

Board's Report

To,
The Members,
Bharat Parenterals Limited,
Vadodara

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

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

PARTICULARS	FOR THE YEAR ENDED ON 31.03.2019	FOR THE YEAR ENDED ON 31.03.2018
	(Rs.in lakhs)	
Net Income from Business Operations	21968.82	13,828.88
Other Income	1270.40	711.35
Total Income	23239.02	14,530.28
Profit / (loss) before Depreciation	4204.61	1934.78
Less Depreciation	612.65	557.23
Profit after depreciation and Interest	3591.96	1377.55
Less Tax Expenses:	1533.09	367.56
Net Profit after Tax	2257.41	1009.99

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. 23239.02 lakhs, earned gross profit of Rs. 3591.96 lakhs and net profit of Rs.2257.41 lakhs as against gross income of Rs. 14530.28 lakhs, gross profit Rs. 1377.55 lakhs and net profit Rs.1009.99 lakhs of previous year. As it can be seen, your company has grown by 123 % during year 2018-19 and aims for further growth in future.

5. MATERIAL CHANGES BETWEEN THE DATE OF BOARD REPORT AND END OF THE 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. BOARD OF DIRECTORS:

The constitution of the Board of Directors of the Company is in compliance with the provisions of Companies Act, 2013 and Rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013 and the applicable rules made thereof, Mr. Hemang J. Shah, Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

7. 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.

8. 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.

9. 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, 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.

10. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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.

11. 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 to the Company. The Company has carried out various projects such as promotion of healthcare 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.

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

During the year under review, your Company has not directly or indirectly -

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract for supply of materials or equipment or job work, if any;
- b) given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate

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

No qualifications, reservations or adverse remarks were made by the Statutory Auditor and the Secretarial Auditor in their respective reports.

14. 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, and accordingly such accounts and records are made and maintained. The company has appointed Nawal Sonaje & Associates, practicing cost accountant to carry out cost audit of the Company.

15. 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.

16. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

08 Board Meetings were held during the financial year ended 31st March, 2019. The details of the board meetings held and attendance of each of the directors thereat have been set out in the report on corporate governance.

17. DIRECTOR RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(C) OF THE COMPANIES ACT, 2013:

Your Directors wish to inform Members that the Audited Accounts containing financial statements for the financial year 2018-19 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, 2019 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.

18. DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors are liable to retire by rotation.

19. 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 was evaluated.

20. SUBSIDIARIES, ASSOCIATE COMPANY AND JOINT VENTURE:

The Company has one wholly owned subsidiary company, Varenym Healthcare Private Limited which was incorporated as on 09/07/2016. The information, pursuant to first proviso to Section 129(3) and rule 5 of Companies (Accounts) Rules, 2014, relating to the financial statement of subsidiary/associate company / joint ventures forms part of this report in the prescribed format AOC-1 and is given by way of "Annexure- 4 "

21. DEPOSIT:

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

22. CHANGE IN DIRECTORS / KEY MANAGERIAL PERSONNEL DURING THE YEAR:

During the year under review, Mr. Bharat Doshi and Mr. Mahendra Turakhia, resigned from their position as Independent Director of the Company and Mrs. Zankhana Sheth was appointed as Independent Director for a period of Five Years. Besides this, there was no change in the composition of the Board of Directors or the Key Managerial Personnel of the Company.

23. PARTICULARS OF CONTRACTS OR RELATED ARRANGEMENTS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Policy on Transactions with Related Parties as approved by the Board is uploaded on the Company's website.

24. 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. The Secretarial Audit report of the company as on 31.03.2019 is annexed herewith for reference.

25. STATUTORY AUDITORS:

M/s. CNK & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of the Company to hold office for a period of 4 years starting w.e.f. 2018-19 (subject to ratification of the appointment by the members at the Annual General Meeting) in terms of the provisions of Section 139 of the Companies Act, 2013.

26. CHANGE IN NATURE OF BUSINESS:

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

27. 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.

28. 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.

29. PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this report as Annexure. However, as permitted in terms of Section 136 of the Act, this Annual Report is being sent to all the members and others entitled thereto, excluding the said annexure. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by members at the Registered Office of the Company, 21 days before the ensuing Annual General Meeting and upto the date of Annual General Meeting during business hours on working days.

30. 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 Company has complied with the provisions relating to constitution of Internal Complaints Committee under the said Act. 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.

31. CORPORATE GOVERNANCE:

Your Company continue to imbibe and emulate the best corporate governance practices aimed at building trust among all stakeholders - shareholders, employees, customers, suppliers and others. Your Company believes that fairness, transparency, responsibility and accountability are the four key elements of corporate governance. The Corporate Governance Report presented in a separate section forms an integral part of this Annual Report.

32. ACKNOWLEDGMENT BY THE BOARD OF DIRECTORS:

We thank our customers, vendors, dealers, investors, business partners and bankers for their continued support during the year which made the Company grow successfully. We also place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors

Date :14/08/2019

Place : Vadodara

Chairman