	26 Millions Tubes
<b>Liquid Oral</b>		
- Suspension Avg. Vol 60ml	Bottles	37 Millions
- Syrup Avg. 60ML	Bottles	36 Millions
- Oral Powder upto 30 gm (General)	Pouches	52 Millions
- Oral Powder upto 30 gm (B- Lactum)	Pouches	35 Millions
<b>Injections</b>		
<b>a. General Parentals</b>		
1. Ampoules	Ampoules	104 Millions
2. Vials	Vials	168 Millions
<b>b. B-Lactum</b>		
-Sterile Powder	Vials	52 Millions



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## Consumption of Raw Material:

Particulars of Raw Material Consumed	Amount (In Rs.)	% age of Total Raw Material Consumed
Imported Raw Material Consumed	766.28 lakh	9.51 %
Indigenous Raw Material Consumed	7283.95 lakh	90.49 %
<b>Total Raw Material Consumed</b>	<b>8050.23 lakh</b>	<b>100.00 %</b>

Amount remitted in foreign currency on account of dividend is Rs. Nil.

Value of imports by the company during the financial year in respect of:

Raw Material	Rs. 766.28 lakh
Lab Equipment (F&D)	Rs.NIL

Total Value goods exported during the year is Rs 5759.52 lakh. Where value of Direct Export is Rs 2998.35 lakh, Deemed Export Rs. Nil and Export through Form ARE-1 and CT-1 is Rs 2761.17 lacs

Expenditure incurred in foreign currency during the financial year on account of royalty, know-how, professional, consultation fees, interest, and other matters Rs.

Particulars	Amount (In lac Rs.)	Amount (In \$.)
Export Commission	1.37	\$2000
Interest (Buyer's Credit)	Nil	Nil
Registration Charges	12.79	\$ 19032
Professional Fees	Nil	Nil

19. The company has formed 100% subsidiary on 9th July 2016 named as Varenym Healthcare Private Limited for trading business.

Place: Vadodra

Date:- 25/05/2017

For Alkesh J. Shah & Co.  
Chartered Accountants



Alkesh J Shah  
(Proprietor)  
Mem.No. 38932