
INDIAN DRUGS & PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS (As on 20.10.2016)

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 Laxmi Tripti & Associates, 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. Sh. G.S. Bedi
General Manager
Indian Drugs & Pharmaceuticals Ltd.
Virbhadra, Rishikesh Plant
2. Sh.G. Prabhu Lingam
Plant – Incharge
Indian Drugs & Pharmaceuticals Ltd.
Hyderabad Plant
3. Sh. Sanjay Kumar
Plant Incharge
Indian Drugs & Pharmaceuticals Ltd.
Gurgaon Plant

Registered Office:

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

Head Office:

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

General Manager at Corporate Office:

Sh. Sushil Kumar
General Manager - Finance

DIRECTORS REPORT

The Shareholders,
INDIAN DRUGS & PHARMACEUTICALS LIMITED

Gentlemen,

Your Directors take immense pleasure in presenting the 54th Annual Report of the company for the year ending 31st March, 2015, together with Audited Statements 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 2014-15 was Rs 4.38 crores as against Rs. -4.31 Cr in 2013-14.

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

(Rs. In crores)

S.NO.	PARTICULARS	2014-15	2013-14
1	Sales	61.56	56.98
	Other Income	19.90	19.48
2	Profit (+)/ Loss (-) before Interest and Depreciation	4.38	(4.31)
3	Interest on	170.05	168.27
4	Depreciation	1.35	1.26
5	Net Profit (+)/ Loss (-)	(167.02)	(173.84)

1. SHARE CAPITAL

The authorized share capital of the company is Rs.120 Crores. As on 31st March, 2015, the subscribed & paid up share capital was Rs. 116. 88 Crores.

2. OPERATIONAL RESULTS

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

RISHIKESH PLANT

Rishikesh Plant produced formulations worth Rs 22.03 Crores during 2014-15 as against Rs. 22.02 Crores in the previous year i.e. 2013-14.

Rishikesh Plant of IDPL achieved a major milestone when during the year 2014-15, WHO: GMP inspection was successfully conducted in June 2014 jointly by CDSCO and the state drugs control authorities. WHO: GMP certification was awarded to two of its sections and COPPs (Certificates of Pharmaceutical Products) were obtained for 4 of its products.

During this year, Rishikesh Plant introduced 2 (two) new products viz. Aceclo + Para tabs & Aceclo Tabs 100 mg.

HYDERABAD PLANT

At Hyderabad Plant, formulation activities are about to be started with an investment of Rs. 15 crores Earnings from Effluents Treatment Plant (ETP) continued during the year. The ETP collection for 2014-15 was Rs. 1.24 Crores as against Rs. 1.22 Crores in the previous year i.e. 2013-14.

The upgradation and modernization of existing formulation block in conformity to regulatory requirements (SCH-M, WHO:GMP) is nearing completion and would be ready for commissioning soon.

GURGAON PLANT

Gurgaon Plant produced formulations of the value of Rs. 18.32 Cr. during the year 2014-15 as compared to Rs. 12.27 Cr. in 2013-14.

3. MEMORANDUM OF UNDERSTANDING

The Company signed MOU for the year 2014-15 with the Secretary to Govt. of India, Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals. The MOU provided Production target of Rs. 70 Cr. & Gross Sales target of Rs. 72 Cr. while the actual production and sales were Rs. 71.30 Cr. and Rs. 65.39 Cr. respectively.

4. REVIVAL STATUS OF THE COMPANY

IDBI, the nodal agency, appointed by BIFR has submitted the Draft Rehabilitation Scheme (DRS) on 27.02.2015 recommending revival of IDPL. They forwarded the copy of DRS to BIFR and the Ministry on 06.02.2015. The Board of Directors approved the DRS as recommended by IDBI in the Board Meeting held on 05.05.2015. The same is under consideration of the Government.

5. CORPORATE SOCIAL RESPONSIBILITY

IDPL being a sick company is exempted from CSR activities. But the Company's objectives in this key area are enshrined in its Mission statement: "To provide essential and generic medicines to all at reasonable prices."

IDPL donates free medicines during natural calamities like Cyclone, Flood, earthquake etc.

6. SUBSIDIARIES

IDPL has 2 wholly owned Subsidiaries:

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

In addition, Orissa Drugs & Chemicals Limited is a subsidiary and joint sector unit in collaboration with Industrial Promotion & Investment Corporation of Orissa Ltd.

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
IDPL (Tamil Nadu) Ltd, Chennai	Accounts of IDPL-TN are audited upto 2009-10. Requested for appointment of auditors for 2010-11 onwards.
Orissa Drugs & Chemicals Ltd, Bhubaneswar	Accounts are audited upto 2010-11. Auditors appointed by CAG upto 2014-15.
Bihar Drugs & Organic Chemicals Limited	Accounts are audited upto 2013-14. 2014-15 audit is currently on.

Report on the performance and Financial position of subsidiaries is enclosed as ANNEXURE- I

7. CORPORATE GOVERNANCE REPORT

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

8. BOARD OF DIRECTORS

- Ms. Monika Verma was appointed as Part time Official Director of IDPL w.e.f. 23.06.2014 vide Order No. F.No.1 (6)/2003 PI-IV dated 23.06.2014 in place of Sh. Pradeep yadav.
- Sh. Sudhansh Pant has been appointed as a Part time Official Director of IDPL w.e.f. 28.01.2015 vide order no. F. No. 1(6)/2003-PI-IV dated 28.01.2015

9. AUDITORS

M/s Mega & Associates, Chartered Accountants, New Delhi were appointed as Statutory Auditors for auditing the accounts of our Company for the financial year 2014-15. 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 comments of Statutory Auditors are attached as Addendum to this report under Section 134 (3) 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 2014-15

The comments of the Comptroller and Auditor General of India on the accounts for the year 2014-15 under section 143 (6)(b) of the Companies Act, 2013 are attached:

II) Management Replies to observations of the Comptroller and Auditor General of India are enclosed with Director's Report.

III) Replies to observations of Statutory Auditors are enclosed as addendum to Director's Report.

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, 2015; 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 and for preventing and detecting fraud and other irregularities.
- IV) That the Directors had prepared the Annual Accounts for the year ended 31st March, 2015 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 2014-15 within the meaning of Section 76 of the Companies Act, 2013 and the rules made there-under.

15. OFFICIAL LANGUAGE IMPLEMENTATION

In accordance with the Government's policy for propagating the use of Hindi in official work, number of steps were taken during the year 2014-15. 'Hindi Pakhwara' was celebrated on 14.09.2014.

16. PERSONNEL – INDUSTRIAL RELATIONS

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

17. ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the cooperation and support received from the Department of Pharma, 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, shareholders, customers, vendors and bankers who continued to repose their faith and trust in the Company. 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.

Audhansh Paul
CHAIRMAN & MANAGING DIRECTOR

Place: Gurgaon
Date:

INDIAN DRUGS & PHARMACEUTICALS LIMITED

Report on performance and financial position of the Subsidiaries as per Rule 8 of the Companies (Accounts) Rules, 2014

Particulars	IDPL(Tamil Nadu) Ltd., Chennai	Orissa Drugs & Chemicals Ltd. (ODCL), Bhubaneswar	Bihar Drugs & Organic Chemicals Ltd. (BDOCL), Muzaffarpur
In compliance with the requirement of the Section audited annual accounts of the subsidiary companies for 2014-15 are to be enclosed.	Accounts not ready	Accounts not ready	Accounts not ready
Statement of Company's interest in the subsidiary company under Section-129(3) of the Act	40,00,000 equity shares of Rs 10/- each	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/-.
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 2014-15 (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 2014-15 2. For previous financial year cumulative total	Accounts not ready	Accounts not ready	Accounts not ready

REPORT ON CORPORATE GOVERNANCE

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 interests 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 a transparent manner in order to maximize long-term value of the Company for the benefit of its shareholders and all other 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, 2015, the Board consisted of 03 Directors namely:

- Sh. Praveen Kumar, CMD, IDPL
- Sh. Sudhansh Pant, IAS, Director
- Sh. N. P. Gupta, IAS(Retd) Director (BIFR Nominee)

b) During 2014-15, Four Board Meetings were held as under:

- 282nd Board Meeting held on 07.08.2014

- 283rd Board Meeting held on 15.01.2015
- 284th Board Meeting held on 27.02.2015

c) Constitution of Board of Directors and related information:

Name of the Director	Category	No. of Board Meeting with Attendance	Attendance at Last AGM	No. of Outside Board Committee Membership/ Chairmanship as on 31.03.2015
Sh. Praveen Kumar	CMD	3/3	Yes	Director at IDPL (Tamil Nadu) Ltd., Chennai, Director at Bihar Drugs & Organic Chemicals Limited, Muzaffarpur, Director at Orissa Drugs & Chemicals Ltd, Bhubaneswar
Sh. Sudhansh Pant	Director	1/3*	No	NIL
Sh. N. P. Gupta	Director	3/3	No	NIL

* As Sh. Sudhansh Pant was appointed w.e.f. 28.01.2015

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 2014-15 was as follows:

	Particulars	2014-15 (Rs.)
a)	Salary	17,90,812/-
	TOTAL	17,90,812/-

The Government Nominee is 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. Any unethical conduct is to be brought to the attention of immediate seniors who are required to report the same to Head of Personnel & Administration Department.

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
FY 2014-15	28.08.2015 (54 TH AGM)	3.00 P.M.	Registered Office
FY 2014-15	28.08.2015 52 ND Adjourned AGM)	4.00 P.M.	Registered Office
FY 2014-15	16.01.2015 (51 ST Adjourned AGM)	4.00 P.M.	Registered Office

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)- 122 016.

b) PLANT LOCATIONS:

IDPL-Gurgaon Plant

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

Rishikesh Plant

Virbhadra, 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 www.idpl.gov.in

The Shareholders may send correspondence to the above address.

Place: Gurgaon
Date:

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

Audhansh Pant

CHAIRMAN & MANAGING DIRECTOR



RD & ASSOCIATES

Company Secretaries

Off: F - 72, Ground Floor, Bali Nagar, New Delhi - 110015

Contact No: 09811218689 E-mail: pcs.rds@gmail.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members
INDIAN DRUGS AND PHARMACEUTICALS LIMITED
IDPL COMPLEX,
DUNDAHARA, 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, 2015, 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- disclosure of Part-time Compensation
- c) Non-compliance of Board Meetings
- d) Implementation of Risk Management Plan and disclosures by Board
- e) Non-compliance with regard to formation of different Committees like - Audit committee, remuneration committee and other statutory compulsions regarding these committees
- f) Disclosure related to transactions with related parties and its details as per section 188 of Company Act 2013
- g) Non adoption of Consolidated Financial Statement
- h) Remuneration of Directors

- i) Management Discussion and Analysis
- j) Holding AGM, Adoption of Audited Accounts and Filing of adopted Accounts with the registrar of Companies within the stipulated time
- k) The Company has not adopted its Director Report under sub section (3) of section 134 of Company Act, 2013.
- l) As per the information & explanation shown to us the company has not file statutory filings with the Registrar of Companies.

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 RD & Associates
Company Secretaries



Rahul Dhupar
CP. NO 9863

Date: 10.11.2016
Place: New Delhi

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT 2014-15

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 areas 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 |