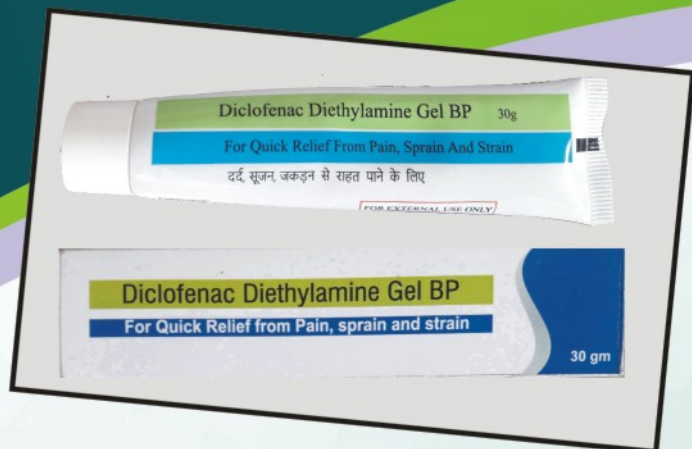


55th Annual Report 2015-16



Entrance of New Formulation Block-Hyderabad Plant



**INDIAN DRUGS &
PHARMACEUTICALS LIMITED**
(A Govt. of India Undertaking)

ANNUAL ACCOUNTS

OF

INDIAN DRUGS & PHARMACEUTICALS LIMITED

FOR

FINANCIAL YEAR 2015-2016

CHAIRMAN'S ADDRESS

Distinguished Board Members of Indian Drugs & Pharmaceuticals Limited, Company employees, our esteemed shareholders & Ladies and Gentlemen;

On behalf of Board of Directors, it gives me great pleasure in presenting you the 55th Annual Report of our Company. With the help of your trust & support, the Company made significant progress during the year 2015-16 in respect of enhancing in house production with the Company reforms and sound operational results. At the very outset, I would like to thank you for being with us and reposing your confidence on the management. We make all possible efforts to meet the highest standards for our products. Our focus is on quality and we believe in delivering nothing but the best.

Performance:

I am pleased to apprise you about your Company's performance for the Financial Year 2015-16. During the Fiscal year, 2016, your Company's sales were to the tune of Rs 84.22 Cr. and in-house production was Rs 87.96 Cr. We have started the new fiscal with confidence and positivity. I do believe that the decisions by the management over the last year will yield positive results in the coming year. We have been maintaining our momentum towards manufacturing operations and technology development. IDPL is the major and timely supplier of medicines produced in-house for various Government Institutions

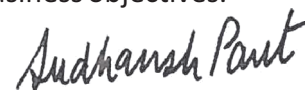
The idea behind the above strategy is to make your Company's presence felt across the pharmaceutical value chain and at the same time provide impetus to its growth. The future looks exciting and your Company is all geared for value creation. I am confident and enthused as we head towards our goal.

Initiatives and Outlook

- To manufacture and supply quality drugs in-house, under a trusted PSU brand name and market them at affordable prices.
- De bottlenecking existing capacities and modernizing the plant.
- To contribute to the improvement of public health and care for the environment.
- To modernize, upgrade and improve production facilities in tablet/capsule section at Rishikesh, Chennai & Gurgaon plants.

At the Finishing Line

I would like to place on record my sincere appreciation for the assistance and cooperation received from the shareholders and employees who helped us in achieving our mission of bringing the Company on a sound footing. My deepest thanks to each one for the continual support and confidence. Without you and the support of our customers and suppliers, your Company would not have been where it is today. Finally, I would like to thank our staff for their commitment and contribution towards achieving our business objectives.



(Sudhansh Pant)

Chairman & Managing Director

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INDIAN DRUGS & PHARMACEUTICALS LIMITED

BOARD OF DIRECTOR (As on 09.01.2018)

1. Sh. Sudhansh Pant, Chairman & Managing Director
2. Sh. Manhar Valjibhai Zala, Non-Official Independent Director

Statutory Auditor:

M/s MEGA & Associates
Chartered Accountants
New Delhi

Branch Auditors:

1. M/s Narsimha Rao & Srinivas, Hyderabad Plant
2. M/s Sumanta & Company, Kolkata RSO
3. M/s Thakur Naik & Deo, Mumbai RSO
4. M/s Sunil Vijay & Associates, New Delhi RSO
5. M/s RS Modi & Co, Gurgaon Plant
6. M/s Agarwal & Ladda, Hyderabad RSO
7. M/s Shekhar Chandra & Co., Rishikesh Plant
8. Krishna Sharma & Co, Lucknow RSO

Bankers:

1. State Bank of India
2. State Bank of Hyderabad
3. State Bank of Patiala
4. State Bank of Bikaner & Jaipur
5. Punjab National Bank
6. Indian Bank
7. Corporation Bank
8. Oriental Bank of Commerce

Head of Units:

1. Shri Ganga Prasad
General Manager, I/C
Indian Drugs & Pharmaceuticals Ltd.
Virbhadrha, Rishikesh Plant
2. Sh.K.S.N. Raju
Plant – Incharge
Indian Drugs & Pharmaceuticals Ltd.

Registered Office:

IDPL Complex, Dundahera
Delhi – Gurgaon Road,
Gurgaon – 120016 (Haryana)

3. Sh. Sanjay Kumar
General Manager
Indian Drugs & Pharmaceuticals Ltd.
Gurgaon Plant

Head Office:

SCOPE Complex, CORE – 6,
1st Floor, 7 Lodhi Road,
New Delhi - 110003

General Manager at Corporate Office:

Sh. Dinesh Prasad Singh
General Manager – Finance I/C

DIRECTORS REPORT

The Shareholders,

INDIAN DRUGS & PHARMACEUTICALS LIMITED

Gentlemen,

Your Directors take immense pleasure in presenting the 55th Annual Report of the company for the year ending 31st March, 2016, together with Audited Statement of Accounts, Auditor's Report and Comments of Comptroller and Auditor General of India.

The PBDIT (Profit before Depreciation, Interest and Tax) of the Company for the year 2015-16 is Rs. 11.33 Cr. as against the operating profit of Rs. 4.38 cr. in 2014-15.

PERFORMANCE HIGHLIGHTS: The comparative position of working results for the year under report vis-à-vis earlier year is as under:

(Rs in Crore)

S.NO.	PARTICULARS	2015-16	2014-15
1	Sales	84.22	61.56
	Other Income	21.95	19.89
2	Profit (+)/ Loss (-) before Interest and Depreciation	11.33	4.38
3	Interest on		
	a) Government Loans	169.79	169.49
	b) Bank Borrowings	0.64	0.53
	c) Others	0.01	0.03
	Total	170.44	170.05
4	Depreciation	1.13	1.35
5	Net Profit (+)/ Loss (-)	-160.24	-167.02

1. OPERATIONAL RESULTS

Comparative production figures are given for Overall production and In-House production. The value of the finished goods produced in House / services during 2015-16 were Rs 87.96 Cr. as compared to Rs 71.31. Cr. in 2014-15.

2. SHARE CAPITAL

The authorized share capital of the company is Rs.120 Cr as on 31st March, 2016, the subscribed & paid up share capital was Rs. 116. 88 Cr.

3. PERFORMANCE

The Plant-wise performance of the company is given below:-

RISHIKESH PLANT

Rishikesh Plant produced formulations worth Rs 28.17 Cr. during 2015-16 as against Rs 22.03 Cr. in the previous year i.e. 2014-15.

HYDERABAD PLANT

At Hyderabad Plant formulation activities are about to be started with an investment of Rs. 15 Cr. Earnings from Effluents Treatment Plant (ETP) continued during the year. The ETP collection for 2015-16 is Rs 1.31 Cr. as against Rs. 1.24 Cr. in the previous year i.e. 2014-15.

Hyderabad unit will be focusing on production of formulations, tablets and ointments. It will help IDPL in utilization of Idle Assets, meeting Overhead Expenses and help serve potential southern market more efficiently.

GURGAON PLANT

Gurgaon Plant produced formulations of the value of Rs 26.68 Cr. during the year 2015-16 as compared to Rs.18.32 Cr. in 2014-15

4. MEMORANDUM OF UNDERSTANDING

The Company signed MOU for the year 2015-16 with the Secretary to the Govt. of India, Ministry of Chemicals & Fertilizers, and Department of Pharmaceuticals. The MOU provides Production target of Rs. 77 Cr. & Gross Sales target of Rs. 77 Cr. while the actual production and sales were Rs. 87.96 Cr. and Rs. 84.22 Cr. respectively.

5. CORPORATE SOCIAL RESPONSIBILITY

IDPL being a sick company is exempted from the CSR activities, but the company's objective in the key area are enshrined in its mission statement *"To provide essential and generic medicines to all at reasonable prices"*.

IDPL donates free medicines during the natural calamities like cyclone, flood, earthquake etc.

6. SUBSIDIARIES

Your Company has 2 wholly owned Subsidiaries:

- Bihar Drugs & Organic Chemicals Limited
- IDPL (Tamil Nadu) Limited

In addition, following subsidiary is a joint sector unit in collaboration with Industrial Promotion and Investment Corporation of Orissa Ltd (IPICOL):

- Orissa Drugs & Chemicals Limited

The position of Annual Reports of subsidiaries and joint venture unit are as under:

Name of the Company	F.Y. in respect of which Annual Report is enclosed
Bihar Drugs & Organic Chemicals Limited,	Accounts are audited up to 2014-15 and 2015-16 are in process.
IDPL (Tamil Nadu) Ltd, Chennai	Accounts of IDPL –TN are audited up to 2010-11 and 2011-12 to 2013-14 are under process but not signed by directors yet.
Orissa Drugs & Chemicals Ltd, Bhubaneswar	Accounts upto 2011-12 are audited by CAG but report awaited and 2012-13 to 2014-15 are completed with pending audit and 2015-16 are in process.

Statement in respect of subsidiaries is enclosed as **ANNEXURE- I**

7. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Corporate Governance Report and other information as required under Corporate Governance guidelines issued by Department of Public Enterprises is enclosed as **Annexure II** hereto.

8. BOARD OF DIRECTORS

- Shri V.K.Mehta has been appointed as Part time Official Director of IDPL w.e.f. 18.04.2012 vide Order No. F. No. 1(6)/2003-PI-IV dated 18th April, 2012.
- Cessation of Shri V.K.Mehta as Director from the Board of IDPL w.e.f 30.09.2014.

9. AUDITORS

M/S MEGA & Associates, Chartered Accountants, New Delhi were appointed as Statutory Auditors for auditing the accounts of IDPL for the Financial Year 2015-16. Eight firms of Chartered Accountants were also appointed as Auditors of the company for audit of accounts of Hyderabad, Rishikesh and Gurgaon Plants and different regional marketing offices of the company.

Replies to the comments of Statutory Auditors are attached as Addendum to this report under section 134(3)(f) of the Companies Act, 2013.

10. COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA AND THE REPORT OF THE STATUTORY AUDITORS ON THE ACCOUNTS FOR 2015-16

A Letter dated 15.09.2017 has been received from CAG stating that CAG have decided not to review the report of Statutory Auditor on the accounts of IDPL for the year ended 31st March 2016 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013.

11. CONSERVATION OF ENERGY

The Company has always been conscious about the need for conservation of energy. Electricity and Fuel consumption per unit of production were monitored regularly at all the manufacturing plants and corrective actions have been taken wherever needed.

12. TECHNICAL ABSORPTION, FOREIGN EXCHANGE, EARNINGS AND OUTGO

As per the requirements of Rule 8(3) of the Companies (Accounts) Rules, 2014, the information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo is given in **ANNEXURE III**

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Provisions of Section 134(5) of the Companies Act, 2013, your Directors hereby state:

- I) That in the preparation of Annual accounts for the year ended 31st March, 2016; the applicable standards have been followed along with proper explanation in relation to material departures.
- II) That the Directors had selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period.
- III) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company.
- IV) That the Directors had prepared the Annual Accounts for the year ended 31st March, 2016 on a going concern basis.
- (V) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. PUBLIC DEPOSIT

The Company neither invited nor accepted any Public Deposit in the year 2015-16 within the meaning of Section 76 of the Companies Act, 2013 and the rules made there-under.

15. PERSONNEL- INDUSTRIAL RELATIONS

The industrial relations during the year remained peaceful. No major labor unrest or untoward incident was reported during the year in any of the units of the company.

16. ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge and place on record the support, cooperation and guidance received from Ministry of Chemicals and Fertilizers and other Departments of Government of India & Regulatory Agencies.

Your Directors express their sincere thanks to the office of C&AG, Statutory & Branch Auditors, Customers and Bankers who continued to repose their faith and trust in the working of the Company. The Board of Directors would like to assure that the Company would continue to strive for better achievements in the coming years.

Your directors commend the continuing commitment and dedication of employees at all levels.

**For and on behalf of Board of Directors of
INDIAN DRUGS & PHARMACEUTICALS LTD.**



CHAIRMAN & MANAGING DIRECTOR

Place: Gurgaon

Date: 03-02-2017

INDIAN DRUGS & PHARMACEUTICALS LIMITED

Report on performance & financial Position of Subsidiaries as per rule 8 of companies (Accounts, Rules 2014)

Particulars	Orissa Drugs & Chemicals Ltd. (ODCL), Bhubaneshwar	Bihar Drugs & Organic Chemicals Ltd. (BDOCL), Muzaffarpur	IDPL(Tamil Nadu) Ltd., Chennai
In compliance with the requirement of the Section audited annual accounts of the subsidiary companies for 2015-16 are to be enclosed.	Accounts not ready	Accounts not ready	Accounts not ready
Statement of Company's interest in the subsidiary company is given below.	6,74,000 Equity Shares of Rs 10/- Each Fully Paid Out Of 10,66,100 Equity Shares	3 equity shares of Rs 10/- each fully paid up valuing Rs 30/-	40,00,000 equity shares of Rs 10/- each
Net aggregate amount so far as it concerns and is not dealt within the Company's accounts of the subsidiary profit deducting its losses or vice-versa 1. For financial year 2015-16 (including prior period adjustments) 2. For previous financial years cumulative total.	Accounts not ready	Accounts not ready	Accounts not ready
Net aggregate amount of the subsidiary company after deducting its losses or vice-versa as dealt within the company's accounts 1. For financial year 2015-16 2. For previous financial year	Accounts not ready	Accounts not ready	Accounts not ready

REPORT ON CORPORATE GOVERNANCE FOR FY 15-16

1. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. The aim of “Good Corporate Governance” is to manage affairs of the company in transparent manner in order to maximize the long term value of the company for the benefit of its shareholders and all stakeholders.

IDPL is committed to achieve and maintain highest standard of Corporate Governance on a sustained basis. Your company is committed to manage its affairs with diligence, transparency, responsibility & accountability and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. It is of the firm conviction that good governance is a pre-requisite to attainment of excellent performance in terms of all its stakeholders’ value creation. Your company strongly believes in maintaining highest business ethics and complies with all the statutory and regulatory requirements.

The Company’s philosophy on Corporate Governance goes beyond good working results and financial propriety though they are undoubtedly essential. The Company’s activities are monitored by several external agencies like Statutory Auditors, Comptroller & Auditor General of India, the Central Vigilance Commission, Ministry of Chemical and Fertilizers, Department of Pharmaceuticals.

2. GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

IDPL is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) manages the business of the Company under the overall supervision, control and guidance of the Board.

BOARD OF DIRECTORS

a) As on 31st March, 2016, the Board consisted of three Directors namely:

- Shri Praveen Kumar, CMD , IDPL
- Shri Sudhansh Pant, IAS, Director
- Shri N.P. Gupta

b) During 2015-16, Three Board Meetings were held as under:

- 285th meeting held on 5th May 2015
- 286th meeting held on 21.08.2015
- 287th meeting held on 05.01.2016

c) Constitution of Board of Directors and related information:

Name of the Director	Category	No. of Board Meeting with Attendance	No. of Outside Board Committee Membership/ Chairmanship as on 31.03.2016
Sh. Praveen Kumar	CMD	3/3	Director at IDPL (Tamil Nadu) Ltd., Chennai, Director at Bihar Drugs & Organic Chemicals Limited, Muzaffarpur, Director at Orissa Drugs & Chemicals Ltd, Bhubaneswar
Shri Sudhansh Pant	Director	3/3	NIL
Sh. N. P. Gupta	Director	3/3	NIL

3. AUDIT COMMITTEE

There is no Internal Audit Committee in the Company.

4. SUBSIDIARY COMPANY

- a) As there is no Audit Committee in the Holding company, therefore, there is no review of financial statements of Subsidiary Companies by the Audit Committee of Holding Company.
- b) Board of holding company reviews the performance of Subsidiary Companies. The board is periodically informed about all significant transactions and arrangements entered into by Subsidiary companies.

5. DISCLOSURES

- a) Remuneration of Directors: The remuneration payable to Chairman cum Managing Director (CMD) who is on 5 years deputation and his terms of service are fixed by the Government of India. The remuneration paid to CMD for the Financial Year 2015-16 was as follows:

	Particulars	2015-16 (Rs.)
a)	Salary	18,83,817/-
TOTAL		18,83,817/-

The Government Nominees are not eligible for sitting fee as per the DPE guidelines for the meeting attended by them.

b) Whistle Blower policy

Being a Government Company, the CVC Guidelines are applicable to the company. Our organization encourages an open-door policy where employees have access to the Chairman & Managing Director

or the Chief Vigilance Officer of the Company. Any unethical conduct is to be brought to the attention of immediate seniors who is required to report the same to Head of Personnel & Administration Department who then apprises to the Top Management.

The intention of this Policy is to encourage honest and upright persons to assist the organization in bringing full transparency and checking malpractices in its operations.

6. ANNUAL GENERAL MEETINGS

a) The last three Annual General Meetings were held as under:-

Financial Year	Date	Time	Venue
52 nd AGM of FY 13-14	30.09.2013	3.00 P.M.	IDPL COMPLEX, Dundahera, Gurgaon
53 rd AGM of FY 14-15	25.09.2014	5.00 P.M.	IDPL COMPLEX, Dundahera, Gurgaon
54 th AGM of FY 15-16	28.08.2015	3.00 P.M.	IDPL COMPLEX, Dundahera, Gurgaon

Apart from above, adjourned meetings of last FYs were also held during the period)

b) No special resolutions were taken up in the last three Annual General Meetings.

7. MEANS OF COMMUNICATION

a) Annual Financial results are available at the Registered Office of the company i.e. Indian Drugs and Pharmaceuticals Limited, IDPL Complex, Dundahera, Old Delhi-Gurgaon Road, Gurgaon (Haryana)-122016.

b) **PLANT LOCATIONS:**

IDPL-Gurgaon Plant

Dundahera, Old Delhi-Gurgaon Road
Gurgaon (Haryana) - 122 016

Rishikesh Plant

Virbhadrha, District- Dehradun
Rishikesh- 249 202 (Uttaranchal)

Hyderabad Plant

IDPL, Ground Floor
Administrative Block, Bala Nagar
Hyderabad (AP)

c) Address for Correspondence:

The address of Registered Office of the company is:

Indian Drugs and Pharmaceuticals Limited
IDPL Complex, Dundahera
Old Delhi-Gurgaon Road
Gurgaon (Haryana)- 122 016.

Contact No. 0124- 2456022-30

Fax No. 0124-2456021

E-Mail Id info.idpl@gmail.com

Website <http://www.idplindia.in/>

The Shareholders may send correspondence to the above address.

**For and on behalf of Board of Directors of
INDIAN DRUGS & PHARMACEUTICALS LTD.**

Place: Gurgaon

Date: 03-02-2017



CHAIRMAN & MANAGING DIRECTOR



NISHANT GOYAL & ASSOCIATES

Company Secretaries

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members

INDIAN DRUGS AND PHARMACEUTICALS LIMITED

IDPL COMPLEX,

DUNDAHERA, GURGAON ROAD

GURGAON, HARYANA

We have examined the compliance of Corporate Governance by INDIAN DRUGS AND PHARMACEUTICALS LIMITED (“the Company”) for the year ended 31st March, 2016, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines except

- a) Non composition of the Board of Directors in accordance with the guidelines
- b) Non-compliance with regard to formation of different Committees like - Audit committee, remuneration committee.

As per the information & explanation shown to us the company has not file statutory filing with the Registrar of Companies



As per the information & explanation shown to us, the company has not conduct the Annual General Meeting as per the provisions of Companies Act, for the financial year ended 31st March, 2016.

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

For **Nishant Goyal & Associates**

Practicing Company Secretaries



Nishant Goyal
CP. NO 17695

Date: 17.01.2018

Place: New Delhi

**DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION,
RESEARCH AND DEVELOPMENT 2015-16**

1. AREAS IN WHICH R&D UNDERTAKEN BY THE COMPANY

IDPL's R&D priority is to increase in added value of existing products and process by assimilating expertise & knowledge available with its scientific human resources.

2. BENEFITS DERIVED AS RESULT OF THE ABOVE R&D

The benefits / savings accruing from the improvement and development of Technologies are of recurring nature and made considerable contribution to the economies of Plant.

3. FUTURE PLAN OF ACTION

As per emerging international scenario, new drug development is essential for long term strategy of the company. It needs high investment & is time consuming. This could be partially overcome by the industry-institutional linkage of IDPL. Existing products would be gradually changed to better accepted drug delivery system formulations with improved therapeutic activities and in more acceptable dosage forms.

4. EXPENDITURE ON R&D

The expenditure incurred on R&D during the year was NIL

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Efforts in brief made towards technology, absorption, adaption and innovation

As the production of bulk drugs have been stopped, there is little progress in this regard.

2. Benefits derived as a result of the above efforts e.g. products improvement, cost reduction, product development, import substitution

The benefits/savings accruing from the improvement or development of technologies & quality improvement are of recurring nature.

3. In case of imported technologies (imported during last 5 years/ reckoned from the beginning of the financial year) following information is furnished

• Technology imported	Nil
• Year of Import	Nil
• Has the technology fully absorbed	Not applicable
• If not fully absorbed are as where this has Not taken place, reasons thereof & future Plans of action	Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

I)	Activities relating to exports initiatives taken to increase exports, development of new exports market for products and services and export plans.	No activity is carried on
II)	Total foreign exchange used and earned.	Nil

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013
BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

AUDITOR'S OBSERVATIONS	MANAGEMENT REPLY
RISHIKESH PLANT	
<p>i. Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets however the fixed assets have not been physically verified by the management during the year. Further to report that fixed assets have not been coded by the management therefore it is difficult to identify the assets</p>	<p>The assets pertaining to the blocks/area which are not in use cannot be physically verified. This is the main reason for not carrying out the physical verification of the assets of the blocks/area presently not in use. Further the assets appear to have not been coded in these sections. However, physical verification of assets of Formulation, QC, etc. which are in use for production has been carried out during the financial year</p>
<p>ii. Capital work in progress includes certain very old items of plant and machinery shown separately in Note no. 2.6 with a total value of Rs. 2,23,01,563. These items could not be capitalised as none of the assets has been put to use being still under construction stage since 1996. In view of erosion of value of these assets, due to efflux of time, the unit has made a provision against these items to extent of Rs. 1,89,56,329 which is 85% of the expenditure. There is no mechanism for ascertaining correctness of the provision for such assets.</p>	<p>Capital work in progress include very old, items of plant and machinery shown separately for total value of Rs. 2,23,01,563. We have made the provision of Rs. 1,89,56,329.00 of 85% of total value Rs. 2,23,01,563.00.</p>
<p>iii. The company has not recognised the impairment loss on fixed assets as per Accounting Standard 28. Since the assets of the company is not tested for the impairment and these assets have been carrying for many years there is a fair possibility that carrying value of these assets are higher of the value in use.</p>	<p>We have made 95% depreciation in the book of Accounts and remain 5% value has been kept in the book of Accounts towards rating value as per accounting policy.</p>
<p>iv. Closing stock is valued at Cost or NRV whichever is lower; cost of closing stock of raw material is calculated using computerised Price store ledger. It was noticed that Cost of goods purchased consist of purchase price paid to suppliers and duties and taxes (whether subsequently to be recovered in contravention of AS-2 on "Valuation of Inventories" Issued by the Institute of Chartered Accountants of India. As could not be ascertained. Closing stock of finished & semi finished goods are valued at</p>	<p>The valuation of inventory is being done as per past practice.</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013
BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>weighted average price as computed by the software used by company while scrap is valued at cost which is not consistent with AS-2 and should be valued at Cost or Net Realisable Value</p>	
<p>v) We were not provided with the balance confirmation of debtors and creditors so we are unable to express opinion on same.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>vi) Grant received amounting Rs. 2.06 Core out of which DBT Assets have been booked worth 56.64 Lacs and net amount of Rs.1.49 crores has been shown as other current liability but same could not be verified as no documents were available with the company for the same.</p>	
<p>vii) There is a change in accounting policy, earlier Rental Income was recognized on cash basis but in the current period i.e. FY15-16 it has been recognized on accrual basis. Its effect on current year profit has not been separately disclosed in Financial Statements.</p>	<p>This is correction of old practice</p>
<p>ix) Unit is carrying very old sundry debtors, advances and a creditor for which provision is made in the books of account but neither of these were written off nor is any evidence of their collection/payment available with the unit. As a result Gross value in the balance sheet is overburdened/overstated.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>x) Unit is not deducting PF for those employees who are directly employed on contractual basis by the Central Office which not in consonance with provident fund act and accounting standard on retirement benefit.</p>	<p>This is corrected now in FY 16-17.</p>
<p>xi) During the year the unit encased the old CDR and tender forms which had been received from those parties who were applying for the tender and taken it to income account instead of refund to the person to which it belongs.</p>	<p>CDR received against tender form the amount of the same is taken in the books of account in the income side and also shown in refund side.</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>(xiv) The (loss)/profit of Roorkee depot related to previous year has not been incorporated in the opening shown in balance sheet which result in difference in opening balance of the current year and closing balance of the last year.</p>	<p>This is taken in consolidated balance sheet.</p>
<p>KOLKATTA,PATNA, CUTTACK & GUWAHATI REGIONS (CONSOLIDATED)</p>	
<p>1. Aggregate of Claims recoverable, Advance Recoverable, Advance to other than Employees and Advance to Railways/Transport amounting to Rs 40,88,175.82 are doubtful advances and not recoverable. Therefore, provision has to be made for the entire amount. The Company has made the provision of Rs 40,58,470.47 as on 31st March, 2016. Had the provision been made for the entire amount of Rs. 40,88,175.82, the loss would have increased by Rs.29,705.35 and current asset decreased by Rs. 29,705.35.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>2. Provision for Gratuity and Leave Encashment has not been made as these are dealt with at Head Office.</p>	<p>This is as per the past practice followed in the company.</p>
<p>3. Trade Receivables includes Rs. 21.16 lacs which are under CBI investigation.</p>	<p>This is pertaining to old case at RSO Kolkata and is still in process.</p>
<p>4. The balances of Trade Payables, Trade Receivables and Advances have remained unconfirmed.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>5. The balance of Trade Receivables of RO Patna as at 31.03.16 was Rs. 2,27,95,079.68. Out of the total trade receivables, Rs. 54,93,302.21 is unreconciled i.e. to whom the sales were made are not traceable. Therefore, provision has to be made for the entire amount.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>6. The balance of Advance from Customers of RO Patna as at 31.03.16 was Rs. 3,14,260.60. The parties from whom the amounts have been received as advance are not traceable.</p>	<p>There were frauds done on company's stock by C&F Agent Patna. The case of C&F Ranchi is in court and under police investigation for forgery and fraud.</p>
<p>7. A. Since 31st March,2012 the C & F Agent, Ranchi was not providing the closing stock statement and value and no transaction is being made since that date. Whereas,</p>	<p>In the case of C&F Patna the company had checked and it was found that he had sold inventory worth Rs. 32.44 lacs and siphoned</p>

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<p>the Company was considering the value of closing stock as per the Books which was amounting to Rs. 1,04,36,531.75. In absence of Statement of Stock the company considered the recovery of the stock is uncertain. As such the company has been adjusted the amount with opening stock and charged to Statement of Profit & Loss under the head "Loss due to defalcation of Stock".</p>	<p>off the money. Efforts are being made by marketing team to recover the amount.</p>
<p>8. b. In case of C & F Agent, Patna there was a mismatch of Rs. 32,40,844.86 in the stock summary prepared by the Company and the corresponding summary of stock prepared by C & F agent. The company decided that since the stock is not available with the C & F agent and as such it has been adjusted with opening stock and shown as recoverable from C & F, Patna under "Other non-current assets".</p>	
<p>9. The total impact of above Para (2) and (6a) has resulted in, understatement of Loss for the year by Rs. 55,23,007.56, understatement of Reserves & Surplus by (Rs. 55,23,007.56) (Previous Year - Not Available), understatement of Long Term provisions by Rs. 55,23,007.56 (Previous Year - Not Available) and overstatement of Other Current Assets by Rs. 29,705.35 (Previous Year - Not Available) and Trade Receivables by Rs 54,93,302.21(Previous Year - Not Available).</p>	
<p>REGIONAL OFFICE DELHI</p>	
<p>1. Stock in Transit</p> <p>During the year, regional office has purchased of goods of Rs 23,90,268/- on 31.03.2016 but goods are not received till 31.03.2016 and same is accounted in the books of accounts. The corresponding entry for goods in transit is made in the books of accounts. Hence profit & Loss account show the excess loss of Rs 23,90,268/- and in the balance sheet show the decrease in stock by Rs. 23,90,268.</p>	<p>The stock is received in 2016-17. It was booked as purchases on the date of confirmation by the party about deliver of goods.</p>

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GURGAON PLANT	
<p>a) The Stock of stores and spares, stationery has been valued at cost price. The management has made part provision of Rs 14.50 for the non-moving/obsolete stocks. Since almost all the stores and spares items out of Total stores amounting to Rs 61.18 Lacs are quite old and not moving, and part of it amounting to Rs 10.63 stores are not even traceable thus may impact on profitability to the extent of its cost less realizable amount.</p>	<p>Valuation of inventory is done as per past practice.</p>
<p>b) Stock of work in progress & Finished Goods has been valued at cost or market value whichever is lower. Cost of Goods is taken on the basis of Internal Cost Sheet instead of actual cost incurred during the year, which is contrary to the Accounting Standards-2 (revised) on valuation of inventories issued by the Chartered Accountants of India. Impact on profitability if any could not be ascertained as no comparable data exists.</p>	
<p>c) No Provision has been made for advance insurance of Rs. 50,000, election duty Travelling Advance of Rs. 15,170 Medical Advance to CISF of Rs. 8,700 and Advance to contractors of Rs 283764 are pending since long, thereby decreasing losses by Rs. 357634.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>d) The Fixed Assets have not been reconciled with the assets register. Impact on Profitability if any could not be ascertained.</p>	
<p>e) Details are not available for material received on loan of Rs. 14,150.97 (credit balance). Stale cheques of Rs. 2,27,255 (credit balance) are pending for adjustment.</p>	
<p>f) The balances of sundry debtors, suppliers and all other personal accounts whether in debit or in credit are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Impact on loss, if any could not be ascertained.</p>	

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<p>g) There is a provision of Salary Payable of Rs 2,47,73,654.00 to CISF and for unpaid wages of Rs. 1,33,298.35, which has not been paid for many years</p>	
<p>h) Share of C.O Expenses Rs 332.26 lacs and Marketing Div. expenses Rs. 374.62 Lacs has been charged on the basis of transfer memo received from Head office. We are unable to comment on the correctness of expenses claimed by the plant as no supporting vouchers produced to us.</p>	<p>Allocation of expenses is done on the basis of total production in IDPL Plants.</p>
<p>i) No Provision has been made for amount of Rs. 43,028.93 recoverable from IDPL- ECPF which is pending since 1992-93 and thereby decreasing losses by Rs. 43,028.93.</p>	<p>ECPF Trust is being wound up by transfer of all the assets and liabilities to employees provident fund commissioner.</p>
<p>j) The Plant has valued the Raw material & Packing Material inclusive of excise duty (amount not ascertainable) which is contrary to the Accounting Standard 2 issued by The Institute of Chartered Accountants of India. Also the Plant is not including value of excise duty payable on finished goods in the valuation of opening and closing inventory of finished goods, which is contrary to the Guidance note on accounting treatment of excise duty issued by The Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.</p>	<p>Valuation of inventory is being done as per Past practice.</p>
<p>k) No Provision has been made for doubtful amount of Rs. 57,90,413/- (PY 52,10,106) shown as recoverable from ex- employees for rent and other expenses which is pending and thereby understating losses by Rs. 57,90,413/-</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>l) We are not in a position to comment upon the correctness of provision for recovery of rent, electricity charges, water charges & maintenance charges from the employees having accommodation in the township of the plant, as we were not provided any basis for such recovery.</p>	<p>This is as per the past practice followed in the company.</p>

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<p>m) The Plant has accounted for the freight at the flat rate of 1% (P.Y 1%) of purchased price in the cost of Fixed Assets, Raw Material, Packing Material, Stores & Spares, Gases & fuel, Lab chemical, Printing & stationery & miscellaneous Stores instead of actual freight paid, which is contrary to Accounting Standard 2 on valuation of inventory and Accounting Standard 10 on Accounting For Fixed Assets issued by The Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.</p>	<p>Due to very low staff strength, provision for leave encashment and gratuity has been accounted for on the basis of amount calculated by the company and no actuarial valuation has been conducted in the company.</p>
<p>n) The Plant has made the provision of Gratuity of Rs. 4,32,589 and Leave Encashment of Rs. 2,61,563 on actual basis instead of Actuarial Valuation, which is contrary to the Accounting Standard 15 (Revised 2005) on Employee benefit. The impact of Profitability if any could not be ascertained.</p>	<p>This is an old adjustment and will be looked in subsequent year.</p>
<p>o) No provision has been made for amount of Rs. 88,667 shown in Capital Expenditure in Progress which is pending for adjustments since long time thereby understating losses by Rs. 88,667.</p>	
<p>The total impact of above Para (c) , (j), (l), (p),(q)and (r) has resulted in, understatement of Loss for the year by Rs.61,91,075.93, understatement of Reserves & Surplus by (Rs. 61,91,075.93) (Previous Year -72,17,435.93), and overstatement of other Current Assets by Rs. 58,33,441.93 (Previous Year – 55,36,898.93), and Short Term Loan & Advances by Rs 3,57,634 Previous Year - 73,870).</p>	
<p>REGIONAL OFFICE-MUMBAI</p>	
<p>1. No provision has been made for sundry debtors and deposits account. Such account balances are outstanding for more than 10 years and without any recovery and/or any initiative to recover the same by the company. Thus provisioning is warranted, non provisioning is resulting into understatement of losses by Rs. 18,90,398/-</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of</p>

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<p>Details of respective balances are detailed below:</p> <p>a) Sundry Debtors amounting Rs. 9,29,392/-</p> <p>b) Sundry Deposits amounting Rs. 9,61,006/-</p>	<p>finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>2. The bank reconciliation statement as on 31/03/2016 has old difference of Rs. 54,348/-</p>	
<p>3. Account balances in the ledger Marketing Division Collection A/c, Branches namely Gurgaon, Hyderabad, New Delhi, Jaipur, Kochi, Panckula, Rishikesh accounts are subject to confirmations and reconciliation adjustments for inter office transactions. There is an old difference in Marketing Division Adjustment A/c related to (financial year 2011-12) of Rs. 1,12,690.20/-</p>	
<p>4. The Regional Sales Office's inventories are carried in the Balance Sheet at Rs. 70,72,591.95/-, out of which stock amounting to Rs. 14,10,313.30 has been expired and has no market value. This expired stock will be written off after getting approval from the Head Office and to that extent the loss is understated in profit and loss account. Management has not stated the inventories at the lower of cost and Net Realizable Value but has stated them at PPP Price less 20% which constitutes departure from the AS-2 (Revised) "Valuation of Inventories" issued by the Institute of Chartered Accountants of India, the result of which is not quantifiable.</p>	<p>Valuation of inventories is done as per past practice.</p>
<p>5. We were informed that 2 contractual employees had left the services of Regional Sales office during the period under Audit and the amount payable to them, if any, as per the terms of contracts are not finalized by the HR Department & hence no provision has been made for such liability, if any.</p> <p>The total impact of above Para (1a), (1b) and (4) has resulted in, understatement of Loss for the year by Rs. 33,00,711.30, understatement of Reserves & Surplus by 33,00,711.30 (Previous Year Rs. 32,01,184),</p>	<p>In this reference, Reply of Personnel department is attached at flag-1</p>

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<p>understatement of Long Term provisions by Rs. 33,00,711.30 (Previous Year - 32,01,184) and overstatement of Short Term Loan & Advances by Rs.9,61,006 (Previous Year – 9,61,006),, Inventories by Rs 14,10,313.30 (Previous Year 13,10,786) and Trade Receivables by Rs 9,29,392 (Previous Year–9,29,392)</p>	
<p>REGIONAL OFFICE-LUCKNOW</p>	
<p>1. Rs 1,69,49,596.49 was the amount of Sundry debtors outstanding for period exceeding six months out of which provision of Rs 11,35,492.36 had been made in the earlier years as doubtful. No provision has been made in the current or previous year. In our opinion, the provision for the amount outstanding for more than three years of Rs 96,09,201.78 is also made as these are unrealised and unconfirmed by parties. No confirmation of balances from parties have been obtained and no steps taken for realization of old outstanding. Had the amount been provided , the losses would have been higher by this amount</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>2. A- Rs 4,99,551.84 is amount of claim recoverable and considered as doubtful. No detail of parties from whom the amount is recoverable was available. Only year wise break –up was available comprising from the year 1971-72 to the year 2006-07. In our opinion, the amount is doubtful of recovery.</p> <p>B- Rs. 4,320/- is outstanding and recoverable from staff, the employees have left the organisation and final dues have also been settled. The amount is doubtful of recovery</p> <p>C- Rs1,04,114.16 has been due as advances to parties/suppliers given many years back .No confirmation of parties are available and parties are also said to be untraceable which is also doubtful of recovery.</p> <p>D- Sales tax recoverable includes Rs. 6, 21,828.45 for the</p>	

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<p>period till F Y 2010-11 and prior to 1989-90. Neither details of Sales Tax assessment and status of cases were available for the period up to FY 2007-08 nor were records available. The amount seems to be doubtful of recovery.</p> <p>Rs 9, 45,701.52 have been provided against the above amounts in the earlier years. We are of the opinion that the provision for balance amount be also made. Had this amount been provided, the losses would have been higher by Rs 2,89,412.93</p>	
<p>3. Rs. 20,70,041/- is the amount received from unidentified debtors during the year directly credited in the bank account of the branch. The identity of individual debtors as on 31st March 2016 is yet to be ascertained. As per accounting policy as told to us, the commission to agents is payable on receipt of amount from debtors. No commission has been provided on this amount. The amount of commission payable thus is unascertained and to that extent short considered in expenses. Had this been provided, the losses would have been higher by this amount</p> <p>The total impact of above Para (1) and (2) has resulted in, understatement of Loss for the year by Rs. 98,98,614.71, understatement of Reserves & Surplus by 98,98,614.71 (Previous year Rs. 75,76,976.85) , understatement of Long Term provisions by Rs. 98,98,614.71 (Previous Year Rs. 75,76,976.85) and overstatement of Trade Receivables by Rs 96,09,201.78 (Previous Year 72,87,563.92) and Long Term Loan & Advances by Rs 2,89,412.93 (Previous Year -2,89,412.93).</p>	
<p>CORPORATE OFFICE</p>	
<p>1) The books of accounts at Corporate Office have been maintained on mercantile basis except in case of VRS expense and C & F agent and Service agent Commission which is accounted for on cash basis and any other obligations arising on account of subsequent</p>	<p>This is done as per the Accounting policy of the company.</p>

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<p>entitlements is also accounted for as expenditure in the year in which the claim is settled.</p>	
<p>2) The inter unit Debit balance reflected under " Other Current Assets" (Inter unit) in Financial statements at Corporate Office (Rs 54,76,28,30,639 (Pr. Yr 54,64,93,92,249) have not been properly reconciled / adjusted/ Squared up at Corporate office and are subject to reconciliation and adjustment with balances appearing in Audited Financial Statements of Regional Offices, Regional Sales Offices, Ronal Offices, Various, Sub Regional Offices and Plants. The impact on Loss and Assets & Liabilities due to non-reconciliation of inter-unit balances is unascertainable.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>3) The Financial Statements of Corporate Office comprising of Balance Sheet as at 31.03.2016 & the Statement of Profit and Loss account for the year then ended along with Notes and other information have not been prepared as per the "Act" as under:</p> <ul style="list-style-type: none"> • No disclosures under "Long Term Borrowings" have been given regarding, Current maturity, continuing default in Principal and Interest ,repayment terms, number & amount of instalments due, applicable rate of interest and other significant and relevant terms for Un-Secured Loans. • Under Short Term Borrowings from banks the Nature of Security & other terms and conditions etc has not been disclosed in each case. • Interest accrued and due on borrowings" has not been classified under "Other Current liabilities". • Other Income includes recovery of Rent, Electricity and other amounts recoverable are not accounted for on accrual basis but are accounted for on cash basis. The Account of Rent from IBS is subject to Reconciliation and confirmation. 	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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<p>4) Unsecured Loan from Others (PSU's) Rs. 43,00,00,000 (Pr. Yr. Rs. 43,00,00,000) and interest accrued and due thereon Rs.2,51,66,54,027 (Pr. Yr. Rs. 2,51,66,54,027) have been disclosed Under Long term Borrowings. The terms of repayment, rate of Interest and other disclosures as per "Schedule III" to the Companies Act, 2013 have not been made. Also Interest has not been provided for the current year. This has resulted in short provision of liability towards interest and consequential understatement of Loss for current year by the same amount which is unascertained.</p>	<p>Terms of repayment and rate of interest are subject to the approval of revival plan, which is still in process.</p>
<p>5) The amount disclosed under "Other Long Term Liabilities Rs. 1,00,72,52,138 (Pr. Yr. Rs. 90,03,91,673) is un-reconciled and unconfirmed. The impact on Loss and Assets & Liabilities due to non- reconciliation and non-confirmation of advance amount received from Customers is unascertainable.</p> <p>(a) Included in above "Other Long Term Liabilities" is amount of advance for customer Rs. 14,63,60,246 (Pr. Yr. Rs 14,76,52,529) which is in the nature of a short term Liability. Further under the head " Advance from Customers (M)" which relates to liability of NAMPM an amount of Rs. 3,19,00,000 (Pr. Yr. Rs. 3,19,00,000) has been claimed by NAMP as interest in the books of accounts. Due to this loss is understated by Rs. 3,19,00,000 and also liabilities understated by the same amount.</p> <p>(b) Included in above "Other Long Term Liabilities" is amount of Government Guarantee Fee Rs. 73,51,08,658 (Pr. Yr. Rs 70,07,48,658). The provision for Government Guarantee fee amounting to Rs. 3,43,60,000 has been made in accounts for the current year. As per Clause 6 of Guarantee Agreement dated 31st Oct.1994 it has been declared and agreed by the Guarantor (Government of India) that it has not received and shall not resolve any security or commission from the company for giving this</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p> <p>The bar is only on the payment of guarantee fee to government so long as money remains due by the company to the participants. There is no bar on provision of accrued guarantee fee. The govt is not being paid any guarantee fee in violation of guarantee agreement.</p>

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<p>guarantee so long as any monies remain due and owing by the company to participating Banks or any liability incurred by participating banks on behalf of the company remains outstanding without prior written consent of participating banks. In view of this provision, loss for the current year is overstated by Rs. 3,43,60,000 and liabilities on account of guarantee fee payable Rs. 73,51,08,658 (Pr. Yr. Rs 70,07,48,658) are also over state to that extent.</p>	
<p>6) (c) Included in above "Other Long Term Liabilities" is an amount of Rs.87,51,83,510 (Pr. Yr. Rs 80,11,83,510) includes an amount of Rs. 71,55,49,617 (Pr. Yr. Rs 71,55,49,617) has been deducted on account of VRS Expenditure. Also an amount of Rs. 3, 38, 50,659(Pr. Yr. Rs. 3, 38, 50,659) has been deducted on account of "Amount transferred to Sub. Companies". The amount of VRS Expenditure and amount transferred to subsidiary Companies are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>7) Long Term Provisions" of Rs. 70,29,412 (Pr. Yr. 75,91,686) includes Provision made in current year for Gratuity Rs 44,44,379 (Pr. Yr 48,92,946) and leave encashment of Rs 25,85,033 (Pr. Yr. Rs.26,98,740). These provisions have been made on the basis of calculation made by the Company. Accordingly Provisions made for employees benefits are not in accordance with Accounting Standard-15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India. Also no provision of interest payable on Gratuity, Leave encashment and for any amounts payable to employees who have opted for V.R.S old scheme has been made. The impact on loss/ liabilities is unascertainable</p>	<p>Due to very low staff strength, provision for leave encashment and gratuity has been accounted for on the basis of amount calculated by the company and no actuarial valuation has been conducted in the company.</p>
<p>8) Short Term borrowings "Cash Credit accounts" with Banks "of Rs. 94,21,50,933 (Pr. Yr. Rs. 94,02,20,440) and</p>	<p>The borrowings from the banks have since been reconciled and confirmed by the</p>

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<p>“ Interest accrued and due” Rs. 15,38,56,.23,842 (Pr. Yr. 15,38,56,23,842).These balance are being carried over from year to year without any transactions. The short term Borrowings are unreconciled and unconfirmed by Banks. Interest for the current year has not been provided on these CC accounts. This has resulted in short provision of liability towards interest & understatement of Loss for current year by the same amount which is unascertained. Further State Bank of India has filed an application before DRT Delhi for recovery of their dues of Rs. 760,29,82,492.20 interest calculated up to 30.06.1992 of Rs. 29,72,45,452.66 as accrued interest from 1.07.1992 to 08.12.2013 of Rs.730,57,37,039.54, interest accrued & due thereon of Rs. 15,38,56,23,842, (Pr. Yr. Rs. 15,38,56,23,842). The shares of APGPCL were pledged with State Bank of India against CC LIMIT OF 9.00 Cores. Though the CC limit was squared up and the account shows Debit balance in books of IDPL but these shares have not been released by SBI.</p>	<p>banks. Banks earlier agreed to IDBI the operating agency about 5% interest on outstanding and further more discussions are being carried out. Since, the interest is already excess provided in the books since 1992 therefore, no provision has been made during current year.</p>
<p>9) Trade payables of Rs. 7,5,77,654 (Pr. Yr Rs 7,49,23,518) include balances transferred from Various R.O's to corporate office. These amounts are pending for payment and outstanding for many years. The amount Payable is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts, Consequential impact on loss and liabilities of the company due to adjustment is unascertained</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>10) “Other Liabilities” amount of Rs. 7,79,12,566 (Pr. Yr. Rs 6,24,31,852) includes various amounts which are pending for payment and outstanding for more than three years. The amount payable is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.</p>	

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- Included in above "Other Current liabilities" are amounts payable on account of Sundry deposits received from Contractors and Others. The detail of contractors is not available and amounts are subject to confirmation, reconciliation and adjustment. Consequential impact on loss and liabilities of the company due to adjustment is unascertainable.
 - Included in above "Other Current liabilities" are amounts payable on account of "OSL" being outstanding liabilities carried forward from year to year without any payment/adjustment. The detail of liabilities/parties is not available and amounts are subject to confirmation, reconciliation and adjustment. Consequential impact on loss and liabilities of the company due to adjustment is unascertainable.
 - Included in above "Other Current liabilities" are amount payable to ECPF Trust Rs. 4,53,07,152 (Pr. Yr. Rs. 4,53,08,352) being carried forward without any payment of adjustment. As informed the amount has been paid in the past years directly through bank transfer but the details are not available.
 - Included in above "Other Current liabilities" is an amount of Rs. Debit Rs. NIL (Pr. Yr. Rs 87, 29,061) being amount received from Ministry of Family & Welfare against sales made by Plants (bills raised in Corporate office). The amount is in the nature of advance against sales and should have been disclosed accordingly under Advance from Customers. Further the account of ministry is subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.
- 11) Included in above "other current liabilities" are amounts payables on account of TDS, Service Tax payable, and Service Tax IBS which are outstanding. Further disputed statutory liabilities are unascertained

Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>12) The Corporate office has neither maintained proper records of fixed assets nor carried any physical verification of fixed assets. No reconciliation has been between fixed assets register and the financial accounts; Impact on loss and assets due to non reconciliation is not ascertainable.</p>	<p>This will be looked in subsequent year for needful action. However, old assets records are non traceable.</p>
<p>13) Non-current Investments of Rs. 29, 78, 55,000 (Pr. Yr. Rs. 29, 78, 55,000) include investments made in Unquoted Equity Shares and share application money in its loss making subsidiary companies. No provision has been made for loss suffered on these investments, The impact thereof on the value of investments is unascertainable, further</p> <ul style="list-style-type: none"> • Investment made in 6,74,000 Unquoted Equity Shares of its subsidiary Company "Orissa Drugs & Chemical Limited" and 40,00,00,000 Unquoted Equity Shares Of "IDPL (TN) LTD" and 3 Shares of "BODCL Ltd" total investment of Rs.4,67,40,030 (Pr. Yr. Rs. 4,67,40,030). Are being carried at Cost, no provision for diminution in value of these investments in loss making subsidiaries has been made. Decline in Non Current Investments , other than temporary diminution in the value of long term investments has not been disclosed as required by Accounting Standard" Accounting for Investments"(AS-13) issued by the ICAI. The loss in our opinion is of a permanent nature. • Included in "Non-Current Investment" is share application money of Rs. 25,11,14,970 (Previous Year Rs. 25,11,14,970) against subscription of Equity shares in joint sector /wholly owned subsidiary companies for which allotment has not been made to IDPL. In absence of financial statements of the companies to whom share application money has been given, we are unable to comment on recoverability of the money. The Corporate Office has not provided for any loss on this account. 	<p>Share certificate is available with the company. Accounts of subsidiaries in which investment has been made are still not updated hence loss is unascertainable and hence not provided for.</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>14) Long Term Loans and advances of Rs. 1,28,97,27,220 (Pr. Yr. Rs. 1,27,92,79,338) against with provision of Rs. 8,79,918 (Pr. Yr. Rs. 8,79,918) Net Rs. 1,28,88,47,302 (Pry. Rs. 1,27,83,99,420) are interest free unsecured loans to Subsidiary Companies and deposit with Customers, port trust and other advances outstanding for years without any recovery. These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained</p> <ul style="list-style-type: none"> • Under “Long term Loans & Advances”, interest free unsecured loans of Rs. 58,08,30,809 (Pr. Yr. Rs. 58,08,30,809) have been given to Subsidiary Companies in consideration of assets transferred to these Subsidiary Companies. These loans are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained. • Under “Long term Loans & Advances”, Advances made to Subsidiary companies Rs. 70,77,52,335 (Previous Year Rs. 69,73,04,453) are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained. • Under “Long term Loans & Advances”, Deposits with Customers, Port Trust and others govt. Of Rs. 2,64,158 (Pr. Yr. Rs. 2,64,158) are being carried forward without any recovery/adjustment. These advances are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained. 	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
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ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>15) Balances under "Trade Receivable" outstanding for period exceeding six months Rs. 6,87,57,534 (Pr. Yr. 6,78,92,128) includes long trade receivables at various regional offices, now transferred to corporate office. Against the said trade receivables a provision of Rs. 20,69,982 (Pr. Yr. Rs. 20,69,982) has been made in books of account. These trade receivables are long outstanding, without any confirmation and are subject to reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>16) Short Term Loans and advances of Rs.9,48,37,454 (Py. 7,05,64,649) against which provision for doubtful fringe benefit tax Rs. 15,68,107 and for doubtful advances Rs. 1,52,11,819 (Py. 1,52,11,819) includes various loans and advances of Long term nature, hence disclosure has not been made as required under the Act. Also most of the said advances are long and overdue/disputed amounts outstanding for more than three years. In our opinion provision against the unsecured advances in books of account against doubtful advance is not adequate. These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>
<p>17) The details regarding disputed statutory dues in respect of Income tax, sales tax, Custom duty, ESI, EPF etc have not been provided and therefore, we are unable to comment as to the adequacy of provision held on these accounts and impact on liabilities and loss are unascertained.</p> <p>The total impact of above Para (5b) has resulted in, overstatement of Loss for the year by Rs.3,43,60,000, overstatement of Reserves & Surplus by (Rs. 3,43,60,000) (Previous Year - Not Available), overstatement of Other Long Term Liabilities by Rs. 3,43,60,000 (Previous Year - 34360000).</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013
BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

EMPHASIS OF MATTERS	
<p>RISHIKESH PLANT</p> <p>a) Share in Central office and marketing division expenses amounting of Rs.7,35,73,000/- shown as expenditure is on the basis of advice from corporate office, for which we are not in position to comment upon.</p> <p>b) All the records at unit are being maintained under COBOL programming. The Ledger Accounts, entries, etc. cannot be viewed in system. We had to rely only on print out of Trial Balance, Ledger and cash book for our audit. Maintenance of all financial transactions including accounting entries are feeded on COBOL programming software which obsolete and outdated software system, it is highly suggested that accounting system should migrated to an user friendly accounting software as there is no person easily available to operate COBOL as unit is depend on services of Ex-employee of the unit beside the limitation of COBOL based system.</p> <p>Our opinion is not modified in respect of these matters.</p>	<p>Allocation of expenses is done on the basis of total production of IDPL Plants.</p> <p>This will be relooked in subsequent years for needful action.</p>
<p>REGIONAL OFFICE-LUCKNOW</p> <p>1. As stated above there are amounts received from parties aggregating to Rs. 20,70,041/- as on 31st March 2016 directly credited to the bank account of the branch. Since the name of parties are not available from whom the payment have been received and the bills against which these payments have been received could not be ascertained, the classification of book debts as given in Note 11 may also change .</p> <p>2. Rs 56,025.79 have been shown as amount receivable for Salary payable in Note 13. The amount is unreconciled and outstanding for past many years .</p> <p>3. We have observed that few payments were made against demand of VAT/Sales Tax against the amount as</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>stated in para 2.3 of Notes to Accounts relating to contingent liability to the department aggregating to Rs.4,23,629/- which have not been considered in accounts. We have been told that the amount has been paid by C& F agent on behalf of branch and have not been claimed by them. Since the payments have been made on behalf and name of the branch, amount should have been considered as current liability.</p> <p>4. Though the company is following mercantile system of accounting, the commission payable to Sale agents is provided on cash basis. No computation of commission payable on sales for the year has been prepared.</p> <p>5. No provision for audit fees of Rs. 50,000/- has been made. The audit fee has been provided in accounts on cash basis.</p>	<p>This is as per the policy followed by the company.</p> <p>This is corrected in consolidated balance sheet.</p>
<p>6. SUNDRY CREDITORS AND LIABILITIES:</p> <p>A. Rs 14,82,361.21 are outstanding to parties shown as Current Liability as per Note 5 for past many years which include Rs 9,43,100.76 outstanding and shown payable to Ministry of Health & FW. We have been told that parties are not claiming these amounts.</p> <p>B. Rs. 7,13,017.81 (Refer Note- 4) is the amount of deposits received from dealers on which interest at various rates is provided every year.</p> <p>There is no dealing with parties. The reason of non refunding of amount was explained as amounts not claimed by parties, Interest payable on this amount is Rs 15,44,505.80 (as per Note- 4). The amount of interest payable is much higher than the amount of deposits and increasing every year without any payment and claim.</p> <p>C. Rs. 31,65,012.68 and Rs 29,52,197.21 (refer Note-4) are outstanding as advance from customer. This is also very old balance from various parties for which no old records were available. No interest is provided on this amount. We have been informed that these amounts are not claimed by parties, hence outstanding.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>D. Rs 5,01,159.36 is claim payable prior to year 2006-07. There is no details available of the parties to whom this amount are payable</p> <p>E. There is an old variance of Rs.3,93,612.82 in sundry debtors for past many years between balance as per General Ledger of Rs. 2,22,38,563.49 and aggregate of sub-ledgers of Rs. 2,26,32,176.31 which is yet to be reconciled (Refer Note 11)</p> <p>F. Rs. 20,01,706.21 (refer item (b) (xv) of Note-4) - , has been shown as outstanding for various expenses said to be very old. No detail of parties to whom these amounts are payable is available. This also includes sales tax payable for Rs. 1982-83 of Rs. 27,605.36 and interest on it of Rs.13,25,046.25 for that year.</p>	
<p>HYDERABAD UNIT</p> <p>a) Capital work in progress include Rs.400.39 lakhs, (previous year Rs.400.39 lakhs) of disposable capital equipments, capital stores and spares identified by the company against which a provision of Rs.321.06 lakhs exist in the books. This being a technical matter we are unable to express our opinion as regards to the adequacy of the provision.</p> <p>b) The company is providing Depreciation on the Plant & Machinery under Straight line method at rates specified by the Companies Act, 2013 even though the Plant & Machinery were not in working condition. Hence we are unable to comment on the net block of Plant & Machinery.</p> <p>c) Inventories include raw materials, stores & spares, packing & filling materials etc. of Rs.413.24 lakhs (previously Rs.413.24 lakhs) exists in the books of accounts against which a provision of Rs.397.71 lakhs (previously Rs.397.71 lakhs) exists in the books. This being a technical matter we are unable to express our opinion as regards to the adequacy of the provision.</p> <p>d) Interest on belated payments of surcharge to APSEB for the April 1987 to March 1992 amounting to Rs.52 lakhs</p>	<p>This is as per the policy of the company.</p> <p>Efforts are on, at government level to make APSEB agree on the waiver of surcharge and</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

<p>and additional charges over and above normal tariff for the same period amounting to Rs.1403.13 lakhs hasn't been provided in the books of accounts.</p> <p>e) We are unable to comment on the closing balances as we were not provided with confirmation letters from Creditors, Depositors.</p>	<p>additional chares imposed by them on delayed bills because this company is sick from 1992.</p>
<p>CORPORATE OFFICE</p>	
<p>1) The company has not filed Income Tax Returns from Assessment year 2004-2005 to 2010-11 which may attract penalty U/S 271B and 271 F of I.T. Act, 1961, amount is unascertained and consequential impact on loss/liabilities can't be ascertained.</p> <p>2) The company has utilized Rs. 22,46,00,000 (Pr. Yr. 22,46,00,000) from VRS funds for the purposes other than for payment against VRS. The company has approached the Govt. for permission of the fund utilization against which the Govt. of India has sought details of VRS fund utilization and the matter is still pending.</p> <p>3) During the year Marketing expenses have been allocated to Gurgoan Plant Rs. 7,06,88,000 (Pr. Yr. 4,94,91,000), Rishikesh Plant Rs.7,35,73,000 (Pr. Yr. Rs. 8,88,29,000) and Hyderabad Plant Rs. 24,59,000 (Pr. Yr. Rs. 20,13,000) total Rs. 14,67,20,000 (Pr. Yr. Rs. 14,03,33,000) without any basis, hence we are unable to verify the accuracy of expenses allocated to these plants.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p> <p>Allocation of expenses is done as per the policy of the company.</p>
<p>4) Non Compliance of Sub Directions u/s 143(5) of the Companies Act,2013 for the year 2014-15 as reported by the Statutory Auditor on the followings:-</p> <p>(a) Confirmation of Balances of Bank Balances, Trade Receivables ,Trade Payables and Loans and advances for which third party confirmation was not made available and its compliance's.</p> <p>(b) Reconciliation and verification of deposits /advances made by the Company to the Customs, Excise, Income</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its subsidiaries got into arrear for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to backlog of finalisation of accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

ADDENDUM TO BOARD UNDER SECTION 134(3) (f) OF THE COMPANIES ACT, 2013

BOARD'S COMMENT ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2016

Tax, Sales Tax (VAT) ,Service Tax and other authorities have been verified .

5) The Company have received Rs 740.00 Lacs in the year 2015-16 for WHO-GMP upgradation under critical assistance category for its three Plants -Rishkesh Rs 210.00 Lacs, Gurgaon- Rs 251.00 Lacs and ODCL -Rs 279.00 Lacs .In the year 2010-11 the Company have received Rs 445.00 Lacs for WHO-GMP compliance under critical assistance category for its three Plants - Rishkesh Rs 170.00 Lacs, Gurgaon- Rs 100.00 Lacs and Tamil Nadu (Chennai) -Rs 175.00 Lacs. The Company have not formulated Accounting Policy for treatment of Government Grant. As per Financial Statements of the Company total Grant of Rs 1185.00 received from Govt. Of India is appearing Other Long Term Liabilities. It construes that Corporate Office is not maintaining proper records pertaining to utilisation of Grants received from Govt. Of India further required documents pertaining to utilisation of Govt.Grant from Plants concerned are not being taken and it remains unadjusted/refundable.

6) The Company have not prepared Consolidated Financial Statements as stipulated in section 129(3) of the companies Act, 2013. As per Sub Section (3) of Section 129 of the Companies Act, 2013 mandates every company to prepare a consolidated financial statement for all the Companies having one or more subsidiaries. The Financial Statements of the Company shall be laid by the Board of Directors before the shareholders at the Annual General Meeting for each financial year. The Company in addition to the financial statements shall also attach a separate statement containing the salient features of the financial statements of the subsidiaries. The Schedule III of the Companies Act, 2013 which provides an option to the companies to disclose the list of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with the reason for not consolidating the financial statements.

The grants of Rs. 445 lacs (in 2010-11) and 740 lacs (in 2015-16) were released by the Government for CGMP/WHO GMP compliance in accordance with the proposal sent by plants as per the prescribed format of the Government.

From the grant of Rs. 445 Lacs Rishikesh and Gurgaon plant has fully utilised their allocation of Rs. 170 lacs and Rs. 100 lacs respectively.

As regards, the grant of Rs. 740 Lacs it is under utilisation by plants. Plants allocations are released by the Corporate Office in a phased manner based on their requisitions and Corporate office maintain proper records of fund released to plants.

The funds utilised by the plants is sent to Administrative Ministry time to time as per the prescribed GFR Format.

Since the books of accounts of subsidiaries companies are in arrears, consolidation is not possible.



संख्या / No.: एम.ए.बी-II / सी.ए.डी.आई / 78-1 / 2017-18 / 173
भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड- II
नई दिल्ली
INDIAN AUDIT & ACCOUNT DEPARTMENTS
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD-II, New Delhi

दिनांक / Date : 15-09-2017

सेवा में,

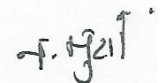
अध्यक्ष एवं प्रबंधक
इंडियन ड्रग्स एण्ड फार्मास्युटिकल्स लिमिटेड,
स्कोप काम्पलैक्स, कोर-6, प्रथम तल,
7, लोधी रोड,
नई दिल्ली-110003

विषय: कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2016 को समाप्त वर्ष के लिए
इंडियन ड्रग्स एण्ड फार्मास्युटिकल्स लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं
महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अधीन 31 मार्च 2016 को समाप्त वर्ष के लिए
इंडियन ड्रग्स एण्ड फार्मास्युटिकल्स लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं
महालेखापरीक्षक की टिप्पणियाँ अग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में
प्रकाशित किया जाए।

भवदीया,



(नन्दना मुंशी)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड- II

नई दिल्ली

संलग्नक:- यथोपरी

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

The preparation of financial statements of Indian Drugs & Pharmaceuticals Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 June 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Indian Drugs & Pharmaceuticals Limited for the year ended 31 March 2016 under section 143(6)(a) of the Act.

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



(Nandana Munshi)

**Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi**

Place : Delhi

Date : 15-09-2017

MEGA & ASSOCIATES
CHARTERED ACCOUNTANTS

D-288/289/206, WADHWA COMPLEX,
STREET NO 10, LAXMI NAGAR, DELHI-110092
Ph:-22050208/Fax-22521404
Mob:-9811438436

INDEPENDENT AUDITOR'S REPORT

TO,

**THE MEMBERS OF INDIAN DRUGS &
PHARMACEUTICALS LIMITED**
Gurgaon, Haryana

Report on the Standalone Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit of Corporate Office ,Gurgaon and Audit reports received from other Auditors. The allocation of work of the Company was done by Comptroller and Auditor General of India as under :-



S. NO	UNIT	AUDITOR
1	CORPORATE OFFICE,GURGAON	MEGA & ASSOCIATES
2	REGIONAL OFFICE DELHI	SUNIL VIJAY & ASSOCIATES
3	REGIONAL OFFICE,LUCKNOW	KRISHNA SHARMA & CO
4	REGIONAL SALES OFFICE,MUMBAI	THAKUR NAIK & DEO
5	KOLKATA, PATNA,CUTTACK & GUWAHATI REGIONS (CONSOLIDATED)	SUMANTA & CO
6	ZONAL OFFICE HYDERABAD	AGARWAL & LADDA
7	GURGAON PLANT	R S MODI & CO
8	HYDERABAD UNIT	NARASIMHA RAO & SRINIVAS
9	RISHIKESH PLANT	SHEKHAR CHANDRA & CO.

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 there under.

We have conducted our audit of Corporate Office Gurgaon and the said Auditors have conducted audit of the Regional Offices ,Regional Sales Offices ,Zonal Office and Plants 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



BASIS OF QUALIFIED OPINION

RISHIKESH PLANT

- i) Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets however the fixed assets have not been physically verified by the management during the year. Further to report that fixed assets have not been coded by the management therefore it is difficult to identify the assets.
- ii) Capital work in progress include certain very old items of plant and machinery shown separately in Note no. 2.6 with a total value of Rs.2,23,01,563. These items could not be capitalised as none of the assets has been put to use being still under construction stage since 1996. In view of erosion of value of these assets, due to efflux of time, the unit has made a provision against these items to extent of Rs.1,89,56,329 which is 85% of the expenditure. There is no mechanism for ascertaining correctness of the provision for such assets.
- iii) The company has not recognise the impairment loss on fixed assets as per Accounting Standard 28. Since the assets of the company is not tested for the impairment and these assets have been carrying for many years there is a fair possibility that carrying value of these assets are higher of the value in use.
- iv) Closing stock is valued at Cost or NRV whichever is lower ; cost of closing stock of raw material is calculated using computerised Price store ledger. It was noticed that Cost of good purchased consist of purchase price paid to suppliers and duties and taxes (whether subsequently to be recovered in contravention of AS-2 on "Valuation of Inventories" Issued by the Institute of Chartered Accountants of India. As could not be ascertained. Closing stock of finished & semi finished goods are valued at weighted average price as computed by the software used by company while scrap is valued at cost which is not consistent with AS-2 and should be valued at Cost or Net Realisable Value.
- v) We were not provided with the balance confirmation of debtors and creditors so we are unable to express opinion on same.
- vi) Grant received amounting Rs. 2.06 Crore out of which DBT Assets have been booked worth 56.64 lakhs and net amount of Rs.1.49 crores has been shown as other current liability but same could not be verified as no documents were available with the company for the same.
- vii) There is a change in accounting policy, earlier Rental Income was recognized on cash basis but in the current period i.e. FY15-16 it has been recognized on accrual basis. Its effect on current year profit has not been separately disclosed in Financial Statements.
- viii) It have been explained to us that liabilities and assets are classified on the basis of commitment made by the company, hence in the absence of any commitment, all liabilities and payables have been classified as Current Liabilities and all loan & advances have also been classified as Short Term Loan & advances.

- ix) Unit is carrying very old sundry debtors, advances and creditors for which provision is made in the books of account but neither of these were written off nor is any evidence of their collection/payment available with the unit. As a result Gross value in the balance sheet are overburdened/overstated.
- x) Unit is not deducting PF for those employee who are directly employed on contractual basis by the Central Office which not in consonance with provident fund act and accounting standard on retirement benefit.
- xi) During the year the unit encased the old CDR and tender forms which had been received from those parties who were applying for the tender and taken it to income account instead of refund to the person to which it belongs.
- (xii) Note.2.1 in the financial statements which indicates that the unit has accumulated losses and its net worth has been full eroded, the unit has incurred a net loss/net cash loss during the current and previous year and, the unit current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with the fact that company has been declared sick industries, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the unit have been prepared on a going concern basis.
- (xiii) Unit has adopted the depreciation method as per schedule II of the Companies Act, 2013 during the year under consideration which out to be adopted in the transitional financial year 2014-15 which result in prior period depreciation of Rs.47626274/- charged to Profit and loss account of the current year.
- (xiv) The (loss)/profit of Rookee depot related to previous year has not been incorporated in the opening shown in balance sheet which result in difference in opening balance of the current year and closing balance of the last year.

KOLKATTA, PATNA, CUTTACK & GUWAHATI REGIONS (CONSOLIDATED)

- 1) Aggregate of Claims recoverable, Advance Recoverable, Advance to other than Employees and Advance to Railways/Transport amounting to Rs 40,88,175.82 are doubtful advances and not recoverable. Therefore, provision has to be made for the entire amount. The Company has made the provision of Rs 40, 58,470.47 as on 31st March, 2016. Had the provision been made for the entire amount of Rs. 40, 88,175.82, the loss would have increased by Rs.29,705.35 and current asset decreased by Rs. 29,705.35.
- 2) Provision for Gratuity and Leave Encashment has not been made as these are dealt with at Head Office.
- 3) Trade Receivables includes Rs. 21.16 lac which is under CBI investigation.
- 4) The balances of Trade Payables, Trade Receivables and Advances have remain unconfirmed.
- 5) The balance of Trade Receivables of RO Patna as at 31.03.16 was Rs. 2,27,95,079.68. Out of the total trade receivables, Rs. 54,93,302.21 is unreconciled i.e. to whom the sales were made are not traceable. Therefore, provision has to be made for the entire amount.



The balance of Advance from Customers of RO Patna as at 31.03.16 was Rs. 3, 14,260.60. The parties from whom the amounts have been received as advance are not traceable.

- 6) a. Since 31st March,2012 the C & F Agent, Ranchi was not providing the closing stock statement and value and no transaction is being made since that date. Whereas, the Company was considering the value of closing stock as per the Books which was amounting to Rs. 1,04,36,531.75. In absence of Statement of Stock the company considered the recovery of the stock is uncertain. As such the company has been adjusted the amount with opening stock and charged to Statement of Profit & Loss under the head “Loss due to defalcation of Stock”.
- b. In case of C & F Agent, Patna there was a mismatch of Rs. 32,40,844.86 in the stock summary prepared by the Company and the corresponding summary of stock prepared by C & F agent . The company decided that since the stock is not available with the C & F agent and as such it has been adjusted with opening stock and shown as recoverable from C & F, Patna under “Other non-current assets”.

The total impact of above Para (2) and (6a) has resulted in, understatement of Loss for the year by Rs.55,23,007.56, understatement of Reserves & Surplus by (Rs. 55,23,007.56) (Previous Year - Not Available), understatement of Long Term provisions by Rs. 55,23,007.56 (Previous Year - Not Available) and overstatement of Other Current Assets by Rs.29,705.35 (Previous Year - Not Available) and Trade Receivables by Rs 54,93,302.21(Previous Year - Not Available).

REGIONAL OFFICE DELHI

Stock in Transit

During the year, regional office has purchased of goods of Rs 23,90,268/- on 31.03.2016 but goods are not received till 31.03.2016 and same is accounted in the books of accounts. The corresponding entry for goods in transit is made in the books of accounts. Hence profit & Loss account show the excess loss of Rs 23,90,268/- and in the balance sheet show the decrease in stock by Rs. 23,90,268.

GURGAON PLANT

- (a) The Stock of stores and spares, stationery has been valued at cost price. The management has made part provision of Rs 14.50 for the non-moving/obsolete stocks. Since almost all the stores and spares items out of Total stores amounting to Rs 61.18Lacs are quite old and not moving, and part of it amounting to Rs 10.63 stores are not even traceable thus may impact on profitability to the extent of its cost less realizable amount .
- (b) Stock of work in progress & Finished Goods has been valued at cost or market value whichever is lower. Cost of Goods is taken on the basis of Internal Cost Sheet instead of actual cost incurred during the year, which is contrary to the Accounting Standards-2 (revised) on valuation of inventories issued by the Chartered Accountants of India. Impact on profitability if any could not be ascertained as no comparable data exists.



- (c) No Provision has been made for advance insurance of Rs. 50,000, election duty Travelling Advance of Rs. 15,170 Medical Advance to CISF of Rs.8, 700 and Advance to contractors of Rs 283764 are pending since long, thereby decreasing losses by Rs. 357634.
- (d) The Fixed Assets have not been reconciled with the assets register. Impact on Profitability if any could not be ascertained.
- (e) Details are not available for material received on loan of Rs.14,150.97 (credit balance). Stale cheques of Rs.227255 (credit balance) are pending for adjustment.
- (f) The balances of sundry debtors, suppliers and all other personal accounts whether in debit or in credit are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Impact on loss, if any could not be ascertained
- (g) There is a provision of Salary Payable of Rs 2,47,73,654.00 to CISF and for unpaid wages of Rs. 1,33,298.35, which has not been paid for many years
- (h) Share of C.O Expenses Rs332.26 lacsand Marketing Div. expenses Rs. 374.62Lacs has been charged on the basis of transfer memo received from Head office. We are unable to comment on the correctness of expenses claimed by the plant as no supporting vouchers produced to us.
- (i) No Provision has been made for amount of Rs. 43,028.93 recoverable from IDPL- ECPF which is pending since 1992-93 and thereby decreasing losses by Rs. 43,028.93.
- (j) The Plant has valued the Raw material & Packing Material inclusive of excise duty (amount not ascertainable) which is contrary to the Accounting Standard 2 issued by The Institute of Chartered Accountants of India. Also the Plant is not including value of excise duty payable on finished goods in the valuation of opening and closing inventory of finished goods, which is contrary to the Guidance note on accounting treatment of excise duty issued by The Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.
- (k) No Provision has been made for doubtful amount of Rs.5790413/- (PY 5210106) shown as recoverable from ex- employees for rent and other expenses which is pending and thereby understating losses by Rs. 5790413/-
- (l) We are not in a position to comment upon the correctness of provision for recovery of rent, electricity charges, water charges & maintenance charges from the employees having accommodation in the township of the plant, as we were not provided any basis for such recovery.
- (m) The Plant has accounted for the freight at the flat rate of 1% (PY 1%) of purchased price in the cost of Fixed Assets, Raw Material, Packing Material, Stores & Spares, Gases & fuel, Lab chemical, Printing & stationery & miscellaneous Stores instead of actual freight paid, which is contrary to Accounting Standard 2 on valuation of inventory and Accounting Standard 10 on Accounting For Fixed Assets issued by The Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.



- (n) The Plant has made the provision of Gratuity of Rs.432589 and Leave Encashment of Rs.261563 on actual basis instead of Actuarial Valuation, which is contrary to the Accounting Standard 15 (Revised 2005) on Employee benefit. The impact of Profitability if any could not be ascertained.
- (o) No provision has been made for amount of Rs. 88,667 shown in Capital Expenditure in Progress which is pending for adjustments since long time thereby understating losses by Rs. 88,667.

The total impact of above Para (c) , (j), (l), (p),(q)and (r) has resulted in, understatement of Loss for the year by Rs.6191075.93, understatement of Reserves & Surplus by (Rs. 6191075.93) (Previous Year -7217435.93), and overstatement of other Current Assets by Rs.58,33,441.93 (Previous Year – 5536898.93), and Short Term Loan & Advances by Rs 357634 Previous Year -73870).

REGIONAL OFFICE-MUMBAI

1. No provision has been made for sundry debtors and deposits account. Such account balances are outstanding for more than 10 years and without any recovery and/or any initiative to recover the same by the company. Thus provisioning is warranted, non provisioning is resulting into understatement of losses by Rs. 18,90,398/-

Details of respective balances are detailed below:

- a) Sundry Debtors amounting Rs. 9,29,392/-
 - b) Sundry Deposits amounting Rs. 9,61,006/-
2. The bank reconciliation statement as on 31/03/2016 has old difference of Rs. 54,348/-
 3. Account balances in the ledger Marketing Division Collection A/c, Branches namely Gurgaon, Hyderabad, New Delhi, Jaipur, Kochi, Panckula, Rishikesh accounts are subject to confirmations and reconciliation adjustments for inter office transactions. There is an old difference in Marketing Division Adjustment A/c related to (financial year 2011-12) of Rs. 1,12,690.20/-
 4. The Regional Sales Office's inventories are carried in the Balance Sheet at Rs. 70,72,591.95/-, out of which stock amounting to Rs. 14,10,313.30 has been expired and has no market value. This expired stock will be written off after getting approval from the Head Office and to that extent the loss is understated in profit and loss account. Management has not stated the inventories at the lower of cost and Net Realizable Value but has stated them at PPP Price less 20% which constitutes departure from the AS-2 (Revised) "Valuation of Inventories" issued by the Institute of Chartered Accountants of India, the result of which is not quantifiable.
 5. We were informed that 2 contractual employees had left the services of Regional Sales office during the period under Audit and the amount payable to them, if any, as per the terms of contracts are not finalized by the HR Department & hence no provision has been made for such liability, if any.



The total impact of above Para (1a),(1b) and (4) has resulted in, understatement of Loss for the year by Rs. 3300711.30, understatement of Reserves & Surplus by 3300711.30 (Previous Year Rs. 32,01,184), understatement of Long Term provisions by Rs. 3300711.30 (Previous Year -3201184) and overstatement of Short Term Loan & Advances by Rs.9,61,006 (Previous Year – 961006),, Inventories by Rs 1410313.30 (Previous Year 13,10,786) and Trade Receivables by Rs 9,29,392 (Previous Year – 9,29,392).

REGIONAL OFFICE-LUCKNOW

- (1) Rs1,69,49,596.49 was the amount of Sundry debtors outstanding for period exceeding six months out of which provision of Rs 11,35,492.36 had been made in the earlier years as doubtful. No provision has been made in the current or previous year. In our opinion, the provision for the amount outstanding for more than three years of Rs 96,09,201.78 be also made as these are unrealised and unconfirmed by parties . No confirmation of balances from parties have been obtained and no steps taken for realization of old outstanding. Had the amount been provided , the losses would have been higher by this amount .
- (2) A- Rs 4,99,551.84 is amount of claim recoverable and considered as doubtful. No details of parties from whom the amount is recoverable was available. Only year wise break –up was available comprising from the year 1971-72 to the year 2006-07. In our opinion , the amount is doubtful of recovery.
- B- Rs. 4,320/- is outstanding and recoverable from staff, the employees have left the organisation and final dues have also been settled . The amount is doubtful of recovery
- C- Rs1,04,114.16 has been due as advances to parties/suppliers given many years back .No confirmation of parties are available and parties are also said to be untraceable which is also doubtful of recovery .
- D- Sales tax recoverable includes Rs. 6,21,828.45 for the period till F Y 2010-11 and prior to 1989-90. Neither details of Sales Tax assessment and status of cases were available for the period upto FY 2007-08 nor records were available.The amount seems to be doubtful of recover.
- Rs 9,45,701.52 has been provided against the above amounts in the earlier years. We are of the opinion that the provision for balance amount be also made . Had this amount been provided , the losses would have been higher by Rs 2,89,412.93.
- 3- Rs. 20,70,041/- is the amount received from unidentified debtors during the year directly credited in the bank account of the branch. The identity of individual debtors as on 31st March 2016 is yet to be ascertained. As per accounting policy as told to us, the commission to agents is payable on receipt of amount from debtors. No commission has been provided on this amount. The amount of commission payable thus is unascertained and to that extent short considered in expenses . Had this been provided, the losses would have been higher by this amount

The total impact of above Para (1) and (2) has resulted in, understatement of Loss for the year by Rs.98,98,614.71, understatement of Reserves & Surplus by 9898614.71 (Previous year Rs.75,76,976.85), understatement of Long Term provisions by Rs. 9898614.71 (Previous Year Rs.75,76,976.85) and overstatement of Trade Receivables by Rs 9609201.78 (Previous Year 72,87,563.92) and Long Term Loan & Advances by Rs 2,89,412.93(Previous Year -289412.93).

CORPORATE OFFICE

- 1) The books of accounts at Corporate Office have been maintained on mercantile basis except in case of VRS expense and C & F agent and Service agent Commission which is accounted for on cash basis and any other obligations arising on account of subsequent entitlements is also accounted for as expenditure in the year in which the claim is settled.
- 2) The inter unit Debit balance reflected under "Other Current Assets" (Inter unit) in Financial statements at Corporate Office Rs 54762830639 (Pr. Yr 54649392249) have not been properly reconciled / adjusted/ Squared up at Corporate office and are subject to reconciliation and adjustment with balances appearing in Audited Financial Statements of Regional Offices, Regional Sales Offices, Zonal Offices, Various , Sub Regional Offices and Plants. The impact on Loss and Assets & Liabilities due to non-reconciliation of inter-unit balances is unascertainable.
- 3) The Financial Statements of Corporate Office comprising of Balance Sheet as at 31.03.2016& the Statement of Profit and Loss account for the year then ended along with Notes and other information have not been prepared as per the "Act" as under:
 - No disclosures under "Long Term Borrowings" have been given regarding, Current maturity, continuing default in Principal and Interest ,repayment terms, number & amount of installments due, applicable rate of interest and other significant and relevant terms for Un-Secured Loans.
 - Under Short Term Borrowings from banks the Nature of Security & other terms and conditions etc has not been disclosed in each case.
 - Interest accrued and due on borrowings" has not been classified under "Other Current liabilities".
 - Other Income includes recovery of Rent, Electricity and other amounts recoverable are not accounted for on accrual basis but are accounted for on cash basis. The Account of Rent from IBS is subject to Reconciliation and confirmation.
- 4) Unsecured Loan from Others (PSU's) Rs.43,00,00,000 (Pr. Yr. Rs.43,00,00,000) and interest accrued and due thereon Rs.2,51,66,54,027(Pr. Yr. Rs.2,51,66,54,027) have been disclosed Under Long term Borrowings. The terms of repayment, rate of Interest and other disclosures as per" Schedule III" to the Companies Act, 2013 have not been made. Also Interest has not been provided for the current year. This has resulted in short provision of liability towards interest and consequential understatement of Loss for current year by the same amount which is unascertained.



- 5) The amount disclosed under “Other Long Term Liabilities Rs. 1007252138 (Pr. Yr. Rs.90,03,91,673) are un-reconciled and unconfirmed. The impact on Loss and Assets & Liabilities due to non- reconciliation and non-confirmation of advance amount received from Customers is unascertainable.
- (a) Included in above “Other Long Term Liabilities” is amount of advance for customer Rs.14,63,60,246 (Pr. Yr. Rs14,76,52,529) which is in the nature of a short term Liability. Further under the head “Advance from Customers (M)” which relates to liability of NAMPM an amount of Rs. 3,19,00,000 (Pr. Yr. Rs. 3,19,00,000) has been claimed by NAMP as interest in the books of accounts. Due to this loss is understated by Rs. 3,19,00,000 and also liabilities understated by the same amount.
- (b) Included in above “Other Long Term Liabilities” is amount of Government Guarantee Fee Rs. 73,51,08,658 (Pr. Yr. Rs 70,07,48,658). The provision for Government Guarantee fee amounting to Rs. 3,43,60,000 has been made in accounts for the current year. As per Clause 6 of Guarantee Agreement dated 31st Oct.1994 it has been declared and agreed by the Guarantor (Government of India) that it has not received and shall not receive any security or commission from the company for giving this guarantee so long as any monies remain due and owing by the company to participating Banks or any liability incurred by participating banks on behalf of the company remains outstanding without prior written consent of participating banks. In view of this provision, loss for the current year is overstated by Rs. 3,43,60,000 and liabilities on account of guarantee fee payable Rs. 73,51,08,658 (Pr. Yr. Rs 70,07,48,658) are also over state to that extent.
- (c) Included in above “Other Long Term Liabilities” is an amount of Rs.87,51,83,510 (Pr. Yr. Rs 80,11,83,510) includes an amount of Rs. 71,55,49,617 (Pr. Yr. Rs 71,55,49,617) has been deducted on account of VRS Expenditure. Also an amount of Rs. 3,38,50,659(Pr. Yr. Rs. 3,38,50,659) has been deducted on account of “Amount transferred to Sub. Companies”. The amount of VRS Expenditure and amount transferred to subsidiary Companies are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.
- 6) Long Term Provisions” of Rs.70,29,412 (Pr. Yr. 75,91,686) includes Provision made in current year for Gratuity (Rs 4444379)(Pr. Yr4892946 and leave encashment of Rs2585033Pr. Yr. Rs.2698740 NIL). These provisions have been made on the basis of calculation made by the Company. Accordingly Provisions made for employees benefits are not in accordance with Accounting Standard-15 on “Employee Benefits” issued by the Institute of Chartered Accountants of India. Also no provision of interest payable on Gratuity, Leave encashment and for any amounts payable to employees who have opted for V.R.S old scheme has been made. The impact on loss/ liabilities is unascertainable.
- 7) Short Term borrowings “Cash Credit accounts” with Banks “of Rs. 942150933 (Pr. Yr. Rs. 940220440) and “Interest accrued and due” Rs. 15,38,56,.23,842 (Pr. Yr. 15,38,56,23,842).These balance are being carried over from year to year without any transactions. The short term Borrowings are unreconciled and



unconfirmed by Banks. Interest for the current year has not been provided on these CC accounts. This has resulted in short provision of liability towards interest & understatement of Loss for current year by the same amount which is unascertained. Further State Bank of India has filed an application before DRT Delhi for recovery of their dues of Rs. 7,60,29,82,492.20 interest calculated upto 30.06.1992 of Rs. 29,72,45,452.66 as accrued interest from 1.07.1992 to 08.12.2013 of Rs.7,30,57,37,039.54, interest accrued & due thereon of Rs. 15,38,56,23,842, (Pr. Yr. Rs. 15,38,56,23,842). The shares of APGPCL were pledged with State Bank of India against CC LIMIT OF 9.00 Crores. Though the CC limit was squared up and the account shows Debit balance in books of IDPL but these shares have not been released by SBI.

- 8) Trade payables of Rs. 7,577654 (Pr. Yr Rs 7,49,23518-) include balances transferred from Various R.O's to Corporate office. These amounts are pending for payment and outstanding for many years. The amount Payable is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts, Consequential impact on loss and liabilities of the company due to adjustment is unascertained.
- 9) "Other Liabilities" amount of Rs.7,79,12,566 (Pr. Yr. Rs 6,24,31,852) includes various amounts which are pending for payment and outstanding for more than three years. The amount payable is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.
- Included in above "Other Current liabilities" are amounts payable on account of Sundry deposits received from Contractors and Others. The detail of contractors is not available and amounts are subject to confirmation, reconciliation and adjustment. Consequential impact on loss and liabilities of the company due to adjustment is unascertainable.
 - Included in above " Other Current liabilities" are amounts payable on account of "OSL" being outstanding liabilities carried forward from year to year without any payment/adjustment. The detail of liabilities/parties is not available and amounts are subject to confirmation, reconciliation and adjustment. Consequential impact on loss and liabilities of the company due to adjustment is unascertainable.
 - Included in above "Other Current liabilities" are amount payable to ECPF Trust Rs. 4,53,07,152 (Pr. Yr. Rs. 4,53,08,352) being carried forward without any payment of adjustment. As informed the amount has been paid in the past years directly through bank transfer but the details are not available.
 - Included in above " Other Current liabilities" is an amount of Rs. Debit Rs. NIL (Pr. Yr. Rs 87,29,061) being amount received from Ministry of Family & Welfare against sales made by Plants (bills raised in Corporate office). The amount is in the nature of advance against sales and should have been disclosed accordingly under Advance from Customers. Further the account of ministry is subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.



- Included in above “other current liabilities” are amounts payable on account of TDS, Service Tax payable, Service Tax IBS which are outstanding. Further disputed statutory liabilities are unascertained.
- 10) The Corporate office has neither maintained proper records of fixed assets nor carried any physical verification of fixed assets. No reconciliation has been between fixed assets register and the financial accounts; Impact on loss and assets due to non reconciliation is not ascertainable.
- 11) Non-current Investments of Rs. 29,78,55,000 (Pr. Yr. Rs. 29,78,55,000) include investments made in Unquoted Equity Shares and share application money in its loss making subsidiary companies. No provision has been made for loss suffered on these investments, The impact thereof on the value of investments is unascertainable, further
- Investment made in 6,74,000 Unquoted Equity Shares of its subsidiary Company “Orissa Drugs & Chemical Limited” and 40,00,00,000 Unquoted Equity Shares Of “IDPL(TN) LTD” and 3 Shares of “BODCL Ltd” total investment of Rs.4, 67,40,030 (Pr. Yr. Rs.4, 67,40,030). are being carried at Cost, no provision for diminution in value of these investments in loss making subsidiaries has been made. Decline in Non Current Investments , other than temporary diminution in the value of long term investments has not been disclosed as required by Accounting Standard” Accounting for Investments” (AS-13) issued by the ICAI. The loss in our opinion is of a permanent nature.
 - Included in “Non-Current Investment” is share application money of Rs. 25,11,14,970 (Previous Year Rs. 25,11,14,970) against subscription of Equity shares in joint sector /wholly owned subsidiary companies for which allotment has not been made to IDPL. In absence of financial statements of the companies to whom share application money has been given, we are unable to comment on recoverability of the money. The Corporate Office has not provided for any loss on this account.
- 12) Long Term Loans and advances of Rs.1,28,97,27,220(Pr. Yr .Rs. 1,27,92,79,338)against with provision of Rs.8,79,918(Pr. Yr. Rs. 8,79,918) Nett Rs. 1,28,88,47,302 (Pr.Yr. Rs. 1,27,83,99,420) are interest free unsecured loans to Subsidiary Companies and deposit with Customers, port trust and other advances outstanding for years without any recovery. These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained
- Under “Long term Loans & Advances”, interest free unsecured loans of Rs. 58, 08,30,809 (Pr. Yr. Rs. 58,08,30,809) have been given to Subsidiary Companies in consideration of assets transferred to these Subsidiary Companies. These loans are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.
 - Under “Long term Loans & Advances”, Advances made to Subsidiary companies Rs. 70,77,52,335 (Previous Year Rs. 69,73,04,453) are also subject to reconciliation, confirmation and adjustment, if



any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.

- Under “Long term Loans & Advances”, Deposits with Customers, Port Trust and others govt. Of Rs.2,64,158(Pr.Yr.Rs.2,64,158)are being carried forward without any recovery/adjustment. These advances are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.
- 13) Balances under “Trade Receivable” outstanding for period exceeding six months Rs. 68757534 (Pr. Yr. 6,78,92,128) includes long trade receivables at various regional offices, now transferred to Corporate office. Against the said trade receivables a provision of Rs.20,69,982 (Pr. Yr. Rs. 20,69,982) has been made in books of account. These trade receivables are long outstanding, without any confirmation and are subject to reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.
- 14) Short Term Loans and advances of Rs.9,48,37,454 (Pr.Yr. 7,05,64,649) against which provision for doubtful fringe benefit tax Rs. 15,68,107 and for doubtful advances Rs. 1,52,11,819 (Pr.Yr. 1,52,11,819) includes various loans and advances of Long term nature, hence disclosure has not been made as required under the Act..Also most of the said advances are long and overdue/disputed amounts outstanding for more than three years. In our opinion provision against the Unsecured advances in books of account against doubtful advance is not adequate. These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.
- 15) The details regarding disputed statutory dues in respect of Income tax, sales tax, Custom duty, ESI, EPF etc have not been provided and therefore, we are unable to comment as to the adequacy of provision held on these accounts and impact on liabilities and loss are unascertained.

The total impact of above Para (5b) has resulted in, overstatement of Loss for the year by Rs.3,43,60,000, overstatement of Reserves & Surplus by (Rs. 3,43,60,000) (Previous Year - Not Available), overstatement of Other Long Term Liabilities by Rs. 3,43,60,000 (Previous Year - 34360000).

We have quantified the impact of a qualification on profitability/loss with the qualification itself and overall impact with respective Regional Offices ,Regional Sales Offices ,Zonal Office ,Plantsand Corporate Office wherever possible. The quantification of impact on profitability in various qualifications could not be quantified, however overall impact on profitability/ loss and Assets /Liabilities have resulted in , overstatement of Loss for the year by Rs.5,94,63,132.50, overstatement of Reserves & Surplus by (Rs. 5,94,63,132.50) (Previous Year-10841395.66) ,understatement of Long Term provisions by Rs24913409.76(Previous Year - 2,35,18,604.34) and overstatement of Long term loans and advances by Rs 2,89,412.93 (Previous Year - 2,89,412.93),Trade Receivables by Rs

16031896.25 (Previous Year - 1,37,10,258.13), Other current assets by Rs5863147.28 (Previous Year - 55,66,604.28), Inventories by Rs 1410313.3 (Previous Year - 28,28,786), Short term Loan & Advances by Rs 10,34,876 (Previous Year - 10,34,876) and Capital work in progress by Rs NIL (Previous Year - 88,667.00), further overstatement of Other Long Term Liabilities by Rs. 3,43,60,000 (Previous Year - 3,43,60,000).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs above, 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 state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS

RISHIKESH PLANT

- a) Note 1 related to Contingent liabilities to the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed by unit against the Electricity department as department of electricity has won the case against the unit in Uttarakhand High Court but the unit is disputing the amount charged by electricity department therefore filed review petition in the same High Court.
- b) Share in Central office and marketing division expenses amounting of Rs.73573000/- shown as expenditure is on the basis of advice from corporate office, for which we are not in position to comment upon.
- c) All the records at unit are being maintained under COBOL programming. The Ledger Accounts, entries, etc. cannot be viewed in system. We had to rely only on print out of Trial Balance, Ledger and cash book for our audit. Maintenance of all financial transactions including accounting entries are feeded on COBOL programming software which obsolete and outdated software system, it is highly suggested that accounting system should migrated to an user friendly accounting software as there is no person easily available to operate COBOL as unit is depend on services of Ex-employee of the unit beside the limitation of COBOL based system.

Our opinion is not modified in respect of these matters.



REGIONAL OFFICE-LUCKNOW

1. We have been given to understand that the financial accounts for the year ended 31st March 2015 are yet to be audited and no auditors' report has not been received till date. Accordingly, these are yet to be approved by members of the company. Even no comments for the earlier year relating to Branch either

of previous auditors or Comptroller and Auditors General have been produced before us. We have finalised our report considering and assuming that there are no adverse comments either of the above.

2. As stated above there are amounts received from parties aggregating to Rs.20,70,041/- as on 31st March 2016 directly credited to the bank account of the branch . Since the name of parties are not available from whom the payment have been received and the bills against which these payments have been received could not be ascertained , the classification of book debts as given in Note 11 may also change .
3. Rs 56,025.79 has been shown as amount receivable for Salary payable in Note 13. The amount is unreconciled and outstanding for past many years .
4. As required by Companies Act 2013, the financial statement should include Cash Flow statement for the financial year . Branch has not prepared and placed it along with other financial statements. Accordingly our audit report does not include the same.
5. We have observed that few payments were made against demand of VAT/Sales Tax against the amount as stated in para 2.3 of Notes to Accounts relating to contingent liability to the department aggregating to Rs.4,23,629/- which have not been considered in accounts. We have been told that the amount have been paid by C& F agent on behalf of branch and have not been claimed by them . Since the payments have been made on behalf and name of the branch , amount should have been considered as current liability.
6. Though the company is following mercantile system of accounting , the commission payable to Sale agents is provided on cash basis. No computation of commission payable on sales for the year has been prepared .
7. No provision for audit fees of Rs.50,000/- has been made. The audit fees has been provided in accounts on cash basis.

8. SUNDRY CREDITORS AND LIABILITIES:

- A. Rs 14,82,361.21 is outstanding to parties shown as Current Liability as per Note 5 for past many years which includes Rs 9,43,100.76 outstanding and shown payable to Ministry of Health & FW. We have been told that parties are not claiming these amounts .
- B. Rs. 7,13 017.81 (Refer Note- 4) is the amount of deposits received from dealers on which interest at various rates is provided every year .

There is no dealing with parties. The reason of non refunding of amount was explained as amounts not claimed by parties, Interest payable on this amount is Rs15,44,505.80 (as per Note- 4). The amount of interest payable is much higher than the amount of deposits and increasing every year without any payment and claim .

- C. Rs. 31,65,012.68 and Rs 29,52,197.21 (refer Note-4) are outstanding as advance from customer. This is also very old balance from various parties for which no old records were available . No interest



is provided on this amount. We have been informed that these amounts are not claimed by parties, hence outstanding.

- D. Rs 5,01,159.36 is claim payable prior to year 2006-07. There is no details available of the parties to whom this amount are payable
- E. There is an old variance of Rs.3,93,612.82 in sundry debtors for past many years between balance as per General Ledger of Rs.2,22,38,563.49 and aggregate of sub-ledgers of Rs.2,26,32,176.31 which is yet to be reconciled (Refer Note 11)
- F. Rs. 20,01,706.21 (refer item (b)(xv) of Note-4)- , has been shown as outstanding for various expenses said to be very old. No detail of parties to whom these amounts are payable is available. This also includes sales tax payable for Rs. 1982-83 of Rs. 27605.36 and interest on it of Rs.13,25,046.25 for that year.

Our opinion is not qualified in respect of the above matters

HYDERABAD UNIT

- a) Capital work in progress include Rs.400.39 lakhs,(previous year Rs.400.39 lakhs) of disposable capital equipments, capital stores and spares identified by the company against which a provision of Rs.321.06 lakhs exist in the books. This being a technical matter we are unable to express our opinion as regards to the adequacy of the provision.
- b) The company is providing Depreciation on the Plant & Machinery under Straight line method at rates specified by the Companies Act, 2013 even though the Plant & Machinery were not in working condition. Hence we are unable to comment on the net block of Plant & Machinery.
- c) Inventories include raw materials, stores & spares, packing & filling materials etc. of Rs.413.24 lakhs (previously Rs.413.24 lakhs) exists in the books of accounts against which a provision of Rs.397.71 lakhs (previously Rs.397.71 lakhs) exists in the books. This being a technical matter we are unable to express our opinion as regards to the adequacy of the provision.
- d) The accounts have been maintained on a going concern basis. During the year company got a proposal of production.
- e) Interest on belated payments of surcharge to APSEB for the April 1987 to March 1992 amounting to Rs.52 lakhs and additional charges over and above normal tariff for the same period amounting to Rs.1403.13 lakhs hasn't been provided in the books of accounts.
- f) We are unable to comment on the closing balances as we were not provided with confirmation letters from Creditors, Depositors.
- g) There is no valuation of inventories.



CORPORATE OFFICE

- 1) Attention is drawn to amount stated under “Reserves & Surplus”, the Company has created revaluation reserve of Rs. 62,76,54,240 in earlier years. As per the information made available and explanation given to us, the revaluation reserve of Rs. 62,76,54,240 was created in pursuance of BIFR Package and for disinvestment and transfer of the same to 100% subsidiaries IDPL (TN) Ltd; and BODC Ltd; to achieve better profitability. In our opinion the Transfer of land is invalid since IDPL has a limited right on the leasehold land at Muzzaffarpur, which is not transferable as per terms of agreement and is yet to possess any lease title in respect of land. Further We are unable to ascertain tax liability at the time of disinvestment if consideration received is in excess of cost of acquisition but less than transfer price.
- 2) In the view of decision taken by Hon’ble BIFR at its meeting held on 23.01.1996 to submit a modified package for revival and subsequently the directions given on 21.02.1997 to the Ministry of Chemicals & Fertilizers, Government of India to firm up its view in regard to the company and possibility of its revival, the action of transferring the assets and liabilities to its subsidiaries is premature.
- 3) The amount borrowed from the following has exceeded the limit approved by Board of Directors in its meeting held on 26.6.1992. The details are as follows :

	Borrowings approved by BOD on 26.06.1992	Principal amount due on 31.03.2016	Interest accrued and due Un-reconciled	Total as at 31.03.2016
Govt. of India	1,64,02,00,000	12,14,39,25,000	37,56,60,06,000	49,70,99,31,000
P.S.U etc	54,28,00,000	43,00,00,000	2,51,66,54,026	2,94,66,54,026
Banks	100,00,00,000	94,02,20,440	15,38,56,23,842	16,32,58,44,282

- 4) The company has not filed Income Tax Returns from Assessment year 2004-2005 to 2010-11 which may attract penalty U/S 271B and 271 F of I.T. Act, 1961, amount is unascertained and consequential impact on loss / liabilities can’t be ascertained.
- 5) The amount payable to Small & Medium Enterprises is not ascertainable.
- 6) The company has utilized Rs.22,46,00,000(Pr. Yr. 22,46,00,000) from VRS funds for the purposes other than for payment against VRS. The company has approached the Govt. for permission of the fund utilization against which the Govt. of India has sought details of VRS fund utilization and the matter is still pending.
- 7) During the year Marketing expenses have been allocated to Gurgoan Plant Rs. 7,06,88,000(Pr.Yr. 4,94,91,000),Rishikesh Plant Rs.7,35,73,000 (Pr.Yr.Rs. 8,88,29,000) and Hyderabad Plant Rs.24,59,000 (Pr.Yr.Rs. 20,13,000) total Rs. 14,67,20,000 (Pr.Yr. Rs. 14,03,33,000) without any basis, hence we are unable to verify the accuracy of expenses allocated to these plants.



- 8) BIFR vide its order dated 04.12.2003 has confirmed its prima-facie opinion that it would be just & equitable & in public interest to wound up IDPL in terms of Section 20(1) of SICA. But Humble AAIFR vide order dated 29.12.2005 has set aside BIFR order and remanded an order back to BIFR for taking further action for rehabilitation of the company. As the case is still under BIFR, the liabilities on account of interest and damages U/S 7Q & 14B of Employees PF & Misc. Provision act, Sales Tax Act, interest on delayed payment, liabilities for non-receipt of statutory forms of sales tax, wage revisions, liabilities to Banks for Principal and interest amount, amount due to Uttrakhand Power Co. Ltd, interest on non rotating advances, amount and interest payable to CISF and other creditors are unascertained and thus the liabilities and the loss to that extent remain unascertained till final and conclusive orders are issued by BIFR.
- 9) There are legal cases (Criminal and Civil) for/against the Company, pending for many years. As a prudent practice the Company should disclose financial implications for the cases filed against the company as Contingent Liabilities. As observed the same is yet to be complied with. The Company is yet to initiate recovery proceedings and file suit for vacation of the IDPL School Building leased out to Sri sankalpam w.e.f. 01.04.2012, as informed the company received rent for the month of April 2012 only. The rental due @ Rs. 2,50,000/- p.m. agreed to, but not received, has not been accounted for under Rent Recovery from May 2012 onwards nor steps was taken to recover the rent and vacation of premises. The Company have defaulted in the compliance of Service tax on due basis. No document was produced before us that there exist a legal dispute as on 31st March, 2016 .
- 10) Non Compliance of Sub Directions u/s 143(5) of the Companies Act, 2013 for the year 2014-15 as reported by the Statutory Auditor on the followings:-
- (a) Confirmation of Balances of Bank Balances, Trade Receivables, Trade Payables and Loans and advances for which third party confirmation was not made available and its compliance's.
- (b) Reconciliation and verification of deposits /advances made by the Company to the Customs, Excise, Income Tax, Sales Tax (VAT), Service Tax and other authorities have been verified .
- 11) The Company have received Rs 740.00 Lacs in the year 2015-16 for WHO-GMP upgradation under critical assistance category for its three Plants -Rishkesh Rs 210.00 Lacs, Gurgaon- Rs 251.00 Lacs and ODCL -Rs 279.00 Lacs . In the year 2010-11 the Company have received Rs 445.00 Lacs for WHO-GMP compliance under critical assistance category for its three Plants -Rishkesh Rs 170.00 Lacs, Gurgaon- Rs 100.00 Lacs and Tamil Nadu (Chennai) -Rs 175.00 Lacs. The Company have not formulated Accounting Policy for treatment of Government Grant. As per Financial Statements of the Company total Grant of Rs 1185.00 received from Govt. Of India is appearing Other Long Term Liabilities. It construes that Corporate Office is not maintaining proper records pertaining to utilisation of Grants received from Govt. Of India further required documents pertaining to utilisation of Govt. Grant from Plants concerned are not being taken and it remains unadjusted/refundable.

- 12) The Company have not prepared Consolidated Financial Statements as stipulated in section 129(3) of the companies Act,2013. As per Sub Section (3) of Section 129 of the Companies Act, 2013 mandates every company to prepare a consolidated financial statement for all the Companies having one or more subsidiaries. The Financial Statements of the Company shall be laid by the Board of Directors before the shareholders at the Annual General Meeting for each financial year. The Company in addition to the financial statements shall also attach a separate statement containing the salient features of the financial statements of the subsidiaries. The Schedule III of the Companies Act, 2013 which provides an option to the companies to disclose the list of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with the reason for not consolidating the financial statements.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-"A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the Comptroller and Auditor-General of India through directions/sub-directions dated 26-04-2016 and issued under section 143(5) of the Companies Act,2013 on the basis of written representation received from the management,we give our report on the matter specified in the Annexure - "B" attached.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) Except for the effects of the matter described in the Basis for Qualified opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- f) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i) The I.D.P.L. Rishikesh is incorporating financial statement of Roorkee Depot which is run under the control of head office as informed to us. the financial statements of Roorkee Depot are unaudited thus we are not in a position to comment upon it. We would also like to bring in your kind knowledge that We have been informed by the unit management that the incorporating of the financial statement of Roorkee Depot with I.D.P.L. is done because TIN number under Uttarakhand VAT is common.
- j) We are enclosing herewith a report in “Annexure-C” for our opinion on adequacy of internal controls systems in place in the Company and the operating effectiveness of such controls;
- k) 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 has not disclosed the impact of pending litigation on its financial position in its financial statements in the Notes to the financial statements -ReferPoint No -9 on Emphasis of matter -Corporate Office;
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.



For **MEGA & ASSOCIATES**
Chartered Accountants
FRN-007541N

Sandeep Manaktala
PARTNER
M.No. 91408

Place : Delhi

Date :16-06-2017

ANNEXURE TO THE AUDITORS REPORT OF INDIAN DRUGS AND PHARMACEUTICALS LIMITED

Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of the Independent Auditors Report of even date to the members of INDIAN DRUGS AND PHARMACEUTICALS LIMITED on the financial statements for the year ended 31st March, 2016

PLANT -RISHIKESH

- (i) (a) M/s IDPL, Rishikesh -unit, has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the assets have not been physically verified by the management during the year. Reason stated by the management is that the physical verification of the fixed assets is not possible/done because the factory is situated in a large area and some part of the factory is located in the area which was not used for many years and it is not safe to visit that place as it might be occupied by dangerous insect, snake etc. as it is covered by grass and tress etc.
- (c) The company does not have any immoveable property. The factory and locality which is situated on Land is taken on lease from State Government. The approx. area of land is 833 acres.
- (ii) As explained to us, due to shortage of staff only that inventory has been physically verified at reasonable intervals i.e. as on 31.03.2016, during the year by the management which were lying at production site. In our opinion, the frequency of verification is reasonable but it does not cover all inventory item.

The stock at Central stores consists of Raw Materials, Packing Materials, and other store items, a number of these are obsolete. Although no physical verification of old and unusable items lying in central store was carried out during the year, the unit has made a substantial total provision of Rs.48910716/-.

The Material discrepancies have been properly dealt with in the books of account.

- (iii) (a) The unit has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act.
- (b) This clause is not applicable.
- (c) This clause is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the unit has not given any loans, investments guarantees, and security.
- (v) No such case was found.



(vi) It has been explained to us that since the major manufacturing activities has been suspended and there is lack of staff the cost record is not maintained which are required to be maintained as per Cost Record and Audit.

(vii) (a) According to the information and explanation given to us, in respect of statutory dues:

(a) The unit has been 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 other material statutory dues applicable to it with the appropriate authorities Except Rs. 63899.85/- due to CEGAT demand no.1238/90-C dated 26.11.1990 to custom authority, Mumbai.

There were no undisputed amounts payable in respect of Provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrear as at 31st March 2016 for a period of more than six months from the date they became payable, Except the following Statutory dues not claimed by relevant authorities for which provision has been made in books at estimated basis :

U.P. Pollution Control Board- Rs. 50,23,966/-

Uttarakhand Environment & Pollution Board -Rs. 2,43,293/-

(vii) (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the unit has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

(ix) The unit has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans.

(x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the unit or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

(xi) This clause is not applicable at unit level.

(xii) The company is not a Nidhi Company hence this clause is not applicable.

(xiii) The clause is not applicable at unit level.

(ix) The clause is not applicable at unit level.

(xv) The unit has not entered into any non-cash transactions with directors or persons connected with him.



(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

REGIONAL OFFICE: KOLKATA, PATNA & CUTTACK

- (i) 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 during the year. No material discrepancies were noticed on such verification.
- c) The Company does not have any immovable property.
- (ii) The Management has conducted physical verification of inventory at regular intervals during the year. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) As explained to us, the Company had 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.
- (iv) The Company has not given any loans, investments, guarantees & security; as such this clause is not applicable.
- (v) During the year the Company has not accepted any deposits from the public.
- (vi) As explained to us, the company is maintaining the cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 at Head Office level.
- (vii) a) The payment of Provident Fund and Employees State Insurance are done at Head office level. So we are unable to comment that. In respect of sales tax of Rs. 62,29,833/- were in arrears as at 31st March 2016 for a period of more than six months from the date they become payable.
- b) In our opinion and according to the information and explanations given to us, there were cases of disputed dues of sales tax, which have not been deposited. The details of the same are given below:

Name of the Statute	Period to which amount relates	Amount under dispute	Forum where dispute is pending
Central Sales Tax Act West Bengal Value	2008-09	Rs.24,359/-	Add. Commissioner (A)
Added Tax Act	2008-09	Rs.42,003/-	Add. Commissioner (A)

- (viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government. The company has not issued any debenture.



- (ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) No managerial remuneration has been paid or provided during the year.
- (xii) The Company is not a Nidhi Company; hence this clause is not applicable.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with 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.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As explained to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



REGIONAL OFFICE -DELHI

(i) In respect of its fixed assets:

- The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets but Fixed Assets Register are under preparation.
- As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- According to the information and explanation given to us, Company having the building as shown in the balance sheet which is situated at ground floor & second floor, 34, Abadi Lal Dora village, Kapashera, New Delhi – 110037. According to the information and explanation given to us, above mentioned building has been sealed since December, 2006 as per Supreme Court Order.

(ii) In respect of its inventories:

According to the information and explanations given to us, Company has been physically verified of inventory at reasonable interval by the management and no material discrepancies were noticed on such verification.

- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

According to the information and explanations given to us and as per books of accounts of the company, there is no loan secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) of paragraph 3 of CARO 2016 are not applicable to the Company.

- (iv) In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with:

According to the information and explanations given to us, there is no loan to director and investment by company. Therefore, the provisions of clause (iv) of paragraph 3 of CARO 2016 are not applicable to the Company.

- (v) According to the information and explanations given to us, the regional office of the Company has not accepted any deposit from the public except company having the advance from customers as on 31.03.2016 which is outstanding more than 365 days amounting to Rs. 6,65,90,237. As explanation given by the regional office of the company, out of total advances from customers Rs. 5,42,47,713 is relating to the debit balance outstanding of debtors of the same group of company.

- (vi) The Regional office of the Company is not required to maintain any cost records as per Sec 148(1) of Companies Act, 2013. Therefore, the provisions of clause (vi) of paragraph 3 of CARO 2016 are not applicable to the Company.



(vii) In respect of Statutory Dues

- a) According to the information and explanations given to us, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities; except as under :-

According to the information and explanations given to us, regional office of the company has not paid its VAT liability as at 31st March, 2016 for a period of more than six months from the date they became payable.

Undisputed amounts payable in respect of VAT as at 31.03.2016 for a period of more than six months from the date they became payable.

PARTICULARS	AMOUNTS (Rs.)
VAT	7,25,757

*this amount does not include interest for late payment of VAT.

Details of above liability as under

- Punchkula	Rs. 15,251
- Indore	Rs. 89,574
- Raipur	Rs. 1,53,627
- Delhi	Rs. 4,35,743
- Jammu	Rs. 7,995
- Jaipur	Rs. 23,567

Total Rs. 7,25,757

- b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs, duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of sales tax/ VAT have not been deposited by the Company on account of disputes:

Year	Amt. (Rs.)	Forum where pending
1988-89 & 1991-92	Rs. 3,61,805	D.C. Appeal, DVAT Department, New Delhi

- (viii) According to the information and explanations given to us regional office of the Company has not taken any loan or borrowing from bank, financial institution, Government and Debenture holders. Therefore, the provisions of clause (viii) of paragraph 3 of CARO 2016 are not applicable to the Company.

- (ix) According to the records of the company, regional office of the company has not raised any money by way of initial public offer or term loan. Therefore, the provisions of clause (ix) of paragraph 3 of CARO 2016 are not applicable to the Company.



- (x) According to the information and explanations to us, no fraud by the regional office of the company and by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, regional office of the company has not given any managerial remuneration . Therefore, the provisions of clause (xi) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xii) According to the information and explanation given to us, regional office of the company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xiii) According to the information and explanations to given us, there is no transactions with the related parties during the year except stock transfer from/to different units of the company. Therefore, the provisions of clause (xiii) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xiv) According to the information and explanations given to us, regional office of the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xv) According to the information and explanations to us, regional office of the company has not entered into any non- cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xvi) According to the information and explanations to us, regional office of the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Therefore, the provisions of clause (xvi) of paragraph 3 of CARO 2016 are not applicable to the Company.

GURGAON PLANT

i. In respect of its fixed assets:

- a) The Gurgaon Plant has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Reconciliation with FA Register has not been carried out-thus we cannot comment on discrepancies if any were noticed on such physical verification.
 - c) The title deeds of immovable properties are held in the name of the company. The Original title deeds are lying with Corporate Office.
- ii The inventory, except material lying with third parties, has been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.



- iii According to the information and explanations given to us, the Gurgaon Plant 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. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Gurgaon Plant has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- V. The Gurgaon Plant has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Gurgaon Plant.
- vii (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, The Gurgaon Plant has been generally 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. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of a dispute are shown below:-

Name of the Statute	Nature of Dues	Amount (Rs.)	Forum where the dispute is pending
Value Added Tax (Haryana)	F Forms for A.Y 2012-13	7,84,000	With AO under rectification request

- viii. In our opinion and according to the information and explanations given to us, the Gurgaon Plant has not defaulted in the repayment of dues to banks. The Gurgaon Plant has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the Gurgaon Plant has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Gurgaon Plant and hence not commented upon.



- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Gurgaon Plant or on the Gurgaon Plant by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the Gurgaon Plant has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Gurgaon Plant and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the Gurgaon Plant has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Gurgaon Plant and hence not commented upon.
- xvi) In our opinion, the Gurgaon Plant is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.



HYDERABAD -PLANT

1. In respect of Fixed Assets:

- (a) The company has not maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have not been physically verified by the management at reasonable intervals.

In view of 1(a) and 1(b) we are unable to comment regarding the discrepancies in physical stock and actual stock of fixed assets.

- (c) In our opinion and according to the information and explanations given to us, no part of fixed assets has been disposed during the year and therefore does not affect the going concern assumption.

2. In respect of Inventories:

The Physical verification of inventory has not been conducted at reasonable intervals by the management. In the absence of the same the discrepancies if any noticed later on physical verification of stock as compared to book records remain unadjusted for the year under audit.

We are therefore unable to express our opinion as to whether or not the discrepancies ,if physical verification is done are dealt properly. in the book of accounts.

3. (a) During the year, in respect of loans, the unit has not granted unsecured any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanation given to us .
- (b) During the year, the unit has not taken unsecured loans from one party covered in the register maintained under section 189 of the companies Act, 2013.
4. During the year unit has not purchased inventory and fixed assets and has not sold any goods, paragraph 4(iv) of CARO with regards to adequate internal control procedure commensurate with the size of the Company and the nature of its business, is not applicable. Capital work in progress include new fixed assets ,which are not erected.
5. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the registers maintained under Section 189 of the Companies Act, 2013 aggregating during the year to Rs.5,00,000/- (Rupees five lakhs) or more in respect of any party.
6. The Unit has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
7. The Unit does not have internal audit.



8. According to the information and explanations given to us the Unit is not required to maintain cost records has been specified by the Central Government under sub section(1) of section 148 of the Companies Act' 2013 as the unit has not produced any goods as defined.
9. The total contribution to Provident Fund dues were being transferred by Hyderabad IDPL to Head office from 01.04.2014 to 31.12.2014 thereafter to RPF, Hyderabad.
10. (a) According to the information and explanation given to us, no undisputed amounts payable in respect of Income-Tax, Wealth Tax, and Customs duty were outstanding as at 31st march 2016 except as stated below.

As per information and explanation given to us, the following undisputed amounts are outstanding for a period of more than six months from the date they became payable:

APGST	RS.24.55 lakhs
CST	Rs.132.75 lakhs.

- (b) As per information and explanation given to us, there are no cases of dues of sales tax/Income tax, custom tax/excise duty/cess in dispute.
11. This being a unit of IDPL, with the Head Office at Gurgaon, Paragraph 4(X) with regard to accumulated losses and cash losses is not applicable to Branch as H.O is dealing with it in the Balance Sheet.
12. Based on our audit procedures and on the information and explanations given by the management, the Company has defaulted in repayment of dues to banks at the balance sheet date. The period and the amount of such defaults as on 31st March, 2016 are as follows:

Name of the Bank	Facility	Due date	Principal (Rs. Lakhs)	Interest (Rs. Lakhs)
State Bank of Hyderabad	Cash Credit	1992	1450.77	8819.18

Note: The interest Liability includes clear liability of Rs.76.62 Crores up to 31.03.2010 and contingent liability of Rs. 11.56 Crores w.e.f.2010 includes interest on cash credit.

13. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; accordingly, clause 4(xii) of the Order is not applicable.
14. The Unit is not a chit/ nidhi/ mutual benefit fund/society. Accordingly, clause 4(xiii) of the Order is not applicable.
15. The Unit is not dealing or trading in shares, securities, debentures and other investments; accordingly, clause 4(xiv) of the Order is not applicable.



16. On the basis of the information and explanations given to us the Unit has not given any guarantee for loans taken by others from bank or financial institutions;
17. According to the information and explanations given to us and on the basis of examination the unit has not availed any term loan during the year.
18. According to the information and explanation given to us and on an overall examination of the balance sheet of the Unit, we report that the unit has not raised funds on short term basis during the year.
19. During the year, the Unit has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 189 of the 2013 Act;
20. The Unit did not have any outstanding debentures during the year;
21. The Unit has not raised any money by public issues during the year;
22. We insisted this year for write back off stale cheques being shown in Bank Reconciliation for a total amount of Rs.10,10,668/- instead of reversing to the respective accounts Rs.10,10,668/- is being shown in a newly created stale cheques a/c which is not correct.
23. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

REGIONAL OFFICE -MUMBAI

- (i) The Regional Sales Office has maintained fixed asset register for the financial year 2015-16.

The fixed assets have not been physically verified by the management during the year. Pending physical verification, we are not in a position to comment on discrepancies between physical and book balances

We were informed that there are twelve residential flats in the Balance sheet of Regional Sales Office & all the original title deeds of the said flats are with HO.
- (ii) The stock of inventories has been physically verified at reasonable intervals by the management jointly with C&F Agent.

The C&F Agents of the company have maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

We were informed that closing stock includes expired stock of medicines amounting to Rs. 14,10,313/- which will be written off in due course of time after getting proper approval from Head Office.
- (iii) According to the explanation given to us the Regional Sales Office has neither granted any nor taken any loans, secured or unsecured. Therefore sub-clauses (a) & (b) of clause (iii) of the Companies (Auditors Report) Order 2016 are not applicable to Regional Sales Office.



- (xv) According to the information and explanations given to us, the Regional Sales Office has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause (xv) of the Order are not applicable.
- (xvi) The Regional Sales Office is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

ZONAL OFFICE -HYDERABAD

1. In respect of its fixed assets:

- a. The Zonal office has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b. The fixed assets have been physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed.
- c. According to the information and explanations given to us there are no immovable properties in the name Zonal Office, Hence this clause is not applicable.

2. In respect of its inventory:

As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed.

3. The Zonal Office has not granted any loans, secured or unsecured, to companies, firms or other parties covered under Section 189 of the Companies Act, 2013.
4. According to the information and explanations given to us, there are no Loans, Investments, guarantees and Securities, and accordingly the question of complying with section 185 and 186 of the Companies Act 2013 does not arise
5. According to the information and explanations given to us, the zonal office has not accepted any deposit during the year and accordingly the question of complying with section 73 and 76 of the Companies Act 2013 does not arise. There are no unclaimed deposits, and accordingly the question of complying with section 74 and 75 of Companies Act 2013 does not arise. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
6. According to the information given to us and best of our knowledge the Central government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the companies Act, 2013 for any product of the Zonal Office.

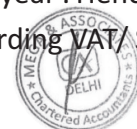


7. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
 - a. The Zonal Office is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities.
 - b. There are no dues of Income tax, Sales tax, Service tax, duty of Customs, duty of excise, value added tax outstanding on account of any dispute.
8. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion the Zonal Office has not taken any Loan or Borrowing from a Financial Institution, Bank, Government, Hence Clause 3 (viii) of Order, does not apply
9. According to the information and explanations given by the management, and according to the books and records as produced and examined by us, the Zonal Office has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) Order, does not apply to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.
11. According to the information and explanations given by the management, and according to the books and records as produced and examined by us, the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company, Hence reporting under this clause is not necessary.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given by the management, and according to the books and records as produced and examined by us, the Zonal Office has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given by the management, and according to the books and records as produced and examined by us, the Zonal Office has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 .Thus paragraph 3(xvi) of the order is not applicable to the company.



REGIONAL OFFICE -LUCKNOW

- (i) (a) The Regional Office (here in after called Branch) has maintained proper records providing full particulars including quantitative details and situation of Fixed Assets.
- (b) There is no information available if any physical verification has been conducted by the management during the year. Accordingly we are unable to comment upon any discrepancy between assets physically available and as stated in Books of Accounts.
- (ii) (a) The stock of finished goods have been physically verified at the year end by the management. In our opinion, the frequency of verification is not reasonable . Branch does not have any stock of stores, spare parts and raw material.
- (b) The procedure of physical verification of inventory, followed by management is reasonable and adequate in relation to the size of the company and nature of its business.
- ▲ Proper records has been maintained of inventory. No material discrepancy was noticed on verification between physical stock and book records
- (iii) Branch has not granted loans secured or unsecured to any company, firms or parties. Branch has not obtained unsecured loans from parties. Accordingly comments on sub clause (a), and (b) of this clause are not required.
- (iv) In our opinion and according to information and explanations given to us, there is adequate internal control procedures commensurate with the size of the branch and nature of its business with regards to purchase of inventory and fixed assets and for the sale of goods during the course of our audit. No major weakness has been noticed in the internal controls in respect of these areas.
- There is no loans given to Directors including entities in which they are interested as no loans have been given by the branch.
- (v) (a) We have been informed that the branch has not accepted any deposits from the public. We have been told that the Register if any, in pursuance of Section 73 to 76 of the Act is maintained at H O level, if any required . Hence we unable to comment if any transaction is done during the year with any party specified in the above register.
- (vi) We have been informed that Cost records if any required to maintained under section 148 (1) of Companies Act, 2013 for any of its product is maintained at HO level .
- (vii) (a) According to the records of the company undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, etc. have been regularly deposited with the authorities at Head office level . Excise duty is not applicable at branch level . The complete records pertaining to assessment of Trade tax /Vat were not available at Branch for any year . Hence we are unable to comment if any amount is outstanding for undisputed demand regarding VAT/ Sales Tax or other Commercial Tax.



- (b) According to information and explanations given to us no undisputed amounts payable in respect of Income tax, Service tax ,and Cess were outstanding as at 31st March, 2016 for a period of more than six months from the date they become payable excepting in the following cases under SalesTax/VAT:

F YEAR	AMOUNT INVOLVED	FORUM WHERE CASE IS PENDING
2007-08	Rs 1,33,356/-	Addnl Commissioner (Appeals), Commercial Tax
2009-10	Rs 7,81,462.34	Dy. Commissioner sec-2, Commercial tax, Lucknow
	Rs 4,72,120/-	Addnl Commissioner, Appeal, Lucknow (State)
2010-11	Rs 4,45,940/-	Addnl Commissioner, Appeal, Lucknow (Central)

- (c) The amount required to be transferred to investor education fund is being dealt at head office level .

- (viii) There is no outstanding to any bank, financial institution or debenture holders.
- (ix) Branch has not taken any term loan during the year.
- (x) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the branch nor have we been informed of any such case by the management.
- (xi) The Managerial Remuneration will be derived at Head Office.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.
- (xiii) There are no related party transaction at branch as informed.
- (xiv) Clause is not applicable at branch level.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.



CORPORATE OFFICE

- (i)(a)** The company has not maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (i)(b)** As explained to us, fixed assets have not been physically verified by the management at reasonable intervals. Accordingly we are unable to comment upon any discrepancy between assets physically available and as stated in Books of Accounts.
- (i)(c)**
- (ii)** The Management has conducted physical verification of inventory at regular intervals during the year. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii)(a)** N.A FOR DURING THE YEAR
- (iii)(b)** N.A FOR DURING THE YEAR
- (iii)(c)** N.A FOR DURING THE YEAR
- (iv)** According to the information and explanations given to us, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions except the Company has given guarantee of Rs 5,07,00,000 to a financial institution for a loan taken by IDPL's the then Subsidiary company. Though the subsidiary has since been transferred and ceased to be subsidiary of IDPL, the security is yet to be released. .
- (v)** According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.
- (vi)** We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a)** According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
- (vii)(b)** According to records of company, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute.



- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions, banks and debenture holders due to the fact that Company is in BIFR. Further, interest payable to the Banks has not been provided in current year. As the Company is in BIFR, the amount of interest, Liquidated damages and current charges payable to Banks is unascertained.
- (ix) The unit has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans.
- (x) During the course of our examination of the Books and records of the unit and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such case by the Management.
- (xi) yes
- (xii) The company is not a Nidhi Company hence this clause is not applicable.
- (xiii) The clause is not applicable at unit level.
- (ix) The clause is not applicable.
- (xv) The Corporate Office have not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

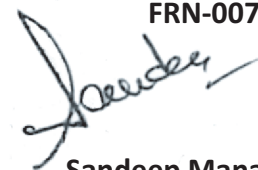


DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT

Sl.No.	Directions	Auditor's Comment
1	<p>Whether the company has clear title/lease deeds for freehold and leasehold respectively?</p> <p>If not please state the area of freehold and leasehold land for which title/lease deeds are not available ?</p>	<p>i) Gurgaon Land – Conveyance deed in the name of IDPL during the year 1992.</p> <p>ii) Hyderabad Land - Conveyance deed in the name of IDPL during the year 1994.</p> <p>iii) Rishikesh Land – Forest Land on lease for 99 years expiring in 2021</p> <p>NOT APPLICABLE</p>
2	<p>Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.</p>	NOT APPLICABLE
3	<p>Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.</p>	NOT APPLICABLE

2013 FOR THE YEAR 2015-16

For **MEGA & ASSOCIATES**
Chartered Accountants
FRN-007541N



Sandeep Manaktala
PARTNER
M.No. 91408



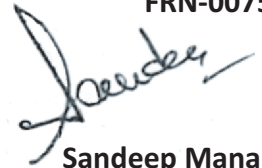
Place : Delhi

Date : 16-06-2017

**SUB DIRECTIONS U/S 143(5) OF THE COMPANIES ACT, 2013
FOR THE YEAR 2015-16**

Sl.No.	Sub-Directions	Replies
1.	<p>EMPLOYEE BENEFITS</p> <p>Independent verification may be made of information /inputs furnished to Actuary, viz number of employees ,average salary ,retirement age and assumption made by the actuary regarding discount rate ,future cost increase ,mortality rate etc for arriving at the provision for liability of retirement benefits viz. Gratuity, leave encashment, post retirement benefits etc</p>	<p>As apprised this is being done by Rishikesh Plant. In rest of the places it is negligible.</p>

For **MEGA & ASSOCIATES**
Chartered Accountants
FRN-007541N



Sandeep Manaktala
PARTNER
M.No. 91408



Place : Delhi

Date : 16-06-2017

ANNEXURE TO THE AUDITOR'S REPORT OF INDIAN DRUGS & PHARMACEUTICALS LIMITED

Referred to in paragraph 3(j) to “Report on other legal and other regulatory requirements “ of the Independent Auditors Report of even date to the members of Indian Drugs & Pharmaceuticals Limited on the financial statements for the year ended March31,2016

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 Indian Drug & Pharmaceuticals Limited (“the Company”) as of March 31, 2016 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. 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 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Delhi

Date : 16-06-2017



For **MEGA & ASSOCIATES**

Chartered Accountants

FDN-007541N


Sandeep Manaktala

PARTNER

M.No. 91408

INDIAN DRUGS & PHARMACEUTICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2016
(Amount in Rs.)

	Particulars	Note	As at March 31, 2016	As at March 31, 2015
I	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	(a) Share capital	3	1,16,88,33,000	1,16,88,33,000
	(b) Reserves and surplus	4	(72,66,29,90,809)	(71,00,07,21,286)
2	Non-current liabilities			
	(a) Long-term borrowings	5	52,65,65,85,026	50,95,87,09,026
	(b) Deferred tax liability	6	-	-
	(c) Other long term liabilities	7	1,08,39,42,734	98,05,67,784
	(d) Long term provision	8	10,21,68,485	11,96,82,289
3	Current liabilities			
	(a) Short term borrowings	9	17,23,90,97,557	17,23,71,67,064
	(b) Trade payables	10	2,88,93,97,162	2,87,58,36,977
	(c) Other current liabilities	11	53,78,33,259	47,55,12,706
	(d) Short-term provisions	12	65,31,876	84,40,130
	TOTAL		3,02,13,98,290	2,82,40,27,690
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	13	12,52,66,884	17,55,40,070
	(ii) Capital WIP		18,55,60,623	11,83,29,813
	(b) Non current investments	14	30,72,39,000	30,72,39,000
	(c) Long term loan and advances	15	1,29,15,79,649	1,28,60,28,701
	(d) Other non current assets	16	14,67,70,369	6,48,90,626
2	Current assets			
	(a) Current Investment	17	-	-
	(b) Inventories	18	13,97,75,374	13,20,05,273
	(c) Trade receivables	19	34,03,14,267	29,46,55,445
	(d) Cash and Bank Balances	20	32,46,20,048	30,29,44,887
	(e) Short-term loans and advances	21	15,28,62,504	13,31,31,428
	(f) Other current assets	22	74,09,572	92,62,447
	TOTAL		3,02,13,98,290	2,82,40,27,690
	See accompanying notes forming part of the financial statement	1 & 2		

As per our report of even date

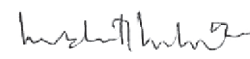
For
MEGA & ASSOCIATES
Chartered Accountants
Firm Regd No.: 007541N

CA SANDEEP MANAKTALA
Partner
Membership No. 091408

For and on behalf of
Indian Drugs & Pharmaceuticals Limited

SUDHANSH PANT
CMD


MANHARBHAI VALJIBHAI ZALA
Director


SUSHIL KUMAR
GM (F)

Place : Gurgaon
Date : 16-06-2017

INDIAN DRUGS & PHARMACEUTICALS LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

(Amount in Rs.)

	Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
I	Revenue from operations	23	84,22,14,832	61,56,19,673
II	Other income	24	21,95,37,522	19,89,90,842
III	Total revenue (I+II)		1,06,17,52,354	81,46,10,515
IV	Expenses			
	Cost of materials Consumed	25a	29,88,33,761	21,95,18,104
	Purchase of Stock in Trade	25b	24,31,38,875	21,48,33,471
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25c	1,77,07,917	(3,43,16,865)
	Employee Benefits expenses	26	8,30,33,125	8,47,77,446
	Finance Cost	27	1,70,44,41,153	1,70,05,11,525
	Depreciation and amortization expenses	28	1,12,78,239	1,35,51,647
	Other expenses	29	30,57,09,017	28,59,89,920
V	Total Expenses		2,66,41,42,087	2,48,48,65,247
VI	Profit Before Prior Period Items		(1,60,23,89,733)	(1,67,02,54,733)
VII	Prior Period Items		94,02,408	(41,48,345)
VIII	Profit before exceptional and extraordinary items and tax (VI-VII)		(1,61,17,92,141)	(1,66,61,06,388)
IX	Exceptional Items	30	-	-
X	Profit before extraordinary items and tax (VII-IX)		(1,61,17,92,141)	(1,66,61,06,388)
XI	Extraordinary items		-	-
XII	Profit before tax (X-XI)		(1,61,17,92,141)	(1,66,61,06,388)
XIII	Tax expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XIV	Profit after tax (XII-XIII)		(1,61,17,92,141)	(1,66,61,06,388)
	Basic and Diluted earning per share (Rs.) (face value Rs. 10 each)		(1,378.98)	(1,425.44)
	See accompanying notes forming part of the financial statement	1 & 2		

As per our report of even date

For
MEGA & ASSOCIATES
Chartered Accountants
Firm Regd No.: 007541N



CA SANDEEP MANAKTALA
Partner
Membership No. 091408

For and on behalf of
Indian Drugs & Pharmaceuticals Limited

Sudhansh Pant
SUDHANSH PANT
CMD

Manharbhai Valjibhai Zala
MANHARBHAI VALJIBHAI ZALA
Director

Sushil Kumar
SUSHIL KUMAR
GM (F)

Place : Gurgaon
Date : 16-06-2017

INDIAN DRUGS & PHARMACEUTICALS LIMITED ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (2015-16)

NOTE 1: ACCOUNTING POLICIES

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENT

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis commission to C & F agents and Service Agents are recognized on realization of dues from Receivables. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified and applicable).

2. USE OF ACCOUNTING ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialize.

3. LAND

Land acquired free of cost on freehold/ leasehold basis from State Government has been taken in the books of a concerned unit(Rishikesh and Hyderabad) at a nominal Value of Rs. 1/-.

4. INVESTMENTS

- i. Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
- ii. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.
- iii. Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

5. VALUATION

STOCK IN TRADE

i) Formulations

- a) Formulation for sale in the country: The closing stock of formulation in the plant is valued at cost or lowest selling price whichever is lower. In Marketing Division (RSO Delhi, RSO Hyderabad, RSO



Mumbai) closing stock transferred from Plants is valued at transfer price less 20% less. In case of RO Lucknow and RO Kolkata, valuation of Inventory is made at rate of STN/PPP and at purchase price and net realizable value whichever is lower. In calculating the cost of formulations, the cost of bulk drugs is taken at 12 months weighted average cost.

b) Bulk Drugs :

The Closing Stock is valued at cost or selling price, whichever is lower.

c) Expired stock transferred to plant are made at nil value.

ii) Finished goods at plants valued on Technical evaluation basis.

iii) Rejects are valued on the basis of average recovery as reduced by the standard cost of raw materials required for salvage.

iv) Scrap: Scrap is valued at estimated realizable value.

v) The value of closing stock of finished goods in the plants includes Excise duty on such stock.

vi) Cost of Manufactured Goods:

The cost price of manufactured goods comprises all items of expenses excluding selling & Distribution expenses.

6. PRIOR PERIOD ADJUSTMENTS

Adjustments pertaining to prior periods are accounted for as per the provisions of the accounting standard 5 of the Institute of Chartered Accountants of India i.e. the item relating of the errors and omissions of previous years only are booked to the prior period adjustments accounts. In case of Plants Items relating to previous years not exceeding Rs. 100,000/- and in case of RSO Lucknow Items relating to previous years not exceeding Rs. 10,000/- are treated as current.

7. PREPAID EXPENSES

In Plants, RSO Delhi and RSO Lucknow, expenditure up to Rs.25,000/- in each case is not considered in appropriation of prepaid expenses.

8. FIXED ASSETS AND DEPRECIATION

i. Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

ii. Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. The cost of the fixed asset not ready for its intended use on such date, is disclosed under capital work-in-progress.



- iii. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management of the Company. Depreciation for assets purchased/ sold during a period is proportionately charged.

The Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

9. DEFERRED REVENUE EXPENDITURE

Charges in respect of technical assistance, training and interest there on are treated as deferred revenue expenditure to be written off in five years from the year in which the plant is commissioned for commercial production.

10. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

11. PROVISION AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. IMPAIRMENT OF ASSETS

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

13. SALES

- i. Sales are accounted for on the basis of dates of invoices for confirmed orders and ascertained goods.
- ii. Sales include delivery of goods to carting/ Transport agents for onward dispatch to buyers and therelated documents are made "To Self" and given to banks for delivery against payment.
- iii. Sales are inclusive of excise duty. (Plants)



- iv. Sales returns are accounted for only in the year of actual receipt of stock.
- v. Sales are made at prices fixed by Head Office from time to time .(Delhi & Lucknow)
- vi. In Marketing Division ,Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection . Revenue on sales is recognized on the delivery of medicines when all contractual obligations have been satisfied, the property in the goods is transferred for a price ,significant risk and rewards of ownership have been transferred and no effective ownership control is retained.
- vii. In Marketing Division ,Sales comprise of sale of medicines. Sales are recognized including trade discounts, rebates but excluding sales tax and excise duties. The Trade discounts and rebates are separately debited to Profit and Loss Statement.
14. Provisions for Gratuity and Leave encashment have been accounted for on basis of amount calculated by the corporate office, Gurgaon Plant & Hyderabad Plant while in Rishikesh Plant it has been calculated on actuarial valuation basis.
15. Payment to employees under VRS is accounted for on cash basis.



NOTES TO ACCOUNTS

1 CONTINGENT LIABILITIES;

PLANT- GURGAON

CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBTS RS. 30.36 LAC (PREVIOUS YEAR RS. 29.13 LAC).

1. Shree Product v/s IDPL regarding payment of Rs. 1,61,158/- against purchase of rubber stoppers in Madras High Court. Court has adjourned the case sine die.
2. Prakash R. Shenoy vs. IDPL (D.G. Set). Principal amount of Rs. 3,61,339.41+15% interest w.e.f. 29.11.1989 till December, 1998. Bombay High Court further passed the decree in December, 1998 for an amount of Rs. 8.22 Lac+15% interest thereafter till the date of payment. SLP's dismissed. Pending in BIFR.

Deferred Tax Assets/Liabilities are to be recognized at the Head Office as per AS-22 issued by the Institute of Chartered Accountants of India. Provision for tax is also recognized at the Head Office.

The following one cases is also pending decision of the court for which amount of liability could not be ascertained.

Madan Lal v/s IDPL (Reg. Reinstatement after termination) with Chandigarh High Court

- (i) Liability for Sales Tax on account of non receipt of C, D,E & F Forms from some parties, and interest on delayed payments of Sales Tax has been assessed for A.Y.2012-2013 with the liability of Rs. 784000/-. The same has been requested for rectification. Assessment for 2013-2014 onward is pending & the liability, if any has been not been ascertained. However, a Bank Guarantee of Rs. 1.00 lac has been given to Sales Tax Department, Haryana.

REGIONAL SALES OFFICE-MUMBAI

CONTINGENT LIABILITY (AS-29)

Contingent liabilities regarding C form are as follows:

2010-11	225.00
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Contingent liabilities regarding F form are as follows:

2009-10	16,565.00
2013-14	19,250.00

Contingent liabilities regarding late filling of Form-704 are as follows:

Penalty for non filing of Form-704 & interest thereon is payable but amount for the same is not ascertainable.



CORPORATE OFFICE

GUARANTEES

- i) Guarantees given by the bankers as per the bank statement on behalf of the company are Rs. 56.26 lacs.
- ii) Guarantees given by the Government of India on behalf of the company are Rs. 17,505.00 lacs.

RISHIKESH PLANT

- i) Estimated value of contracts remaining to be executed on Capital Account and not provided for is Rs. 80.80 Lacs (previous year Rs. 42.69 Lacs).
- ii) Claims against the company not acknowledged as debts are of Rs. 119.41 lacs (previous year Rs. 119.41 Lacs).
- iii) Tariff on electricity consumption was revised by UPSEB in Oct.1989/April 1990 and again in Jan.1992. However, IDPL went into appeal against these increase of Tariffs and obtained orders from the court allowing IDPL to pay UPSEB at 1986 tariff upto December 1991 and from January 1992 onwards at 1986 tariff plus 15%. The expenditure has been accounted for on this basis in the respect of plant consumption, where as in respect of township consumption expenditure has been accounted for on current tariff upto 02/97. There after same has been accounted for at 1986 tariff plus 15%. The Supreme Court vide its orders dated 13.09.1994 allowed I.D.P.L. to make a representation to the UPSEB for consideration of a special tariff w.e.f. 17.10.1989. The Company had accordingly submitted its representation to the UPSEB which was rejected by the UPSEB. The order of the UPSEB has been quashed by the Allahabad High Court on the basis of a writ petition filed by the company. Vide order dated 31.1.95. High court had also directed the UPSEB to comply with judgment and order of the Supreme Court in letter & spirit. Further vide order dated 1.11.95 of High Court at Allahabad, IDPL was directed to continue to pay the electricity charged at the original rate as per 1986 tariff plus 15%. The collection of amount over and above this rate remained stayed till further order.

On creation of Uttarakhand State case was transferred to High court at Nainital but order for the payment at the rate of 1986 tariff + 15% continued till & including order dated 28.10.2005. Finally vide order dated 15.9.2008 in WP No. 1369 & 1370 of 2008 High Court at Nainital dismissed the case for fixation of special tariff. However IDPL has filed special appeal No. 203 & 204 of 2008 in High Court at Nainital against its order dated 15.9.2008. High Court at Nainital issued order for stay on recovery proceeding of huge outstanding amount accumulated against IDPL in the books of UPCL which is difference of bills raised by UPCL as per prevailing tariff and amount paid by IDPL in accordance with prevailing orders of Hon. Court. Stay was subject to payment of Rs.5 Crores by IDPL to UPCL which IDPL could not pay & hence the Court vacated the stay on recovery. Due to matter being sub judice BIFR issued orders for stay on recovery proceeding. Last hearing the case was on April 11, 2013 and due to IDPL counsel not being present in the hearing it was dismissed in default which can be recalled, as per verbal advice of our counsel.

As per orders of IDBI, for preparation DRS, a reconciliation statement, to ascertain principal amount, was



signed between IDPL & UPCL on 11.12.14 which indicated Rs. 110.36 crores as principal amount and remaining amount of Rs. 151.54 crores was parked as surcharge against total amount of Rs. 261.90 crores for dues up to March 2014 & the liability as on 31.03.2015 is Rs. 270.47 crores. However, it may also be made clear that IDPL has made full payment of each bill UPCL w.e.f. October, 2007. But UPCL has not credited the full amount against the bills raised from October 2007. The part amount of Payment made by IDPL has been adjusted against old surcharge. In case UPCL had credited full amount against the bill raised from October 2007 the principal amount payable would have been arrived at much lesser than Rs. 110.36 crores. As such the liability as on 31.03.2016 is Rs 278.48 Crores.

Since August 1995, unilaterally, UPSEB stopped raising bills for IDPL colony and started raising single bill for 11KV connections of plant & for IDPL colony at a rate of Heavy Industry, IDPL has been repeatedly requesting concerned UPSEB/UPPCL/UPCL authorities for raising separate bill for IDPL plant and IDPL colony which was refused on pretext of pending electricity dues. Ultimately petition for the same and reduction of contracted load was filed through Uttrakhand Electricity Regulatory Commission in the UPCL Forum for Redressal of Grievances which also refused to give IDPL any relief. IDPL against the order of the Forum filed and appeal in the Court of Ombudsman (Electricity) for the Uttrakhand which issued order on 09.10.12 to UPCL for separation of load and issue of bills for the factory and residential colony as per tariff. However UPCL preferred an appeal against the said order of the Ombudsman in High Court of Uttrakhand. Ultimately after rigorous followup and efforts UPCL separated load for IDPL factory and IDPL colony on 12.02.2015 and started raising separate bill for these connection at relevant tariff.

R.S.O LUCKNOW

There is no contingent liabilities in the company excepting for Sales Tax/Trade Tax demand under litigation as follows: -

Assessment Year	Amount Involved (Rs.)	Reason
2007-08	Rs. 133356/-	Against (CN) Rejected
2009-10	Rs. 781462.34/-	Against pending form "F"
2010-11 (State)	Rs. 472120/-	Reopen Assessment Case
(Centre)	Rs. 445940/-	---do---

HYDERABAD PLANT

- I Liability, if any, for sales tax on account of non receipt of C,D, and F forms from some parties and interest on the delayed payments of sales tax has not been ascertained
- II. The Andhra Pradesh State Electricity Board has claimed a sum of Rs. 1515.65 lakhs (Previous year Rs. 1515.65 lakhs), as additional charges for the power consumed over and above the normal tariff during April, 1987 to March, 1992 and surcharge for belated payments. Against this claim the company has paid a sum of Rs. 60.52 lakhs to the Electricity Board. Liability for Rs. 52 Lakhs has not been provided in the accounts for interest on belated payments of surcharge as the company has sought waiver of the same



from APSEB in the rehabilitation package submitted to the G.O.I. On 1-6-1998. However, in respect of balance of Rs. 1403.13lakhs against which the company filed a writ petition in the High Court of Andhra Pradesh and the High Court in the interim order dated 12 th Dec, 1991 has ordered that the matter may be decided amicably between APSEB and IDPL. As such the liability has not been provided for above and S.C. thereon as the matter is yet to be settled with the APSEB as the concession sought for from AP Govt is pending for want of clearance from BIFR (Hyd Plant).The Govt.of A.P. has assured to consider favorably the concessions sought for by us in the meeting of Chief Secretary of A.P. dt :11.05.2007

- III. Other claims against the company not acknowledged as debts Rs. 10,152.63 lakhs (Previous year Rs. 8,423.52 lakhs)

OTHER NOTES TO ACCOUNTS

REGIONAL OFFICE -DELHI

- 1) Balances shown under Corporate Office A/C are neither reconciled nor confirmed.
- 2) Doubtful Sundry Debtors as ascertained by the management amounting Rs.1, 74,202/- have been carried as provision for bad debts as in the year, no fresh provision for doubtful debts has been made for the current year.
- 3) Balances lying in various accounts with Debtors, Creditors, Corporate Office, current liabilities& Sundry parties were pending confirmation till the conclusion of audit.

Debtors

Particulars of Debtors	Opening Balance	Closing Balance
Delhi Old Debtors	2307623.10 Dr	2307623.10 Dr
PANCHKULA DEBTORS	18221322.71 Dr	21815954.03 Dr
RAIPUR DEBTORS	12556311.32 Dr	20352680.32 Dr
DELHI DEBTORS	23238845.00 Dr	44825731.46 Dr
INDORE DEBTORS	2028925.10 Dr	3559962.50 Dr
JAIPUR DEBTORS	6355413.78 Dr	6355410.78 Dr
JAN AUSHADHI	8375638.17 Dr	7349476.97 Dr
KHANNA ENTERPRISES	406807.60 Dr	406807.60 Dr
MANDI DEBTORS	2726010.00 Dr	2761510.01 Dr
ZIRAKPUR DEBTORS	19492265.00 Dr	37424020.00 Dr
Grand Total	95534959.40 Dr	146987839.39 Dr
NC Traders (Tds)	2865.00 Dr	
PROVISION FOR DOUBDFUL DEBTS	174202.38 Cr	174202.38 Cr



Creditors

Particulars of Debtors	Opening Balance	Closing Balance
ANUPAM TIWARI RECOVERY		
ESI PONTA SASIB	522.00 Cr	522.00 Cr
IDPL T N 2004-2005	598515.20 Cr	598515.20 Cr
IDPL T N 2005-06	1761011.50 Cr	1761011.50 Cr
IDPL T N 2006-2007	318350.56 Cr	318350.56 Cr
IDPL TN BEFORE 2004-5 O/S	1740118.91 Cr	1740118.91 Cr
JANAK MEDICOS AGENCIES	1345341.35 Cr	1345341.35 Cr
MAXMED LIFE SCIENCES PVT. LTD.	54731.30 Cr	54731.30 Cr
M H MEDICUS HAJ CELL	0.37 Cr	
N C Traders		63396.00 Cr
NOVOPHARM HAJ CELL	0.20 Cr	
NOVOPHARM LIFESCIENCES HAJ CELL	0.32 Cr	
Shubham Chemical	345.00 Dr	
SIEMEN LABORATORIES INDIA	9042.00 Cr	9042.00 Cr
SUSPENSE A/C	222760.00 Cr	134654.00 Cr
TRIUMALLA AR KITS INDUSTRIES	87272.00 Cr	87272.00 Cr
UNICURE(INDIA) PVT. LTD.	8740.00 Cr	28382.00 Cr
Grand Total	6146060.71 Cr	6141336.82 Cr

Other Current Liabilities

	Opening Balance	Closing Balance
ADVANCE RECD FROM CUSTOMER	12342524.07 Cr	12342524.07 Cr
Expenses Payable	3828928.52 Cr	4030284.52 Cr
OTHER LIABILITIES	32336.00 Cr	32336.00 Cr
SECURITY DEPOSITS	1786443.00 Cr	10143344.92 Cr
Duties & Taxes	4372326.64 Cr	4924244.42 Cr
Sundry Creditors	6146060.71 Cr	6141336.82 Cr
POSTAGE PAYABLE	430.00 Cr	
INTEREST PAYABLE	2474994.20 Cr	2474994.20 Cr
Misc Expenses(CL)	46152.84 Cr	46152.84 Cr
SUSHMA RANI SINGH PAYABLE		1791.00 Cr
Grand Total	24884135.27 Cr	33995671.97 Cr



Corporate Office Account

Particulars	Opening Balance	Closing Balance
MD ADJUSTMENT A/C	49976658.02 Cr	49976658.02 Cr
MD ADJUSTMENT A/C CPF	138623.00 Cr	138623.00 Cr
MD ADJUSTMENT A/C PURCHASE	72131606.68 Cr	72131606.68 Cr
MD ADJUSTMENT (SCOPE) A/C	346467.00 Dr	346467.00 Dr
MD COLLECTION A/C	4526082.00 Dr	4526082.00 Dr
MD IMPREST A/C	3305710.00 Cr	3305710.00 Cr
MD REMITANCE A/C	145060233.45 Dr	145060233.45 Dr
Grand Total	24380184.75 Dr	24380184.75 Dr

- 4) No provisions have been made for Doubtful Debts /Advances and Sundry Debtors/Advances are shown at their original outstanding values.
- 5) Building shown under the head of Fixed Asset amounting to Rs. 38,60,352.72 had been purchased under the power of attorney.
- 6) Sales Tax demand amounting to Rs. 3, 61,805/- for the assessment year 1988-89 & 1991-92 not acknowledge as liability of company. Further appeal is pending with the Deputy Commissioner of Sales Tax (Appeal).
- 7) Liability for sales tax, if any on accounts of non-receipts of statutory forms for some parties / region and interest on delayed payment of sales tax has not been ascertained. The liability for tax including interest on account of non-receipt of statutory Form has been accounted in the year in which assessment order is made.
- 8) No provision has been made in accounts in respect of liability on accounts of Gratuity and Leave Encashment to employees as the same as dealt with H.O., However leave encashment account and charges to Profit & Loss account.
- 9) The following bank accounts are subject to reconciliation and confirmation and there is no transaction during the F.Y 2015-16:

Banks	Opening balances	Closing balances	Remarks
Corporation Bank (Indore)	9619 (Dr.)	9619 (Dr.)	No confirmation
Indian Bank Collection	124 (Dr.)	124 (Dr.)	No confirmation
S.B.I Collection	785 (Dr.)	785 (Dr.)	No confirmation

- 10) No provision has been made for wage revision of supervisors and workers from 92-93 pending settlement of wage agreement. The matter is to be dealt with H.O. level.



- 11) No interest has been provided on non-rotating advance. The matter is to be dealt at H.O. level.
- 12) Rs 1,01,663/- is showing credit balance as Old Unlinked balance i.e. before 01.04.2015 under the head Security Deposit and Rs 84,23,681 is showing credit balance as Unlinked credit 15-16 during the financial year 2015-16, detail for these receipts are not known and the regional office is trying to find from whom these amounts are received.
- 13) In the books of account of Regional Office has "Suspense" ledger amounting to Rs 1,34,654/- which is subject to reconciliation and confirmation.
- 14) Previous year's figures have been regrouped / rearranged wherever considered necessary.

PLANT- GURGAON

NOTES FORMING PART OF THE ACCOUNTS FOR 2015-2016

FIXED ASSETS

Physical verification of fixed assets including those at site has been done. However, reconciliation with the accounting records is pending.

INVENTORIES

- (a) A provision of surplus/obsolete stores of raw material Rs.0.54 lac, packing material Rs. 3.07 lac and spares Rs. 4.12 lac total value of such stores is Rs. 7.73 lac (previous year Rs 7.68 lac) exists against possible loss. Rs. 0.05 lac provision has been made during the year.
- (b) Pending investigation of difference between physical and book balance of inventories, the balance have been adopted as per control account.
- (c) Shortages amounting to Rs 8.37 lac (previous year Rs 8.37 lac) are pending under investigation. These are disclosed separately under the head inventories as Stock Adjustments awaiting investigation and sanction. However, a provision of Rs 8.37 lac (previous year Rs. 8.37 lac) exists for shortages.
- (d) Misc. Stores (Stores & Spares) has not been physically verified and reconciled by the management.

INVENTORIES

- (a) Items of supplies which are rejected or which are pending recoveries/adjustments, and have not been linked (some for more than one year) with liabilities created at the time of receipt of the material.
The linking/adjustments are in progress. The value of such items has not been ascertained.
- (b) It includes Rs.20293/- due from M/S Voltas Ltd which is pending since, 2000.
- (c) Un-availed credit under MODVAT to be availed in subsequent months as at 31st March,2016 is Rs. 1582095/- (previous year Rs.1001151.00)
- (d) Balances of advances and deposits are subject to confirmation and reconciliation.



SUNDARY DEBTORS

- (a) It includes Rs. 8,115.29 due from M/s UPDPL a subsidiary of IDPL against which provision has been made.
- (b) It includes Rs. 7,59,750.00 due from M/s Nestor Pharmaceuticals Ltd. which is pending since 2001. However, there is a credit balance of Rs. 13,58,991.97 in Sundry Supplier's a/c to be paid to Nestor Pharmaceuticals.
- (c) A provision of Rs. 53,22,723/- (Previous year Rs. 53,22,723/-) already exists for writing of debtors and the same is pending for approval

LOANS AND ADVANCES

- (a) A Sum of Rs.2.84 lac outstanding as on 31-03-16. The advance to contractors is Rs.2.84 lac which are old and still outstanding in the books of accounts .(Previous year Rs.47.91 lac).
- (b) The others advances are of Rs. 103526/- out of which Rs. 50000/- advance to Insurance and Rs. 15170/- as T.A to Employees for election duty. It also includes an amount of Rs.5641142/- (Previous year Rs.5036476/-) recoverable from Ex-employees Towards Rent, Electricity Charges, Water Charges and Maintenance of staff quarters recovery notice have already been sent to all concerned in this regards.
- (c) A sum of Rs. 1274864/- has been deposited towards Security with outside authorities. It includes Rs. 1032830/- deposited with HSEB. The other deposits are 39000/- with Post Office, Rs. 52139/- with Telephone Deptt., Rs. 10000/- for Alcohol, Rs. 17831.69 with STC, Rs. 48383.31 with Chem & Pharma, Rs. 16850 with Raghu Gas services, Rs. 2500/- with Pest Control, Rs. 12500/- with Indian Oxygen, Rs. 3000/- with Naveen Traders, Rs. 950/- with Gurgaon Gas Services, Rs. 7500/- with Mufatlal & sons, Rs. 22680/- with Haryana Roadways & Rs.8700/- with Gujrat Enveroment.The Confirmations of the same are awaited.

CREDITORS

- (a) There is a credit balance of Rs. 60608190.46 in Sundry Suppliers a/c out of which a sum of Rs. 4661604.81 which is very old and un-paid.
- (b) Creditors Others of Rs. 4172156765/- includes net balance of Rs. 4050421352/- Corporate Office. Also including salary payable to CISF Rs. 24773654/- and Un-paid wages of. Rs. 133298.35 which is very old.

The Government of India (Ministry of Heavy Industries and Public Enterprises) has introduced Revised Voluntary Retirement Scheme for Central Public Sector Undertakings which was also applicable on IDPL for a period of three months i.e. 01.10.2002 to 31.12.2002 for voluntary retirement/retranchment. In response to the scheme all employees have opted for VRS. Under VRS no employee was relieved from the plant during 2015-2016.

The BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION has passed an Order for Winding-up the Company vide their communication No. 503/92 Dated 18.12.2003. It is further stated that the Ministry of Chemicals & Fertilizer, Govt. Of India has filled an appeal before the AAIFR against the order of



BIFR and the AAIFR has set aside the BIFR's decision vide order dated 29.9.2005 and remanded the case back to BIFR for taking further action for rehabilitation of the company. The revival proposal duly approved by the BIFR & Ministry of Chemicals & Fertilizer is pending for approval with GOM.

The provisions for deferred tax liabilities / assets have not been considered. The same will be considered at Corporate Office level as explained to us.

Quantitative and other information under part II Schedule VI to the Companies Act, 2013 is given in Note no: 2.22 to 225.

MODVAT receipt of Rs. 15313599/- during the F.Y.2015-2016 (Previous year Rs. 9989295/-).

Expenditure on research and development Rs. 165801/- during the F.Y. 2015-2016 (Previous year Rs.480548/-)

Expenditure on Township & other staff amenities Rs. 2278542/- during the F.Y.2015-2016 (Previous year Rs.1857439/-)

During the year, pursuant to the notification of Schedule-II to the companies act, 2013 with effect from April,2014, the plant has revised the estimated useful life of its assets to align with the useful life with those specified in Schedule-II.

Pursuant to the transition provision prescribed in Schedule-II to the companies act, 2013. The company has fully depreciated the carrying value of Assets., net of residual value where remaining useful life of the Assets. was determined to be nil as on April,1st. 2014 and has adjusted an amounting of Rs.16.51 Lakhs in general reserves.

The depreciation expenses in the statement of Profit & Loss for the year is higher by consequent to the change in the useful life of Assets.

Closing stocks of Finished Goods of Rs. 16616857.92 (Assessable value) lying in Excise store as on 31.03.2016, has a Excise Duty liability of Rs. 1000667.14 is not including in balance of closing stocks.

The Financial statement for the year ended 31st March 2016 are prepared as per Revised Schedule VI of Company Act 1956. Accordingly, the previous year figures have also been reclassified to conform with current year'

R. S. O. MUMBAI

1. FIXED ASSETS & DEPRECIATION (AS 6 & AS 10):

Change in accounting policy Effective from April 01, 2015:- the Regional Sales Office has with retrospective effect changed its method of providing depreciation on fixed assets from the 'Written Down Value method' to the 'Straight Line method', at the rates prescribed in Schedule II to the Companies Act, 2013. Accordingly, the Regional Sales Office has recognized an additional depreciation charge of Rs. 1,78,067.19 relating to the period upto March 31,2015 which has been disclosed as an



exceptional item. Had the Regional Sales Office continued to use the earlier method of depreciation, the profit after tax for the current year would have been higher by Rs.1,78,067.19.

Depreciation on fixed assets is provided to the extent of depreciable amount on Straight Line Method(SLM) Method. Pursuant to the enactment of Companies Act,2013,the company has applied the estimated useful lives as specified in schedule II. Accordingly the unamortized carrying value is being depreciated/Amortized over the revised/remaining useful life.

2. RELATED PARTY DISCLOSURES (AS-18):

Name of Related Party	Nature of Relationship	Nature of Transactions	Amt
Tamilnadu Drugs & Pharmaceuticals Ltd.	Sister Concern	Purchases	86,65,497.44
Orissa Drugs & Chemicals Ltd	Sister Concern	Purchases	1,88,63,926.00

3. INTANGIBLE ASSETS (AS-26)

There are no Intangible Assets with Regional Sales Office.

4. IMPAIRMENT OF ASSETS (AS-28)

During the year the Regional Sales Office has tested Impairment of Fixed Assets as per AS- 28 for impairment of assets to essentially identify impairment loss if any.As informed to us, based on the assessment of existing asset, the realisable amount calculated as per net selling price for all the units was higher than the carrying values of such units. Accordingly, no impairment was required to be recognised during the year.

PROVISIONS

No provision has been made for sundry debtors and deposits account. Such account balances are outstanding for more than 10 years and without any recovery and/or any initiative to recover the same by the company. Thus provisioning is warranted, non provisioning is resulting into understatement of losses by Rs. 18,90,398/-

Details of respective balances are detailed below:

- Sundry Debtors amounting Rs. 9,29,392/-
- Sundry Deposits amounting Rs. 9,61,006/-

Further the Regional Sales Office has not made provision for Service Tax.

We were informed that 2 contractual employees had left the services of Regional Sales office during the period under Audit and the amount payable to them,if any, as per the terms of contracts are not finalized by the HR Department & hence no provision has been made for such liability, if any.

B) NOTES

- Commission to Service Agent.



Commission payable to service agent are being provided as and when the claim of the same is submitted by agents, the branch is not having proper system of providing commission periodically on the basis of sales and amount realized.

2. Bank Account.

The bank reconciliation statement as on 31/03/2016 is prepared subject to old difference of Rs 54,348.00/-

3. Provisions for expenses and claims Receivable.

The balances appearing under various accounts are subject to review, since no payment of provisions for expenses and claims receivable has taken place during last 30 years.

4. Overdue payments to small scale industrial undertakings.

The branch being zonal sales office of the company, the control of payments to small scale industrial undertakings is being at head office level.

5. Other Liability:- Rs. 613101.35

We were informed that the details of above liability are not available & it is appearing in the books of accounts from prior to financial year ended 31/03/2003. The Regional Sales Office is advised to either transfer the said balance to H.O or write back the same in the books of accounts under the advice of H.O.

6. Service Tax

The company has a centralized Service Tax Registration No at H.O. and all the issues related to Service Tax of Regional Sales Office, Mumbai are taken care by Head Office.

7. Previous year figures have been regrouped wherever necessary.

HYDERABAD PLANT

1. Fixed Assets

- I. Land acquired free of cost from State Government has been taken in the books of account at a nominal value of Re. 1. Further, title deeds relating to the land are in possession of Corporate Office
- II. Land includes 4500 sq.yds of plot leased out to SBH in August, 1967
- III. Fixed Assets includes equipments valued at Rs. 400.39 lakhs (previous year Rs. 400.39 lakhs) includes surplus/obsolete. A provision of Rs. 321.06 lakhs (previous year Rs.321.06 lakhs) exists Profit /Loss if any, being not determinable will be adjusted in the year of disposal.
- IV. Expenditure incurred on the Re start of formulation division, amounting to Rs. 1135.29 lacs (previous year Rs 406.24 Lacs) has been kept under Work In Progress.
- V. Even though the production activities were stopped from March 2003 on account of VRS, depreciation as



done in earlier years charged as the realizable intrinsic value of net fixed assets is not less than net block value as shown in the accounts.

2. Inventories

- I. Includes surplus stores and spares, raw materials, packing materials etc., valued at Rs.406.24 lakhs (previous year Rs. 406.24 lakhs). A provision of Rs. 397.71 lakhs (previous year 397.71 lakhs) exists against possible loss
- II. The scrap is valued at Rs.7.00 lakhs (previous year 7.00 lakhs) on the basis of expected realisable value.
- III. As per Tech.Committee of Plant, to show realistic value, provisions are made for inventories for reasons like aging, storage of stores for longtime, lack of demand for such items etc., as follows(Note-10=Rs.397.71; Note-8=Rs.321.06; Tot Rs.718.77 lacs)
 1. Inventory (R.M & P.M)of Rs.349.40 lakhs held for which Rs. 349.40 lakhs provision exists based on the Tech. Estimation
 2. Value of Stores & Spares / Plant & machy Plants / Equipments / Spares held Rs. 457.23 lakhsfor which provision of Rs.369.37 lakhs exists based on Tech. Estimation
- 3(a) Interest / Belated charges of Rs.302.31 lakhs on old dues of CPDCL towards current consumption charges not provided resulting in the cummulative amount of interest not provided from 1.4.2010 to 31.3.2016 to Rs. 1813.86 lakhs. However, the Belated Charges provided for the period upto 31.03.2010 exist in Note-5
- 3(b) Interest on Water Bill arrears, being claimed by HMWS &SB with effect from September 2010 amounting to Rs. 4021.24 Lakhs as on 31.03.2016 (Previous year Rs. 3255.54 lakhs), not provided
- 3(c) As per decision by the Corporate Management Interest of Rs. 2,41,64,995/- on C.C.Account with State Bank of Hyderabad , accrued for the year has not been provided. This has resulted in cummulative amount of interest not provided for the period 1.4.2010 to 31.3.2016 to Rs.13,98,38,417/-. However the provision of interest for the period upto 31.03.2010 amounting to Rs. 76,62,45,017/- exists in Note-4
- 3(d) The Company being a share holder of APGPCL has entered into agreement with HFL on sharing of surplus power of AP GAS and APREC raised objection on such transfer of surplus power. Against above all share holders of AP GAS obtained stay from AP High Court. Liability on this account from 23.10.2000 not accounted as it is not considered due
- 3(e) Against the IDPL School Building leased out to Sri sankalpam w.e.f. 01.04.2012, the company received rent for the month of April 2012 only.The rental due @ Rs. 2,50,000/- p.m. agreed to, but not received, has not been accounted for under Rent Recovery from may 2012 onwards since there is a legal dispute regarding the same. As such the same will be accounted for on receipt basis
4. Share Certificates from APGPCL for 2.73 MW (Equity Share 0.35 MW and Bonus Share 2.38 MW) has been pledged with State Bank of India, Commercial Branch, Palm Court Building, Gurgaon Branch Code:4079, by our Corporate Office for raising Corporate Loan, for working capital



5. Even though almost all employees except 1 Officers on 31-3-2016 were relieved under VRS in 2003 and production got stopped, some activities like E.T.P, rental / lease/maintanance of Quarters etc.,are being carried out and funds generated by utilising the assets & infrastructure and hence accounts are drawn as an ongoing concern. However wherever provision required, the same had been made Moreover, Govt. has sanctioned the proposal of Restarting the Formulation block and The work is in progress and it is expected that the production activities will restart soon
6. As per M.O.U. Dt: 18.12.2008 between I.D.P.L. and NIPER, 150 acres of land is to be transferred to NIPER subject to approval from BIFR after getting waiver of 206.77 Crores payable to various departments as agreed to by Chief Secretary, Govt. of A.P. in his meeting Dt: 11.05.2007

7. Present position with regard to BIFR case :

The BIFR recommended for winding up of IDPL after hearing the matter on 4-12-2003 and the Ministry approached the AAIFR against recommondations for winding up of IDPL by BIFR On 13.9.05, the Ministry of Chemicals & Fertilisers informed AAIFR that the Govt. wanted to revive IDPL and AAIFR then revoked BIFR's decision to close down IDPL and referred back to BIFR to reconsider the revival proposals of IDPL. Based on the recommendations of an Expert Committee constituted by Govt., the Chemicals Ministry decided to revive all the five ailing units of IDPL A detailed revival package has been finalised. At present the issue relating revival of IDPL has been referred by the cabinet to the Group of Ministers (GOM) appointed by the Govt. for this purpose Further developments are awaited

COORPORATE OFFICE

1. (i) Provision for loss of subsidiary of Rs. 954,421,497 has been created in last years and still exist in books of accounts.
(ii) Account of subsidiary are yet to be finalised for financial year 2014-15. Hence amount of loss of investment in subsidiary is not known.
(iii) An amount of Rs. 29.11 crores (Previous Year Rs.29.11 crores) has been given against subscription of equity shares in joint sector / wholly owned subsidiary companies for which allotment of shares is awaited No provision has been made for loss of share application money.
2. (i) The Cumulative liability provided in the accounts towards CPF Trust as at 31.03.2015 is Rs 453.21 Lakhs (Previous Year: Rs 453.21 Lakhs) but this amount is not reconciled with audited balance Sheet of Trust. The same will be reconciled later on.
(ii) Other Liabilities includes Rs. 0.15 Lakhs (Previous year Rs 0.15 Lakhs) payable towards pension Fund.
3. Loans and advances includes Rs 733.54 Lakhs (Previous year Rs. 733.54 Lakhs) outstanding against Joint venture (ODCL) which have been referred to BIFR for revival and Rs. 12,137.23 Lakhs (against wholly owned subsidiaries).
4. As per the agreement of IDPL with IDPL (Tamil Nadu) Ltd. And BDOCL – Muzaffarpur.
 - a. Lease hold land at Muzaffarpur unit has been given by IDPL w.e.f 1.4.1994 to BDOCL at the market value as certified by an approved valuer.



- b. Land at Chennai unit has given to IDPL (TN LTD W.E.F. 1.4.1994 at the market value as certified by an approved valuer.
 - c. Other fixed assets as on 01.04.1994 at Muzaffarpur and Chennai units have been given by IDPL to BDOCL and IDPL (TN) Ltd. respectively w.e.f.1.4.1994 at the original historical cost along with the provision for depreciation.
5. Revaluation reserves of Rs. 62.77 crores has been created on the revaluation of the land at Chennai and Muzaffarpur as on 1.4.1994.
 6. In the meeting of creditors of IDPL called by IDBI the operating Agency appointed by BIFR the consortium of Bank have agreed for settlement of their dues with the simple interest @ 5% for default period. In the past interest has already been charged in accounts at a higher rate and therefore stands over provided. In view of this interest to Banks/PSU has not been provided during the year as also in previous year.
 7. Interest provided on loans from Government of India is provided as per Certificate of Pay & Account Office.
 8. IDPL filed Income Tax return of the A.Y year 2002-2003 declaring loss of Rs 193.60 Cr. which was assessed as Nil income by Asstt. Commissioner Income Tax (OSD) ward No. 11(3) New Delhi and ordered for initiating penalty proceedings u/s 271(1)(c) & 271 B. Against orders of Assistant Commissioner , an appeal was filed to commissioner of Income Tax. Commissioner dismissed the appeal, therefore 2nd appeal was filed in tribunal against the orders of Commissioner Income tax. Tribunal has recalled the order of A.O. and asked them for fresh assessments.
 9. IDPL filled Income Tax return of the year A.Y.2003-2004 declaring loss of 258.24Cr. which was assessed as Nil income by Asstt. Commissioner of Income Tax 11(1) New Delhi. Against the orders of Asstt. Commissioner an appeal was filed with commissioner Income Tax appeal. Commissioner dismissed the appeal therefore 2nd appeal was filed in tribunal against the order of CIT (A) for recalling the orders. Tribunal has refer back the case to CIT (A) with direction that he would adjudicate the matter afresh.
 10. The Company have received Rs 740.00 Lacs in the year 2015-16 for WHO-GMP upgradation under critical assistance category for its three Plants -Rishkesh Rs 210.00 Lacs, Gurgaon- Rs 251.00 Lacs and ODCL -Rs 279.00 Lacs .In the year 2010-11 the Company have received Rs 445.00 Lacs for WHO-GMP compliance under critical assistance category for its three Plants -Rishkesh Rs 170.00 Lacs, Gurgaon- Rs 100.00 Lacs and Tamil Nadu (Chennai) -Rs 175.00 Lacs. The Company have not formulated Accounting Policy for treatment of Government Grant.As per Financial Statements of the Company total Grant of Rs 1185.00 received from Govt. Of India is appearing Other Long Term Liabilities. It construes that Corporate Office is not maintaining proper records pertaining to utilisation of Grants received from Govt. Of India further required documents pertaining to utilisation of Govt.Grant from Plants concerned are not being taken and it remains unadjusted/refundable.
 11. There are legal cases (Criminal and Civil) for/against the Company, pending for many years. As a prudent practice the Company should disclose financial implications for the cases filed against the company as Contingent Liabilities. As observed the same is yet to be complied with.The Company is yet to initiate recovery proceedings and file suit for vacation of the IDPL School Building leased out to Sri sankalpam



w.e.f. 01.04.2012, as informed the company received rent for the month of April 2012 only. The rental due @ Rs. 2,50,000/- p.m. agreed to, but not received, has not been accounted for under Rent Recovery from May 2012 onwards nor steps were taken to recover the rent and vacation of premises. The Company has defaulted in the compliance of Service tax on due basis. No document was produced before us that there exists a legal dispute as on 31st March, 2016.

12. Non Compliance of Sub Directions u/s 143(5) of the Companies Act, 2013 for the year 2014-15 as reported by the Statutory Auditor on the followings:-
- Confirmation of Balances of Bank Balances, Trade Receivables, Trade Payables and Loans and advances for which third party confirmation was not made available and its compliance's.
 - Reconciliation and verification of deposits / advances made by the Company to the Customs, Excise, Income Tax, Sales Tax (VAT), Service Tax and other authorities have been verified.
13. The Company has not prepared Consolidated Financial Statements as stipulated in section 129(3) of the Companies Act, 2013. As per Sub Section (3) of Section 129 of the Companies Act, 2013 mandates every company to prepare a consolidated financial statement for all the Companies having one or more subsidiaries. The Financial Statements of the Company shall be laid by the Board of Directors before the shareholders at the Annual General Meeting for each financial year. The Company in addition to the financial statements shall also attach a separate statement containing the salient features of the financial statements of the subsidiaries. The Schedule III of the Companies Act, 2013 which provides an option to the companies to disclose the list of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with the reason for not consolidating the financial statements.

RISHIKESH

1 FIXED ASSETS

- Fixed Assets include equipment valued at Rs. 258.29 lacs WDV Rs. 43.24 lacs (previous year Rs. 258.29 Lacs) WDV Rs. 43.24 Lacs being surplus/obsolete, equipment Profit/Loss, if any, due to these items being not determinable will be adjusted in the year of disposal.
- For want of proper documentation, certain equipments, plant and machinery dismantled / replaced / scrapped and returned to stores (including those which were dismantled / replaced during expansion / modification) are yet to be identified and consequential adjustments are yet to be carried out.

2. ADVANCES:

These includes:-

- Items against which supplies are rejected or which are pending recoveries/adjustments and have not been linked (some are more than ten years old) with liability created at the time of receipt of the material. The linking/adjustments are in progress. The value of such items has not so far been ascertained.



3. Sundry Debtors includes Rs.430594.00 due from M/s Cebon India Ltd. and M/s Rajasthan Antibiotics Ltd. for which company has filed a suit, and necessary provisions has been made.
4. Current liability includes Rs.41.56 lacs outstanding against different parties for supply of medicines against non-availability slips issued by the plant hospital to the employees in respect of which CBI is conducting a preliminary enquiry under FIR No. PE.02 (A)/97 DAD dt. 01.07.1997.
5. The unit is branch of a Company which is a Sick Industrial Undertaking and the matter is pending with BIFR. However, in view of skeleton Production and sales all the accounts of the unit are prepared by mgmt. on the assumption of it being a going concern. During the hearing on 28.03.06 after considering the submission made, The Bench of BIFR directed the company to submit its rehabilitation scheme to the O.A. and all other concerned after getting approval of G.O.I.

RSO LUCKNOW:

1 Employees Benefits Expenses:

- a. Salary and Wages:-
 - i. Regular Staff- Rs. 4,75,545/-
 - ii. Contractual Staff – Rs.3,63,608/-
- b. Contractual Salary to Regional Manager: - Rs. 3,38,224/-
- c. Payment to Auditors:
 - i. For Audit: Rs. 50,000/-
 - ii. For other services (Tax Audit): Rs. 10,000/-
 - iii. For Prior period Audit fees and tax Audit: Rs. 50,000/-

2 In case of trading company, the details of goods traded are as following: -

Sl.No.	Type	Opening Stock	Receipts	Issue	Expired Closing Stock
	QTY.	QTY.	QTY.	QTY.	QTY.
1	Ampoules	9650	674864	654264	55029700
2	Strips	45000	9896170	9689070	-252100
3	Bottles	3800	215662	211412	-8050
4	Pieces	-	142580	142580	--
					289850

3 Old outstanding balance: -

Following are the old outstanding balances overdue for more than 5 years which are yet to be reconciled and provided/transfer back: -

Liabilities

- a. Advance for customer and others Rs. 31,65,012.88 & Rs. 29,52,197.21
- b. Security Deposit Rs. 7,13,017.81



- c. Claim payable (no detail available of the parties) Rs. 5,01,159.36
- d. Salary payable which is not reconciled for past many years Rs.56025.78 & Unpaid Salary of Rs.4,518/-
- e. Interest payable Rs. 1544505.80
- f. Outstanding Expenses of Rs.20,01,706.21
- g. Trade Payables: -
- i. Sundry Creditors for Supplies: -
 - a. Ministry of Health and F.W – Rs. 9,43,100.76
 - b. Shivalik drugs, Kankhal, Haridwar – Rs. 5,39,260.45
- ii. Trade Receivables of Rs. 3,93,612.82
- iii. Provision for doubtful loans and advances Rs.9,45,701.52

Assets:

Advance to parties:

- I. Sales tax recoverable- Rs. 6,21,828.45
 - II. Scooter advance- Rs.950/-
 - III. Advance Recoverable Rs 3370/-
 - IV. Advances other than Employees and Suppliers Rs. 1,04,114.16
 - V. Claims Recoverable Rs. 4,99,551.84
 - VI. Security Deposit Rs. 5300/-
 - VII. Accrued interest on deposits Rs. 1,221.10
 - VIII. Sundry Debtors exceeding 3 years-
 - i. Central Government Institutions - Rs. 77,638.59
 - ii. Public Sector Undertakings – Rs. 20,492.88
 - iii. State Government Institutions – Rs. 77,33,808.27
 - iv. Trade – Rs. 17,74,274.43
 - v. Trade(Bulk) – Rs. 2,987.61
-
- Rs. 96,09,201.78



4 Related Party Transactions: -

There is no Related Party transaction at branch level.

- 5 There is no outstanding under Micro, Small and Medium Enterprises Development Act, 2006.
- 6 Prior year figures have been regrouped and reclassified wherever required.

NOTE 3 : SHARE CAPITAL

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorized 12,00,000 (Previous year 12,00,000) equity shares @ Rs. 1000	1,200,000,000	1,200,000,000
Issued, subscribed and paid-up 11,68,833 (Previous year 11,68,833) equity shares @ Rs. 1000	1,168,833,000	1,168,833,000
Total	1,168,833,000	1,168,833,000

Note: Details of shares held by each shareholder holding more than 5% shares:

100% shares are held by Government Of India.

NOTE 4 : RESERVE AND SURPLUS

(Amount in Rs.)

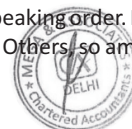
Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve	2	2
Revaluation Reserve	627,654,240	627,654,240
Accumulated loss of subsidiaries	(954,421,497)	(954,421,497)
Surplus/(Deficit) in Statement of Profit & Loss		
At commencement of the year	(70,673,954,031)	(68,997,319,088)
Add/(Less): Profit/(Loss) for the year	(1,611,792,141)	(1,666,106,388)
Add/(Less): Prior Period Expenses	1,162	-
Less: Utilised for prior year depreciation	(50,478,544)	(10,528,555)
Total	(72,662,990,809)	(71,000,721,286)

NOTE 5 : LONG TERM BORROWINGS

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured Loan :-		
a) From Government of India	12,143,925,000	12,143,925,000
interest accrued and due on Govt Loan	37,566,006,000	35,868,130,000
b) From Others	430,000,000	430,000,000
Interest accrued and due on other loan	2,516,654,026	2,516,654,026
Total	52,656,585,026	50,958,709,026

Note: The Company is under BIFR, so the exact amount of Long Term Borrowing will be known after any speaking order. Rate of interest, installment payable have not been disclosed here. The Company is in default to the Banks, Government of India and Others, so amount is not ascertainable at this stage.



NOTE 6 : DEFERRED TAX LIABILITIES (NET)

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities		
Related to fixed assets	-	-
Deferred Tax Assets		
Disallowance under the Income-Tax Act, 1961	-	-
Total	-	-

NOTE 7 : OTHER LONG TERM LIABILITIES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payable:		
- Acceptance	-	-
- Other than Acceptance	372,000	372,000
Advance from Customers (NRA)	173,701,951	174,994,234
Advance from Customers (Sundry Dr Credit Bal)	4,860,659	4,863,474
Advance from Service Agent-APMHIDC	-	19,479
Security deposits	6,904,334	6,976,114
interest payable	8,237,615	8,158,315
Claims Payable	4,500,988	4,500,988
Outstanding expenses	7,709,361	7,877,800
Unpaid Others	5,186	5,186
Unpaid Bonus	2,626	2,626
Unpaid Salary	13,320	13,320
TDS Payable	767	767
Sales Tax Local Payable	1,190,966	1,146,306
CST Payable	5,038,868	5,038,868
Unlinked Credit	169,570	169,570
Suspense Credit Balance	2,070,041	5,426,301
Deposits security by staff for retaining Qtr	1,897,165	2,832,467
Deposits security from contractors	4,964,057	4,094,988
Deposits Earnest Money	1,411,368	1,543,089
Government Guarantee Fees Payable	735,108,658	700,748,658
Other Liabilities		
Grants In Aid-WHO/GMP	118,500,000	44,500,000
Grants In Aid-VRS/MHA	756,683,510	756,683,510
Less: VRS Expenditure	(715,549,617)	(715,549,617)
Less: Amt T/f to Subsidiary Companies	(33,850,659)	(33,850,659)
Total	1,083,942,734	980,567,784



Note: The Company is under BIFR, the liabilities disclosed under Long Term Liabilities have been taken as such because there is no immediate liability for payment.

NOTE 8 : LONG TERM PROVISION

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Employee Benefits		
Prov for Gratuity	43,122,217	54,629,875
Prov for Leave Encashment	23,183,038	29,328,457
Total	66,305,255	83,958,332
Other Provisions		
Obsolete & surplus Finished Goods	1,845,792	1,711,914
Obsolete & packing material	307,217	301,822
Obsolete & Spares in store	264,006	264,006
Obsolete & Raw Material	54,130	54,130
Obsolete & Mech stores	99,416	99,416
Obsolete & Misc in stores	48,771	48,771
Pending reconciliation printing & stationery	299,922	299,922
Pending inventory to misc stores	765,696	765,696
Pending inventory to Lab Chem	71,943	71,943
Provision for loss on Obsolete Surplus Stores & Goods lost	32,106,337	32,106,337
Total	35,863,230	35,723,957
Total	102,168,485	119,682,289

Note: The Company is under BIFR, the amount disclosed under Long Term Provision have been taken as such because there is no immediate liability for payment.

NOTE 9 : SHORT TERM BORROWINGS

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Loan repayable on demand:		
From Banks:		
Secured Loans		
Cash Credit Account with bank	942,150,933	940,220,440
Interest accrued and due on secured loan (Secured by Hypothecation of stock of raw material, stock in process, stores, spares, finished goods, book debts, receivables, shares and alongwith government gurantee of Rs 148 crores)	15,385,623,842	15,385,623,842
Cash Credit - State Bank of Hyderabad	145,077,765	145,077,765
Interest due and accrued on above (Working Capital Limit is secured against hypothecation of Raw Material, WIP, Finished Goods, Stores & Spares and Trade Recievables of the company and personel gurantee of all the Directors.)	766,245,017	766,245,017
Unsecured Loans		
From Others:		
Total	17,239,097,557	17,237,167,064



Note: Cash Credit is Short Term Borrowing in nature however this is not immediate liability for company as company is under BIFR.

NOTE 10 : TRADE PAYABLE

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payable:		
Acceptance	6,141,337	6,146,060
Sundry Creditors Mkt	73,064,382	74,923,518
Marg Computech Pvt Ltd	45,600	45,600
Other than Acceptance	2,483,994	2,475,303
Suppliers	143,156,994	134,844,577
Others	71,323,515	71,056,301
Services	2,593,181,340	2,586,345,618
Total	2,889,397,162	2,875,836,977

NOTE 11 : OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Inter unit Account	55,678,949	53,438,722
Expenses Payable	196,498,933	183,464,995
Advance from Customers	17,175,807	17,197,768
Trade Security Deposit	12,295,087	12,236,785
Liability DBT	14,935,787	14,935,787
Staff welfare liability	924,047	931,386
Misc Deposit	3,827,483	3,827,483
Deposits from Contractors & others	18,834,570	16,876,101
Other liabilities	94,367,723	76,680,686
Duties & Taxes	6,100,002	6,188,879
Sundry Debtors	3,626	3,626
Material Received on loan	14,151	14,151
Unpaid Wages	133,298	133,298
Security Deposits from Contractors & Others	1,370,537	1,370,537
Other payables:		
TDS Payable	111,404	119,910
Professional Tax Payable	900	600
Other Statutory due's payable- VAT & CST	810,350	1,289,226
Statutory remittances	1,414,500	1,405,401
Liability for salary & others	28,882,249	29,289,283
Electricity bill payable	523,666	540,465
Outstanding Liab (Excl Electricity Bill)	14,905,619	6,852,313
Sundry suppliers	60,608,190	39,035,412
Stale cheques	227,255	490,764
Estimated liability for capital civil works	8,189,126	9,189,126
Total	537,833,259	475,512,706



NOTE 12 : SHORT TERM PROVISION

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Gratuity	3,825,735	5,250,985
Provision for Leave Encashment	2,140,880	3,102,575
Expenses Payable	565,261	86,570
Total	6,531,876	8,440,130



NOTE 13 : FIXED ASSETS

(Amount in Rs.)

Description	Gross block (at cost)			Depreciation			Net Block			
	As at April 1, 2015	Additions during the year	Deletions during the year	Impairment during the year	As at March 31, 2016	As at April 1, 2015	For the year	On deletions	As at March 31, 2016	As at March 31, 2015
Tangible assets										
(A) FACTORY										
Freehold land inc Dev Exp (F)	9,829,307	-	-	-	9,829,307	-	-	-	9,829,307	9,829,307
Leasehold Land Rishikesh	1	-	-	-	1	-	-	-	1	1
Buildings Inc Boundary wall	178,230,774	-	-	-	178,230,774	137,511,865	3,550,437	10,919,277	26,249,196	40,718,909
Roads Bridges & Culverts	9,244,431	-	-	-	9,244,431	3,296,209	114,508	2,487,211	3,346,503	5,948,222
Drainage, Sewerage & water Supply	38,772,930	18,419	-	-	38,771,349	34,665,236	2,427	3,154,138	949,548	4,087,694
Electrical Installations	81,207,200	3,359,686	-	-	84,566,886	78,339,537	506,537	79,273,139	5,293,747	2,867,663
Plant & Machinery	854,338,054	-	-	-	854,338,054	814,573,923	2,443,194	899,344	36,421,593	39,764,131
Plant & Mach returned to stores	62,360	-	-	-	62,360	62,359	-	62,359	1	1
Equipment & appliances	73,586,437	7,472,208	-	-	81,058,645	59,686,784	2,844,511	2,643,308	15,884,043	13,899,653
Vehicles	4,892,518	-	-	-	4,892,518	4,565,087	142,915	4,708,002	184,516	327,431
Furniture & Fixtures	13,969,402	371,386	-	-	14,340,788	12,129,949	508,416	20,238	1,682,185	1,839,453
Misc Assets	3,523,247	-	-	-	3,523,247	3,453,182	-	(1,194)	71,259	70,065
Railway Sidings	1,828,184	-	-	-	1,828,184	1,821,674	-	-	6,510	6,510
Plant & Mach returned to Central Stores A/c 1371	3,439,456	-	-	-	3,439,456	2,905,753	-	-	533,703	533,703
Plant & Mach returned to Central Stores and reissued but not commissioned A/c 1372	146,163	-	-	-	146,163	134,361	-	-	11,802	11,802
Returned Equipment	16,894,725	-	-	-	16,894,725	16,894,723	-	-	2	2
	1,289,945,189	11,221,699	-	-	1,301,166,888	1,170,040,642	10,112,944	20,549,387	100,463,915	119,904,547
(B) TOWNSHIP										
Freehold land inc Dev Exp (T:5)	6,269,505	-	-	-	6,269,505	-	-	-	6,269,505	6,269,505
Drainage watre Sew.EFFL treatment	5,971,792	-	-	-	5,971,792	4,258,322	22,629	1,075,906	614,935	1,713,470
Buildings	68,551,981	-	-	-	68,551,981	27,969,440	348,536	26,773,952	13,460,053	40,582,541
Misc Assets	305,240	-	-	-	305,240	300,693	-	(65)	4,612	4,547
Electrical Fans	92,821	-	-	-	92,821	92,315	-	92,315	506	506
Electrical Installations	9,552,794	-	-	-	9,552,794	9,264,133	-	(16,412)	305,073	288,661
Roads & Culverts	2,217,187	-	-	-	2,217,187	872,149	13,451	844,184	487,403	1,345,038
Equipment & appliances	665,925	-	-	-	665,925	513,405	15,394	32,327	104,799	152,520
Vehicles	1,864,421	-	-	-	1,864,421	1,821,735	-	-	42,686	42,686
Furniture & Fixtures	864,778	-	-	-	864,778	843,470	-	-	21,308	21,308
	96,356,444	-	-	-	96,356,444	45,935,662	400,010	28,709,892	21,310,880	50,420,782
(C) OTHERS										
Office Building	3,860,353	-	-	-	3,860,353	1,682,397	42,917	-	2,135,039	2,177,956
Computers	3,426,492	227,481	-	-	3,653,973	1,996,743	503,691	684,442	469,097	1,429,749
Office equipments	11,185,333	34,070	1,351	-	11,218,052	9,902,356	191,633	358,044	768,585	1,282,977
Furniture & Fixtures	516,811	-	3,625	-	513,186	484,069	2,569	4,213	30,760	32,742
Misc Assets	3,216	-	-	-	3,216	3,055	27	-	134	161
Tally 9 Accounting Software	13,500	-	-	-	13,500	12,825	-	-	675	675
Printer	6,000	-	-	-	6,000	5,700	-	-	300	300
Township Building	772,044	-	-	-	772,044	480,701	24,448	179,396	87,499	291,343
	19,783,749	261,551	4,976	-	20,040,324	14,567,847	765,285	1,226,095	3,492,089	5,215,902
adjustment										(1,161)
TOTAL TANGIBLE ASSETS	1,406,085,381	11,483,250	4,976	-	1,417,563,655	1,230,544,151	11,278,239	50,485,374	125,266,884	175,540,070
Previous year	1,403,689,369	2,396,013	-	-	1,406,085,382	1,206,465,107	13,551,649	-	175,540,070	197,224,261
(D) CAPITAL WIP	118,329,813	67,230,811	-	-	185,560,623	-	-	-	185,560,623	118,329,813
Previous year	68,648,233	1,312,383	7,782,516	-	62,178,100	-	-	-	62,178,100	68,648,233



NOTE 14 : NON CURRENT INVESTMENT

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
A. Trade Investment		
B . Other Investment		
In Subsidiary Companies (Unquoted)		
6,74,000 Equity shares of Rs 10 /- each fully paid up in Orissa Drugs & Chemical Ltd (PR. Yr. 6,74,000)	6,740,000	6,740,000
40,00,000 Equity Shares of Rs 10 /- each fully paid up in IDPL (TN) (wholly owned Subsidiary Co) (PR. Yr. 40,000,000)	40,000,000	40,000,000
3 Equity share in Rs 10 /- each fully paidup in BDOCL (Wholly owned subsidiary company) (PR. Yr. 3)	30	30
Total (A)	46,740,030	46,740,030
B . Others (Unquoted)		
938000 Equity shares of Rs 10/- each fully paid up of Andhra Pradesh Gas Power CorporAation Ltd	9,380,000	9,380,000
150 Shares of Rs 10/- each fully paid up in antibiotics project employees Consumer Co-Operative Society limited	1,500	1,500
Pearl Co-op Hsg. Soc. Ltd.	750	750
Ashiana Co-op Hsg. Soc. Ltd.	750	750
Saurabh Co-op. Hsg. Soc. Ltd.	1,000	1,000
Total (B)	9,384,000	9,384,000
C . Share application pending money allotment*		
i) Orissa Drugs & Chemicals Ltd	699,000	699,000
ii) IDPL (Tamilnadu) Ltd	172,742,000	172,742,000
iii) Bihar Drugs & Organic Chemicals Ltd	77,673,970	77,673,970
Total (C)	251,114,970	251,114,970
Total	307,239,000	307,239,000

Note:

*Company is under BIFR; hence it is shown as pending.



NOTE 15 : LONG TERM LOAN AND ADVANCES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans and Advances to Related Parties :		
IDPL SIP Chennai (renamed as IDPL (Tamil Nadu) Ltd Chennai)	1,697	1,697
Less : Provision for other doubtful loans & advances- Hyderabad	(1,697)	(1,697)
Security Deposit	2,318,355	2,276,820
Advance to Contractors	-	283,764
Advance to Suppliers	660,613	954,255
CAPITAL ADVANCE	-	4,507,690
Claims Recoverable	4,009,888	4,009,888
Advance to Railway/Transport/Insurance/Carting Agents	4,302	4,302
Advance other than employees and suppliers	1,976,704	1,976,704
Balance with govt authorities	880,312	737,056
Scooter advance	950	950
Advance Recoverable (contigent)	3,370	
Unlinked Credit		
Less : Provision for other doubtful loans & advances	(7,122,148)	(7,122,148)
a. Loan to subsidiary companies	879,918	879,918
b. Bridging loan recoverable from PSIDC	(879,918)	(879,918)
Less:- Provision for doubtful debts		
c. Loan to employee		
d. Interest free unsecured loan in consideration of transfer of assets to subsidiary company	580,830,809	580,830,809
Loans and Advances to Others		
Deposits with Customers, Port Trust and other Govt Authority	264,158	264,158
Unsecured Advances		
Advances to Subsidiary companies	707,752,335	697,304,452
Total	1,291,579,649	1,286,028,701

NOTE 16 : OTHER NON CURRENT ASSETS

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
i) Balance with Revenue Authorities		
Deposits with ESIC	230,000	200,000
ii) Others	3,521,863	281,018
iii) Interest accrued on deposits	1,221	1,221
iv) Deposit with Customs, Port Trust & Govt.	864,931	864,931
v) Security Deposit	52,868	52,868
Other Bank Balances		
(Refer Note No. 20)		
Term Deposits having maturity of more than 12 months	142,247,186	63,638,288
Less : Provision for other doubtful loans & advances	(147,700)	(147,700)
Total	146,770,369	64,890,626



NOTE 17 : CURRENT INVESTMENT

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
	-	-
Total	-	-

NOTE 18 : INVENTORIES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Material	58,018,651	50,157,739
Packing Material	54,547,507	39,496,834
Stores & Spares	34,950,615	34,815,939
Stores & spares (Construction)	74,326	74,326
Stores & spares (Productions)	3,217,652	3,214,193
Stores & spares (Misc)	2,311,533	2,276,856
Material in Transit	3,403,541	2,835,834
Loose Tools	110,280	118,590
Stock Adjustment awaiting Investment	5,102,126	4,961,138
Stock in progress	1,353,839	1,670,770
Scrap (realisable value)	996,727	996,727
Semi Finished drugs	1,765,173	462,197
Stock in Trade	32,135,932	50,673,535
Drugs/Intermediates inclusive expired material	30,872,861	44,084,113
Stock In Transit	786,815	828,387
-Adjustment for Expired material	-	(10,436,532)
Less: Stock Adjustment for 20% for Stock received from Plants	-	(3,240,845)
Less: Shortage/ Breakage/ Damage	(1,190,483)	(609,572)
Less : Provisions	(88,681,721)	(90,374,955)
Total	139,775,374.00	132,005,273



NOTE 19 : TRADE RECEIVABLES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for period exceeding six months		
Secured Considered Goods		
Unsecured Considered Goods	239,881,259	159,031,107
Doubtful	36,150,698	40,574,515
Trade receivables outstanding for a period less than six months		
Secured Considered Goods	14,238,119	25,509,298
Unsecured Considered Goods	97,448,088	116,944,422
Doubtful		
	387,718,164	342,059,342
Less: Provision for doubtful trade receivable	47,395,782	47,395,782
Less: Provision for doubtful other debts	8,115	8,115
Total	340,314,267	294,655,445



NOTE 20 : CASH AND BANK BALANCES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
A. Cash and cash equivalents		
Cash on hand		
Cash in hand	308,072	482,207
Cheques and Demand Drafts in hand	3,795,732	2,453,749
Current Account Balances		
Balance with Bank	25,011,723	24,031,019
Corp Bank (CCSDL) 80001	145,297	145,297
State Bank of India, Gurgaon CC A/c	427,395	427,564
Term Deposit with Bank	2,093,582	1,500,000
Current Account (Plants & Marketing)	9,952,378	3,863,131
Corporation Bank (Plants & Marketing)	13,347,647	2,197,901
Balances with other Banks	44,627,840	19,548,805
Current A/c VRS	52,127	52,427
Term Deposits having Maturity of three months or less	41,847,445	32,789,633
Others		
Margin money against guarantees & commitments	100,000	100,000
Short term call deposits	18,400,000	11,720,000
Cheque in Hand	-	1,985,175
B. Other Bank Balances		
Term Deposits having remaining maturity of 12 months or less	156,859,713	191,981,181
Fixed Deposit	7,651,097	9,666,798
Term Deposits having maturity of more than 12 months	142,247,186	63,638,288
	466,867,234	366,583,175
Less :		
Amount disclosed under Non Current Assets (Refer Note No. 16)	142,247,186	63,638,288
Total	324,620,048.00	302,944,887



NOTE 21 : SHORT-TERM LOAN AND ADVANCES

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
A) Loans & Advances to Related Parties:		
Secured , Considered Goods		
Unsecured, Considered Goods	-	-
Doubtful	-	-
Less : Provision for Doubtful Loans & advances	-	-
	-	-
B) Loans & Advances to Others:		
Secured Advances		
i) Secured advances to contractor	837,000	921,353
ii) Advance to employees	72,239	60,297
iii) Prepaid expenses	16,462	33,298
Interest accrued on Loans & Advances and Deposits	3,156,916	4,294,604
Others	28,870,036	40,961,756
Travelling Advances	9,176	7,347
Balance with Govt Authorities	6,245,075	8,193,233
Deposits with Customers, Port Trust and other Govt Authority	14,667,511	14,467,511
Unsecured Advances		
i) Advance to suppliers raw materials	12,528,659	9,783,531
ii) Security Deposits	5,207,713	5,207,713
iii) Loans & Advances to employees	1,644,188	1,861,688
iv) Other Advances	9,316,545	5,723,252
b. Other advances	73,310,271	48,634,805
c. Income tax deducted at sources	19,187,675	19,043,044
d. Fringe benefit tax	1,568,107	1,568,107
Balance with Govt Employees	-	-
Advance to Contractor	18,100	18,100
Port and demurrage charges	1,974,455	1,974,455
Advance to Supplier	663	663
Amounty recoverable from		
MODVAT	1,582,095	1,001,151
CPF Trust	43,029	43,029
Other advances		
Advance to central excise duty	29,524	29,524
Service Tax Input Credit	5,153,951	2,057,326
Advance Recoverable Contingent	7,687	11,057
Election Duty TA Recoverable	15,170	15,170
Advance to state excise	133	133
LOANS & ADVANCES TO CONTRACTOR	283,764	-
Temporary Advance	-	4,491
Medical advance to CISF	8,700	8,700
Advance to Insurance	-	93,040
	50,000	50,000
Less : Provision for Fringe benefit tax	(1,568,107)	(1,568,107)
Less : Doubtful Provisions	(31,374,233)	(31,368,842)
	152,862,504	133,131,428
Total	152,862,504	133,131,428



NOTE 22 : OTHER CURRENT ASSESTS

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued but not recieved	1,167,074	983,465
Interest accrued (including but not due) on bank deposits	145,101	198,775
Recoverable from Ex employees	5,641,142	5,036,476
RECOVERABLE FROM BPPI	1,124	-
Recoverable expenses	54,026	95,930
Recoverable from Ex employees Contractor	149,271	173,630
Interest Accrued but not due on deposits with Banks	-	(492,175)
Rent Receivable	251,834	3,266,346
Total	7,409,572	9,262,447

NOTE 23 : REVENUE FROM OPERATIONS

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Sale of product less return	858,152,520	623,016,023
Income from services - ETP Income	13,263,000	12,493,588
Gross sales	871,415,520	635,509,611
Less : Excise Duty	29,200,688	19,889,938
Total	842,214,832	615,619,673

NOTE 24 : OTHER INCOME

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Interest on Term Deposits	29,791,462	29,331,640
Misc income	2,397,619	4,241,766
Sale of scraps	863,281	387,310
Recovered from rent, elec and water	170,373,861	153,490,234
MODVAT Claimed	11,939,940	8,153,070
Rent Recieved	2,761,320	2,503,837
Interest on staff loans /adv excess provision w/off	-	150
Compensation against Township Flat	1,410,000	850,343
Other Revenue	39	32,492
Total	219,537,522	198,990,842



NOTE 25a : COST OF MATERIALS CONSUMED

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Opening Stock of Raw Material	88,656,543	73,391,449
Purchase of Raw Material	322,012,708	234,783,199
	410,669,251	308,174,648
Less: Closing Stocks	111,835,490	88,656,544
Less: Expired Stock of Medicines	-	-
Total	298,833,761	219,518,104

NOTE 25b : PURCHASE OF TRADED GOODS

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Purchase less purchase return	277,025,930	238,834,959
Adjustment for Inter unit transaction :-		
Purchase of C&F roorkee	1,787,413	(189,711)
Stock received from Plants	479,853,433	304,246,734
Stock Transeffered to Marketing Division	(515,527,901)	(328,058,511)
Total	243,138,875	214,833,471

NOTE 25c : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Inventories at the end of the year:		
Finished Goods	63,958,964	96,647,233
Semi Finished goods	159,935	254,331
Empty hard Geletine Capsules	295,959	295,959
Scrap	700,768	700,768
Work in progress	1,605,238	207,866
Total A	66,720,864	98,106,157
Inventories at the beginning of the year:		
Finished Goods	82,969,857	61,216,651
Semi Finished goods	254,331	257,918
Empty hard Geletine Capsules	295,959	290,171
Scrap	700,768	700,768
Work in progress	207,866	1,323,783
Total B	84,428,781	63,789,291
Net (increase)/decrease (B-A)	17,707,917	(34,316,865)



NOTE 26 : EMPLOYEE BENEFITS EXPENSES

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Salaries, Wages, Bonus, Allowances and other benefits	65,819,690	61,389,727
Contribution to Provident Fund & other Funds	4,944,615	6,737,168
Staff Welfare Expenses	6,023,178	5,891,833
Gratuity	4,542,493	9,620,374
Leave Encashment	1,023,352	479,237
Retirement Benefit	-	6,000
Dispensary Exp	10,397	4,040
Canteen subsidy	7,900	9,400
Medical Reimbursement	177,599	260,025
Tution fees	360	240
ADM charges on dep link insurance	3,400	345
Salary & Wages- Contract wages Under Direct Contract of Co	358,632	251,921
Salary & Wages- Contract wages Under Manpower Contract	120,509	126,015
Washing Charges	1,000	1,120
Total	83,033,125	84,777,446

NOTE 27 : FINANCE COST

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Other Borrowing Cost (Bank Charges)	8,583	6,592
Interest on delay payment of income tax	79,400	79,400
Govt Loan	1,697,876,000	1,694,925,000
Bank Borrowing	6,477,170	5,392,040
Interest on delay payment of Statutory Liab	-	108,493
Total	1,704,441,153	1,700,511,525

NOTE 28 : DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Depreciation	11,278,239	13,551,647
TOTAL	11,278,239	13,551,647



NOTE 29 : OTHER EXPENSES

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Repair & Maintenance	19,830,270	13,136,286
Bank Charges	264,189	289,048
Printing & Stationery	1,728,894	1,224,348
Postage & Telecommunications	1,479,728	1,415,158
Travelling & Conveyance Expenses	5,189,552	3,945,462
Legal & Professional Charges	1,870,468	1,582,169
Sales tax borne by Co	1,074,977	282,561
Other Miscellaneous Expenses	6,748,094	4,302,398
Commission & Incentive to Selling Agents & Service Agent	67,698,243	35,953,041
Discount on Sales	19,491,706	13,876,432
Freight & Forwarding Charges	7,703,283	7,070,575
Late Delivery Charges	123,708	645,992
Entry Tax	63,276	34,906
Power & Fuel	42,102,440	39,342,672
Rates & taxes	3,144,296	3,081,880
Business Promotion	65,183	210,413
Sales Tax/ excise duty	-	1,009,298
Port & Demmorage Charges	-	463,586
Audit Fees	512,857	680,254
Tax Audit Fees	95,750	85,850
Out of Pocket Exp (Auditor)	4,350	10,674
Tender documents & participation Expenses	20,383	20,970
Bonus Offers & Qty discount	234,918	60,397
QC Sample Testing Charges	554,613	635,316
Penalties & Liquidated Damages	1,755,881	188,602
Rent including lease rentals	2,636,287	2,559,568
Insurance	412,058	383,229
Entertainment expenses	82,440	65,702
Guest house & Field hostel expenses	101,131	80,114
Payments to security agency	11,885,640	11,647,363
Recruitment exp/training exp	87,342	9,124
License fees	61,804	180,320
Public relations & promotional exp	288,063	176,576
Share of central office & marketing division expenses	361	-
Manufacturing exp on loan license	10,102,632	7,122,763
Increase/decrease of excise duty on inventory	351,128	162,874



Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Provisisons others	-	2,685,806
Water Charges	8,079,302	25,659,830
Labour supply & contractual exp for production	13,120,389	19,367,729
Exp on maintenance staff	3,828,108	3,986,827
CISF - Salaries and Other Expenses/ Pvt. Security Expenses	8,251,838	7,312,519
Consumption of stores & spares	2,121,627	1,972,814
Electricity charges (Plant)	7,339,930	5,981,306
HSD consumed	1,634,944	1,297,478
Electricity charges (Township)	1,057,874	684,038
Electricals	146,327	94,175
Equipments & appliances	491,604	56,671
Buildings	234,013	279,847
Township	541,945	418,321
Maintenance of essential service charges	3,008,957	2,532,952
Service tax paid	5,976,938	3,212,745
ADM charges (others)	1,821,767	1,681,190
Freight & incidentals (recouped)	-	(1,232,732)
Inspection charges	56,110	24,719
Testing charges paid to outside parties	327,941	177,746
Research & Development	16,117	31,899
Gift exp	356,545	105,585
Freight & Incidentals incurred	1,642,637	1,797,270
Hire Charges Plant & Machinery	261,600	261,600
Advertisement Exp	665,144	570,961
Liveries & Uniforms	-	5,000
Contractual Wages	1,170,065	1,032,229
Interest paid on late CST	-	6,300
Office Exp	23,813	15,705
Staff Welfare Exp	25,131	16,110
Electricity Charges	10,110	10,150
Interest paid on late GVAT	-	4,329
Books, Journals & Priodicals	56,373	57,276
Expenses on Directors	-	11,236
Govt Guarantee fees	34,360,000	34,360,000
Honorarium	2,500	6,500
Stamping Charges	3,750	210
Testing Charges	-	39,349



Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Penalty Charges	769,375	88,650
Society Maintenance Charges	111,600	130,500
Rate Diff	36,340	10,980
Sundry Bal w/off	-	89,083
Prior Period Item (Net)	-	4,732,093
Deduction	-	240,860
Interest on delay TDS deposit/Service Tax	1,034	9,797
For Obsolete/ Surplus Finished Stock	139,272	129,229
Electricity Expenses	140,083	2,596,682
Consumption of Stores and spare parts	11,751	23,055
Accounting Charges	90,000	208,800
Assessment amount paid for F.Y. 08-09(MVAT & CST)	-	289,888
Charges Paid for Defective Material	-	162,750
Consultancy Charges	-	9,000
Service Tax Prof Charges	-	6,180
Medical Expenses	-	364,232
Gratuity BDOCL	10,218	
Provision for Loss of Stock(Loss due to defalcation of stock)	-	10,436,532
Total	305,709,017	285,989,920

NOTE 30: EXCEPTIONAL ITEMS

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
Reversal of Depreciation	-	-
TOTAL	-	-



INDIAN DRUGS AND PHARMACEUTICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March 2016

(Amount in Rs.)

Particulars	For the period ending March 31, 2016	For the period ending March 31, 2015
A Cash Flow From Operating Activities:		
Net Profit before tax	(1,611,792,141)	(1,666,106,388)
Adjustment For:		
Depreciation	11,278,239	13,551,647
Profit/Loss on sale of Assets	(4,160)	-
Interest Received	(29,791,462)	(29,331,640)
Rent	(170,373,861)	(152,707,416)
Interest Expenses	1,704,441,153	1,700,511,525
Gross Margin	(96,242,232)	(134,082,273)
Operating Profit before working capital changes		
Adjustment For:		
Inventories	(7,770,101)	(33,980,046)
Trade Receivable	(45,658,822)	(58,342,316)
Trade Payable	13,560,185	9,348,299
Work in Progress	(67,230,810)	(49,487,148)
Short term Loans And Advance	(19,731,076)	(22,973,804)
Other assets	(80,026,868)	(33,507,293)
Current Liability	165,695,503	85,705,015
Provision	(19,422,058)	(28,962,947)
Cash Generated from Operations	(156,826,279)	(266,282,512)
Less: Direct Taxes Paid	-	-
Net Cash from Operating Activities (A)	(156,826,279)	(266,282,512)
B Cash Flow from Investing Activities:		
Purchased of Fixed Assets	(11,483,250)	(2,396,013)
Sale of Fixed Assets	4,976	-
Interest Received	29,791,462	29,331,640
Rent	170,373,861	152,707,416
Long Term Loan and advances	(5,550,948)	(66,651,547)
Cash Flow from Investing Activities (B)	183,136,101	112,991,496
C Cash Flow From Financing Activities:		
Increase/(repayment) of Loan	1,699,806,493	1,811,078,271
Interest Paid	(1,704,441,153)	(1,700,511,525)
Net Cash from Financing activities (C)	(4,634,660)	110,566,746
Net Increase in Cash & Cash Equivalents [A+B+C]	21,675,162	(42,724,270)
Cash & Cash Equivalents- opening	302,944,887	345,669,425
Cash & Cash Equivalents- closing	324,620,049	302,944,887
Cash and Cash Equivalents year end		
Balance With Bank	320,516,244	300,008,931
Cheques/Drafts in Hand & Remittance in Transits	3,795,732	2,453,749
Cash in Hand	308,072	482,207
Total	324,620,048	302,944,887

As per our report of even date

For
MEGA & ASSOCIATES
Chartered Accountants
Firm Regd No.: 007541N



For and on behalf of
Indian Drugs & Pharmaceuticals Limited

Sudhansh Pant

SUDHANSH PANT
CMD

Manharbhai Valjibhai Zala

MANHARBHAI VALJIBHAI ZALA
Director

Sushil Kumar

SUSHIL KUMAR
GM (F)

CA SANDEEP MANAKTALA
Partner
Membership No. 091408

Place : Gurgaon
Date : 16-06-2017



INDIAN DRUGS & PHARMACEUTICALS LIMITED

Regd. Office: IDPL Complex, Dundahera, Old Delhi Gurgaon Road, Gurgaon-122016

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