



57th Annual Report 2017-18



INDIAN DRUGS & PHARMACEUTICALS LIMITED

(A Govt. of India Undertaking)

CIN: - U24231HR1961GOI003418

CHAIRMAN'S ADDRESS



Distinguished Members of the Board of Indian Drugs & Pharmaceuticals Limited, employees, our esteemed shareholders & Ladies and Gentlemen, on behalf of the Board of Directors, it gives me great pleasure in presenting you the 57th Annual Report of our Company. At the very outset, I would like to thank you for being with us and reposing confidence on the management.

Company's performance for Financial Year 2017-18

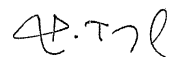
During Fiscal 2017-18, our Company's sales was of Rs 39.16 Crores and in house production of Rs 34.57 Crores. Currently, the company is facing acute financial crisis. Considering the continuous losses and negative net worth, the Cabinet on 28.12.2016 has decided to close the Company after meeting its liabilities from proceeds of disposal of its assets.

Current status of company in view of decision of closure:

- Company has signed MOU with M/s NBCC as a Land Management Agency (LMA) for valuation of immovable assets. Further, the Company signed MoU with MSTC as an Auctioning Agency (AA) for disposal of its movable assets. An authorized valuer has also been appointed to carry out valuation of movable assets of the company.
- Valuation of movable and immovable assets has been approved by the Company's Board and subsequently referred to the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Govt. of India for approval.
- Valuing the sincere efforts of its employees, the company has settled the employees' dues.
- Total liabilities are being assessed along with reconciliation of receivables and payables, which will be settled following extant guidelines and directions from the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers.
- Annual accounts of the company for FY 18-19 are under audit.
- Disposal and closure proceedings of Plants are going on.

In this very crucial phase, we not only need the required assistance but also the support and patience of all the stakeholders. Your trust and confidence can only help us to go ahead towards the successful closure and winding up. However, we are moving forward towards each step as per the requisite guidelines of the Cabinet.

I would like to place on record my sincere appreciation and thanks for the assistance and cooperation received from the shareholders, employees and the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers who helped us achieve our mission of creating healthier communities. My deepest thanks to each of you for your continued support and confidence. Finally, I would like to end by thanking our staff for their commitment and contribution towards achieving our business objectives.



(Rajneesh Tingal)

Chairman & Managing Director

INDIAN DRUGS & PHARMACEUTICALS LIMITED
CIN: U24231HR1961GOI003418

BOARD OF DIRECTORS
(As on DATE)

1 Mr. Rajneesh Tingal, Chairman and Managing Director

2. Mr. Abhishek Kumar Singh , Govt. Nominee Director

Statutory Auditor: M/s MEGA & Associates Chartered Accountants New Delhi	Branch Auditors (FOR 17-18): 1. M/s Narshimha Rao & Srinivas, Hyderabad Plant 2. M/s Shekhar Chandra & Co. , Rishikesh Plant 3. M/s R S Modi & Co.,Gurgaon Plant 4. M/s T C Pal & Co., RSO-Kolkata 5. M/s Kothari & Kenia, RSO-Mumbai 6. M/s L N Malik & Co., RSO- New Delhi 7. M/s R Z S & Associates, RSO- Lucknow 8. M/s N G Rao & Associates , RSO- Hyderabad
Bankers: 1. State Bank of India 2. Punjab National Bank 3. Indian Bank 4. Union Bank of India 5. Oriental Bank of Commerce	Head of Units:- 1. Sh. Sanjay Kumar General Manager – Additional Charge Indian Drugs & Pharmaceuticals Ltd. Virbhadra, Rishikesh Plant 2. Sh. Y R K Reddy General Manager Indian Drugs & Pharmaceuticals Ltd. Hyderabad Plant 3. Sh. Sanjay Kumar General Manager Indian Drugs & Pharmaceuticals Ltd. Gurgaon Plant
	Finance & Accounts Head at Corporate Office 1. Sh. Dipankar Chakraborty CFO
Registered Office: IDPL Complex, Dundahera, Old Delhi – Gurgaon Road, Gurugram – 120016 (Haryana)	

DIRECTOR'S REPORT

The Shareholders,
INDIAN DRUGS & PHARMACEUTICALS LIMITED

Your Directors take immense pleasure in presenting the 57th Annual Report of the company for the year ending 31st March, 2018, together with Audited Statement of Accounts, Auditor's Report and Comments of Comptroller and Auditor General of India.

FINANCIAL RESULTS: The financial results for the year under review are as under:

(Rs. In crores)

S.No.	Particulars	2017-18	2016-17
	Sales	39.16	74.79
	Other Income	24.10	22.80
A	Total Income	63.26	97.59
B	Operating Expenses	56.05	78.70
C	Profit (+)/ Loss (-) before Interest and Depreciation (A-B)	7.21	18.89
D	Interest on	169.95	169.87
	a) Government Loans		
	b) Bank Borrowings	0.01	0.43
	c) Others	0.01	0.01
	Total	169.97	170.32
E	Depreciation	1.44	1.12
C-D-E	Net Profit (+)/ Loss (-)	-164.19	-152.54
	Prior Period Items	0.47	0.83
	Net Profit(+)/ Loss (-)	-164.66	-153.37

The PBDIT (Profit before Depreciation, Interest and Tax) of the Company for the year 2017-18 is Rs. 7.21 Cr as against Rs. 18.89 Cr in F.Y 2016-17

OPERATIONAL RESULTS

Comparative production figures are as given below-

Particulars	2017-18	2016-17
Value of the finished goods produced in House	34.57 Cr.	78.34 Cr.

DIVIDEND

Your Directors have not recommended any dividend on equity shares as the Company has been incurring losses.

RESERVES

No amount has been transferred to reserves.

SHARE CAPITAL

The authorized share capital of the company is Rs.120 Crores. As on 31st March, 2018, the subscribed & paid up share capital was Rs. 116. 88 Crores as on 31st March. 2018.

EXTRACTS OF THE ANNUAL RETRUN:

The extract of Annual Return as per Section 92(3) of the Companies Act, 2013 is annexed under Annexure I.

PERFORMANCE

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

(a) RISHIKESH PLANT

Rishikesh Plant produced formulations worth Rs. 13.71 Cr during 2017-18 as against Rs. 25.57 Cr in the previous year

(b) HYDERABAD PLANT

Formulation activities in Hyderabad Plant was started in the month of November'2017 and produced formulations worth Rs. 2.49 Cr. in the year 20017-18

The Hyderabad Plant earned Rs.1.43 Cr. during the year 2017-18 i.e. same as earned in the previous year i.e. 2016-17, by operating Effluents Treatment Plant (ETP) for outside clients.

(c) GURGAON PLANT

Gurgaon Plant produced formulations worth Rs. 10.53 Cr during 2017-18 as against Rs. 25.14 Cr in the previous year

MEMORANDUM OF UNDERSTANDING

The Company has not signed any MOU for the year 2017-18 with the Secretary to the Govt. of India, Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals in view of Union Cabinet decision, held on 28.12.2016 to close IDPL.

BOARD OF DIRECTORS

During the Financial year 2017-18, Shri Sudhansh Pant ceased to be Chairman & Managing Director with effect from 08.03.2018 and Shri Navdeep Rinwa was appointed as Chairman and Managing Director of the Company with effect from 28.03.2018.

During the Financial Year 2018-19, Shri Manhar Bhai Jala ceased to be Independent Director with effect from 16.06.2019 and Shri Jitendra Trivedi was appointed as Government Nominee on the Board of IDPL with effect from 27.09.2019.

During the Financial year 2019-20, Shri Navdeep Rinwa ceased to be Chairman & Managing Director with effect from 24.01.2020 and Shri Rajneesh Tingal was appointed as Chairman and Managing Director with effect from 28.01.2020.

During the Financial year 2020-21, Shri Pawan Kumar was appointed as Government Nominee Director on the Board of IDPL with effect from 10.06.2020

During the Financial year 2021-22, Shri Pawan Kumar ceased to be as Government Nominee Director on the Board of IDPL with effect from 21.12.2021 and Abhishek Kumar Singh was appointed in his place as Government Nominee Director.

MEETING OF THE BOARD OF DIRECTORS IN THE FINANCIAL YEAR 2017-18

a) During 2017-18, two meetings were held as under:

292nd meeting held on 02nd June, 2017

293rd meeting held on 15th November, 2017

b) Constitution of Board of Directors and related information:

Name of the Directors	Category	No of Meeting Attendance	Board with
Shri Sudhansh Pant (upto 08.03.2018)	CMD	2/2	
Shri Navdeep Rinwa (w.e.f 28.03.2018)	CMD	NIL	
Shri Manharbhai Valjibhai Zala	Independent Director	2/2	

COMMITTEES OF THE BOARD

The Board has not constituted any committee.

STATEMENT REGARDING DECLARATION GIVEN BY INDEPENDENT DIRECTOR U/S 149(7) OF THE COMPANIES ACT, 2013:

The provision of Section 149 relating to appointment of Independent Director are not applicable to the company.

INFORMATION PURSUANT TO SECTION 178(1)

The provision of Section 178(1) is not applicable to the Company.

AUDITORS

M/S MEGA & Associates was appointed as an Auditor by CAG for a period of 4 years starting from F. Y. 2014-15 to 2017-18, as per section 139(1) of the Companies Act, 2013.

After that, M/s Lalit Gupta & Associates, Chartered Accountants, New Delhi is appointed as Statutory Auditor for auditing the accounts of our Company for the financial year 2018-19. Eight firms of Chartered Accountants are also appointed as Branch Auditors of the Company for audit of accounts of Hyderabad, Rishikesh and Gurgaon Plants as well as different Regional Offices / Depots of the Company.

REPLIES TO STATUTORY AUDITORS OBSERVATION

Replies to the comments of Statutory Auditor as attached Annexure II to this report under Section 134(3) of the Companies Act, 2013.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA AND THE REPORT OF THE STATUTORY AUDITORS ON THE ACCOUNTS FOR 2017-18

CAG has issued its final comments Annexure-III dated 23.07.2021. The replies of the same is annexed with this report as Annexure-IV

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

The Company has not given any loan, Guarantee or made any investment under section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013 :

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board/Committee authorized by board, specifying the nature, value, and terms and conditions of the transaction. Transaction with related parties is conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

MATERIAL CHANGES AND COMMITMENTS ,IF ANY. AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

IDPL is on the verge of Closure. The accounts of the company are in arrears . Therefore, the Financial reports of the Company for FY 17-18 are presented in FY 21-22. The material changes that can affect the Financial Position of the Company constitutes the following:-

- IDPL has Government Loans amounting to Rs. 1214.39 crores since inception. GOI vide its order dated 09.09.2021 FNo. 53017/08/2017-PSU(Part) communicated the notification regarding the waiver of loans and interest amounting to Rs. 889.50 crores in lieu of transfer of 50 acres of Land of IDPL Hyderabad Plant to NIPER (National Institute of Pharmaceuticals Education and Research).This waiver has reduced the burden of huge liability and thus strengthen the Financial Position of the company to the extent of waiver of loans.
- IDPL has received grant amounting to Rs. 7.40 crores in FY 2015-16 out of which Rs. 65.67 lacs was utilized for WHO –GMP by ODCL and Rishikesh Plant and rest 6.74 crores were returned to GOI on 24.07.2019
- IDPL has received 2.23 crores of loans from GOI dated 01.02.2021,for settling the liabilities of its employees and to give VRS to ODCL which will be repaid out of sale proceeds of land.

DEVELOPMENT & IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY:

The provision of Corporate Social Responsibility is not applicable to the Company.

DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The management keeps on identifying, evaluating and managing all significant risks faced by the Company. In the opinion of the Board, there is no significant external risk to the Company except change in Government policy/regulations.

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, 2018; 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, 2018 on a going concern basis.
- V) That the Directors has devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

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 V** hereto.

INFORMATION PURSUANT TO RULE 8 OF COMPANIES 9ACCOUNTS) RULES, 2014**Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo**

Information pursuant to Rule8 (3) of Companies Accounts Rules, 2014 is as under:

SN	Particulars	Steps taken
A. Conservation of energy		
(I)	Steps taken or impact on 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. The Company is making every possible effort for energy conservation.
(ii)	Steps taken by the company for utilizing alternate sources of energy.	Whenever possible alternate sources of energy are used
(iii)	the capital investment on energy conservation equipment's	NIL
B. Technology Absorption		
(i)	Efforts made towards technology absorption	As the production of bulk drugs have been stopped there is little progress in this regard
(ii)	The benefits derived like products improvement, cost reduction, product development and import	The benefits/ savings accruing from the improvement and development of technologies

	substitution	are of recurring nature and made considerable contribution to the economies of Plant
(iii)	Details related to imported technology	<ul style="list-style-type: none"> • Technology imported-NIL • Year of Import-Nil • Has the technology fully absorbed-NA It not fully absorbed areas where this has Not taken place, reasons thereof & future Plans of action-NA
(iv)	Expenditure on Research & development	The expenditure incurred on R&D during the year was NIL
C-Foreign Exchange Earnings and Outgo		
(i)	Actual earnings	Rs. NIL
(ii)	Actual outgo	Rs NIL

CHANGE IN NATURE OF BUSINESS

There is no change in nature of business of the Company during the period under review.

DETAILS OF SUBSIDIARIES,JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

There are no joint ventures or Associate Companies. 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, Muzaffarpur	Accounts are audited up to 2018-19 , director report of the same will be approved in the upcoming Board Meeting and Accounts for the FY 2019-20 and 2020-21 are completed however not signed yet.
IDPL(Tamil NADU)Ltd. Chennai	Accounts of IDPL (TN) are audited up to FY 11-12 . However the accounts of FY 12-13 and 13-14 are completed but yet to be audited .
Orissa Drugs & Chemicals Ltd Bhubaneswar	Accounts up to 2012-13 are audited by CAG and 2013-14 to 2014-15 are completed with pending audit and 2015-16 are in process.

Statements in respect of Subsidiaries is enclosed as **ANNEXURE-VI**

INTERNAL FINANCIAL CONTROL & ITS ADEQUACY

Company is having adequate internal financial control commensurate to its nature and size of business.

MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

PUBLIC DEPOSIT.

The Company neither invited nor accepted any Public Deposit in the year 2017-18 within the meaning of Section 76 of the Companies Act, 2013 and the rules made there under.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unclaimed dividend or any other amount which was required to be transferred to Investor Education and Protection Fund during the Financial Year.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company is an equal opportunity employer. The Endeavour of the Management is to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the period under review, no complaint was received by the Company related to sexual harassment.

PARTICULAR OF EMPLOYEES PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT & REMUNERATION OF KEY MANAGERIAL PERSONNEL) RULES, 2014

There was no employee of the company who if employed throughout the financial year, was in respect of remuneration for that year which, in aggregate, was not less than One Crore Two Lacs rupees or if employed for part of the financial year, was in receipt of remuneration for any part of that year which, in aggregate, was not less than Eight lacs and Fifty Thousand rupees per month. Further, there was no employee who if employed throughout financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

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 comp

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 LIMITED



(Rajneesh Tingal)

CHAIRMAN & MANAGING DIRECTOR

Date:

Place: Gurgaon

Annexure-I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - **U24231HR1961GOI003418**
- ii) Registration Date: **05/04/1961**
- iii) Name of the Company: **Indian Drugs And Pharmaceuticals Limited**
- iv) Category / Sub-Category of the Company: **Company Limited by Shares/Union Government Company**
- v) Address of the Registered office and contact details: **IDPL Complex, Dundahera, Gurgaon Road Gurgaon, Haryana**
- vi) Whether listed company: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent if any- **Not Applicable**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceuticals		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S N	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Bihar Drugs & Organic Chemicals Limited, PB-76, Bela Industrial Area, Bela, Muzaffarpur(Bihar)	U24230BR1987GOI005753	Subsidiary	100	2(87) ii
2	IDPL (Tamilnadu) Limited P.O.Nandambakkam, Chennai 600089	U29141TN1994PLC027005	Subsidiary	100	2(87) ii
3	Orissa Drugs and Chemicals Limited, 1. Mancheswar Industrial Estate, Bhubneswar (Orissa)	U2423210R1979GO1000821	Subsidiary	100	2(87) ii

i) Category-wise Share Holding

[illegible]

h) Foreign Venture Capital Funds i) Others (specify) Sun-total (B) (1):- 2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh c) Others-specify Sun-total (B) (2):- Total Public Shareholding (B) = (B) (1)+ B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	116883300	116883300	100%	-	116883300	116883300	100 %	-

ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	% change in share holding during the year

1	President of India	116883300	100	NIL	116883300	100	NIL	NIL
	Total	116883300	100	NIL	116883300	100	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change):
There is no change in Promoters Shareholding during the Year

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): There are no top ten shareholders

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase / decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:
(None of the Directors were holding any shares during the Financial Year)

S. NO		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year	NIL	NIL	NIL	NIL

	specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
For 2017-18

(Rs. In crores)				
	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	101.88	1,257.39	NIL	1359.27
ii) Interest due but not paid	1615.19	4348.09	NIL	5963.28
Total (i+ii+iii)	1717.07	5605.48	NIL	7322.55
Change in Indebtedness during the financial year				
• Addition	NIL	169.95	NIL	169.95
• Reduction	4.50	NIL	NIL	4.50
Net Change	(4.50)	169.95	NIL	174.45
Indebtedness at the end of the financial year				
• Principal Amount	101.88	1257.39	NIL	1,359.27
• Interest due but not paid	1,615.19	4384.09	NIL	5,999.28
• Interest accrued but not due year	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1,717.05	5,605.48	NIL	7,322.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTM/ Manager				Total Amount
		Shri Sudhansh Pant(CMD) upto 08.03.2018	Shri Navdeep Rinwa (CMD) w.e.f 28.03.2018	Shri Rajneesh Tingal	----	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s17(2) Income-tax Act,1961	Nil	Nil	Nil		Nil

	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
	Stock Option	Nil	Nil	Nil		Nil
3.	Sweat Equity	Nil	Nil	Nil		Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil		Nil
5.	Others, please specify	Nil	Nil	Nil		Nil
	Total (A)	Nil	Nil	Nil		Nil
	Ceiling as per the Act	Company being Government company, ceiling as per Act not applicable				

B. Remuneration to other directors: Nil

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Manhar Bhai Jala	----	----	---	
	3. Independent Directors					
	<ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 	Rs. 5000/-				
	Total (1)					
	4. Other Non-Executive Directors	There is no other Director				
	<ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 	NIL				NIL
		Nil				Nil
		Nil				Nil
	Total (2)	NIL				NIL
	Total (B)=(1+2)	NIL				NIL
	Total Managerial Remuneration	NIL				NIL
	Overall Ceiling as per the Act	Not Applicable				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-:
Company does not have any CEO/CFO/CS

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT made,/ COURT	Appeal made if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS : N.A.					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Annexure II

ADDENDUM TO THE 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, 2018.

AUDITOR'S OBSERVATION	MANAGEMENT REPLY
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.	The assets pertaining to the blocks/areas 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
(ii) Capital work in progress include certain very old items of plant and machinery shown separately in Note no. 2.6 of Plant Rishikesh Audited Financial Statements with a total value of Rs.2,23,01,563. These items could not be capitalized 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.	Capital work in progress include very old, items of plant and machinery shown separately for total value of Rs 2, 23, 01,563.00. We have made the provision of Rs. 1,89,56,329.00 of 85% of total value Rs. 2,23,01,563.00
(iii) The company has not recognised the impairment loss on fixed assets as per Accounting Standard 28. Since the assets of the company are 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.	We have made 95% depreciation in the books of Accounts and remaining 5% value has been kept in the books of Accounts towards rating value as per accounting policy.
(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	The valuation of inventory is being done as per past practice

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.	Only those creditors and debtors balance confirmations are not available which are pending from last many years. Since, IDPL is in process of reconciliation of all the receivables and payables, this will be arranged in the coming year.
(vi) Grant received amounting Rs.2.06 Crore out of which Department of Biotechnology 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.	The grants unutilized has been shown under Current Liability. It is as per past practice followed by company.
(vii) The Company 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 values in the balance sheet are overstated.	IDPL cannot write off any liabilities/assets without the approval of Ministry.
(viii) Note.2.1 of Plant Rishikesh Audited 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. Further decision for initiating of closure proceeding of the PSU is also taken by cabinet as per the letter no. F.No.54014/1/2016-PSU dated 09.01.2017 issued by Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals, Shastri Bhawan New Delhi. However, the financial statements of the unit have been prepared on a going concern basis.	This is as per past practice followed by the company.
(ix) The (loss)/profit of Roorkee depot related to previous year has not been incorporated in the opening balance sheet which result in difference in opening balance of the current year and closing balance of the last year.	This is taken in consolidated balance sheet.
(x) The Company has incurred transport expenses of Rs.6, 08,146 on which tax is to be paid on reverse charge basis under G.S.T. Act which comes to Rs.30, 408 but the G.S.T of Rs.30, 408 is adjusted against the input tax credit which result in wrong claim of G.S.T. therefore the unit is required to pay G.S.T. of Rs.30, 408 with interest on transport expenses and also to reverse the input tax credit wrongly claimed. Further	All GST dues/liabilities will be paid /realized subject to confirmation..

we also report that no GST was paid on payment made to advocates of Rs.94,950 in which G.S.T. liability of Rs.17,091 is to arise.	
(xi) The Company has claimed G.S.T. credit of Rs.26, 93,639 on purchases of raw material which consumed in exempted sales against the Taxable Sales which result in increase of profit for the year under consideration by the same amount.	All GST dues/liabilities will be paid subject to confirmation.
KOLKATTA, PATNA,CUTTACK AND GUWAHATI REGIONS (CONSOLIDATED)	
1. Aggregate of Claims recoverable, Advance Recoverable, Advance to other than Employees and Advance to Railways/Transport amounting to Rs 40,85,471.82 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, 2018.Had the provision been made for the entire amount of Rs. 40,85,471.82, the loss would have increased by Rs.27,001.35 and current asset decreased by Rs. 27,001.35.	Provisions for 99.27 % has already has been made. Non provisions refer in para is only 0.73% which is quite negligible.
2. Provision for Gratuity and Leave Encashment has not been made as these are dealt with at Head Office.	No comments. As the para is only information
3. Trade Receivables includes Rs. 21.16 lac which is under CBI investigation	No comments. As the para is only information
4. The balances of Trade Payables, Trade Receivables and Advances have remained unconfirmed	
5. The balance of Trade Receivables of RO Patna as at 31.03.18 was Rs. 2,17,31,766.49. Out of the total trade receivables, Rs. 54,93,302.21 is un-reconciled i.e. to whom the sales were made are not traceable. Therefore, provision has to be made for the entire amount.	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken.
6. The balance of Advance from Customers of RO Patna as at 31.03.2018 was Rs 3,14,260.60, the parties from whom the amounts have been received as advance are not traceable.	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since2003. Due to this corrective actions if any, with reference to observations could not be taken
GURGAON PLANT	
(i) The Stock of stores and spares, stationery has been valued at cost price. The management has made part provision of Rs 15.50 Lacs for the non-moving/obsolete stocks. Since almost all the stores and spares items out of Total stores amounting to Rs 67.76 Lacs are quite old and not moving, and part of it amounting to Rs 10.63 Lacs	Valuation of Inventory is done as per past practice.

stores are not even traceable thus may impact on profitability to the extent of its cost less realizable amount .	
(ii) 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.	Valuation of Inventory is done as per past practice.
(iii) 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 2,83,764 are pending since long, thereby decreasing losses by Rs. 3,57,634.	Suitable action will be taken in the next year.
(iv) The Fixed Assets have not been reconciled with the assets register. Impact on Profitability if any could not be ascertained.	
v) 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.	
(vi) 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	
(vii) 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 are outstanding in books since last many years (Not confirmed since which year) & found no claims.	
(viii) Share of C.O Expenses Rs 2,86,12,152 and Marketing Div. expenses Rs. 4,13,01,707 has been charged on the basis of e-mail from corporate office stating to increase ad-hoc 5 % as compared with previous year where as the Turnover has reduced to Half as compared with previous year. We are unable to comment on the correctness of expenses claimed by the plant as no supporting vouchers or Debit Note from HO produced by us	Allocation of expenses is done on the basis of total production in IDPL plants
(ix) 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.	ECPF Trust is being wound up by transfer of all the assets and liabilities to employees provident fund commissioner.
(x) No Provision has been made for doubtful amount of Rs. 69,45,925 (P.Y. 64,79,067) shown as recoverable from ex- employees for rent and other expenses which is pending and thereby understating losses by Rs. 69,45,925.	IDPL is on verge of closure and all such reconciliations are in process.
(xi) 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.	This is as per the past practice followed in the company
(xii) 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	This is as per past practice followed in the Company.

the Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.	
(xiii) The Plant has made the provision of Gratuity of Rs.2, 40,089 and Leave Encashment of Rs.28, 332 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.	Due to very low staff strength provisions for leave encasement 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
(xiv) 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.	IDPL is on verge of closure and all such reconciliations are in process
(xv) Rs 1, 35, 12,678 shown as Purchase Tax/Entry Tax up to June, 2017, the company has not paid the liability & No provisions for interest on Payable of tax were computed & provided thus the loss is understated to the extent of interest payable on Tax Liability.	
(xvi) There is difference in Balance with Associate Branch/Corporate office amounting to Rs 12, 58,712, which will have an impact on Profit & Loss Account.	
REGIONAL OFFICE- MUMBAI	
(i) No provision has been made for sundry debtors and deposits account. Such account balances for since number of 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. 30,11,752/- Details of respective balances are detailed below: a) Sundry Debtors amounting Rs. 20,20,106/- b) Sundry Deposits amounting Rs. 9,61,006/- c) Advance to Employees/contractors and others Rs 30,640/-	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken.
(ii) The bank reconciliation statement as on 31/12/2018 has old difference of Rs. 54,348/-	Noted for corrective actions, if any in future
(iii) 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/-	Noted for corrective actions, if any in future
(iv) The Regional Sales Office's inventories are carried in the Balance Sheet at Rs. 58,54,919/-, out of which stock amounting to Rs. 18,37,547/- 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	Valuation of Inventories is done as per past practice. Noted for corrective actions, if any, in future.

Accountants of India, the result of which is not quantifiable.	
<p>(I) Rs 2,75,14,085 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 1, 42, 91,699.34 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. There is difference of Rs 3,93,616.82 of unreconciled debtors of which no details are available.</p>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken</p>
<p>(II) 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 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 were records available. The amount seems to be doubtful of recovery.</p> <p>E-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.</p>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken.</p>
<p>(III) Rs. 15, 80,538/- 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 2018 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>Noted for corrective actions, if any, in future.</p>
CORPORATE OFFICE	
<p>(i) 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.</p>	<p>This is as per the past practice followed in the company</p>
<p>(ii) The inter unit Debit balance reflected under "Other Current Assets" (Inter unit) in Financial statements at Corporate Office Rs 54,81,08,96,807 (Pr. Yr Rs 54, 66, 13, 35,309) 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</p>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if</p>

	any, with reference to observations could not be taken
<p>(iii) The Financial Statements of Corporate Office comprising of Balance Sheet as at 31.03.2018 & 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.</p>	Noted for corrective actions, if any in future
<p>(iv) 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.2,51,66,54,026(Pr. Yr. Rs.2,51,66,54,026) 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>	Terms of repayment and rate of interest are subject to the approval of revival plan.
<p>(v) The amount disclosed under "Other Long Term Liabilities Rs. 113, 09, 72,138 (Pr. Yr. Rs. 109, 16, 12,138) 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. Included in above "Other Long Term Liabilities" is amount of advance for customer Rs.14, 63, 60,246 (Pr. Yr. Rs.14, 63, 60,246) 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. 80,38,28,658 (Pr. Yr. Rs. 76,94,68,658). 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 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. 80,38,28,658 (Pr. Yr. Rs. 76,94,68,658) are also over stated to that extent. (c) Included in above "Other Long Term Liabilities" is an amount of Rs.93,01,83,310 (Pr. Yr. Rs.92,51,83,510) 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</p>	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken.

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.	Due to very low staff strength, provisions for leave encashment and gratuity have been accounted for on the basis of amount calculated by the company and no actuarial valuation has been conducted in the company.
(VI) Under Long Term Provisions, the 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.	This is as per the Industry Practice.
(vii) Short Term borrowings "Cash Credit accounts" with Banks "of Rs. 87, 36, 16,535 (Pr. Yr. Rs. 91, 84, 94,024) 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 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.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.	The borrowing from the banks have since been reconciled and confirmed by the banks. Based on the minutes of meeting held on 27.12.2018 banks have agreed to receive principal amount together with simple interest calculated at the interest rate of average MCLR rate of 8.15% for the period 1992 to March 2018.
(viii) Trade payables of Rs. 7, 56, 56,654 (Pr. YrRs. 7, 57, 76,654) 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.	IDPL is on verge of closure and all such reconciliations are in process
(ix) "Other Liabilities" amount of Rs.7,79,40,899 (Pr. Yr. Rs.7,68,06,288) 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.	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper

<p>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.</p> <p>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.</p> <p>Included in above "Other Current liabilities" are amount payable to ECPF Trust Rs. 4,53,07,152 (Pr. Yr. Rs. 4,53,07,152) 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.</p> <p>Included in above "other current liabilities" are amounts payable on account of TDS, Service Tax payable, GST, Service Tax IBS which are outstanding. Further disputed statutory liabilities are unascertained.</p>	<p>records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken.</p>
<p>(x) The Company is not maintaining proper fixed assets register showing the details of the fixed assets belonging to the Company. No report of physical verification of fixed assets was produced before us for our verification and perusal. No reconciliation between fixed assets register and accounting records along with scrap register was produced for our verification. In absence of the same we cannot comment on quantum and value of fixed assets appearing in accounting records of the Company vis-à-vis physical assets further Impact of loss on assets due to non - reconciliation/scrap is not ascertainable.</p>	<p>Fixed Assets lying in the books can be physically verified however, no separate registers are being maintained.</p>
<p>(xi) 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> <p>Investment made in 6,74,000 Unquoted Equity Shares of its subsidiary Company "Orissa Drugs & Chemical Limited" and 40,00,00,00 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 status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as "Under Liquidation", which has also impacted the Investment of the Company amounting to Rs 67,40,000 given to Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The loss in our opinion is of a permanent nature. The Corporate Office has not provided for any loss on this account.</p> <p>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 status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as</p>	<p>This will be looked in subsequent year for needful actions. However, old assets records are non traceable. Share certificate is available with the company. Accounts of subsidiaries in which investment has been made are still not updated hence loss is unascertained and hence not provided for.</p>

<p>"Under Liquidation", which has also impacted the Investment of the Company (Share Application Money) amounting to Rs 6,99,000 given to Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The Corporate Office has not provided for any loss on this account.</p>	
<p>(xii) Long Term Loans and advances of Rs.1, 45, 48, 91,677 (Pr. Yr. Rs.1, 39, 18, 01,102) against with provision of Rs.8, 79,918 (Pr. Yr. Rs. 8, 79,918) Nett Rs. 1,45,40,11,759 (Pr.Yr. Rs. 1,39,09,21,184) 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> <p>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.</p> <p>Under "Long term Loans & Advances", Advances made to Subsidiary companies Rs.87, 29, 16,792 (Previous Year Rs. 80, 98, 26,217) are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. The status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as "Under Liquidation", which has impacted the Advances of the Company amounting to Rs 17,06,62,059 given to Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The Consequential impact on loss and assets of the company due to adjustment is unascertained.</p> <p>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>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to these corrective actions if any, with reference to observations could not be taken.</p>
<p>(xiii) Balances under "Trade Receivable" outstanding for period exceeding six months Rs. 8,36,99,504 (Pr. Yr. Rs. 8,64,41,638) includes long trade receivables at various regional offices, now transferred to Corporate office. There is wrong classification in aging of Book Debts to the extent of Rs 93.94 Lacs, which have classified as amount outstanding for more than six months where as it is less than six months. Out of "Trade Receivable" of Rs. 8,36,99,504 , Rs 6,38,68,462 is the amount of "Trade Receivable" outstanding for period exceeding three years out of which provision of Rs 20,69,981 had been made in the earlier years as doubtful. No provision has been made in the current or previous year(s). In our opinion, the provision for the amount outstanding for more than three years of Rs 6, 17, 98,481 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.</p>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken. However, we are in process of reconciliation of old receivables and payables.</p>
<p>xiv) Short Term Loans and advances of Rs.8,90,62,966 (Pr.Yr. Rs.8,67,37,917) 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</p>	

<p>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(including suspense and unlinked entries of Rs 3,05,49,781.94 un-reconciled/unidentified/unadjusted for the last many years). In our opinion provision against the Unsecured advances (including suspense and unlinked entries of Rs 3, 05, 49,781.94) in books of account against doubtful advance is not adequate. The detail of non-movement of advances (including suspense and unlinked entries of Rs 3, 05, 49,781.94).</p> <p>These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Had the provision been made for the entire amount of Rs. 5,08,21,993.95 the loss would have increased by Rs.3,56,10,174.95 and Short Term Loan Advances decreased by Rs.3,56,10,174.95.</p>	
<p>(xv)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>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken.</p> <p>However, we are in process of reconciliation of old receivables and payables.</p>
<p>EMPHASIS OF MATTER</p>	
<p>CORPORATE OFFICE</p>	
<p>(i) 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.</p>	<p>These are under the supervision and guidance of Ministry of Chemicals and Fertilizers, Govt. of India.</p>
<p>ii) 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.</p>	
<p>iii) 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:</p>	<p>The amount of loans and interest thereon is due from last many years. These will be</p>

	Borrowings approved by BOD on 26.06.1992	Principal amount due on 31.03.2018	Interest accrued and due Un- reconciled	Total as at 31.03.2018	repaid/waived off as per the directions of Govt. of India.
Govt. of India	1,64,02,00,000	12,14,39,25,000	40,96,42,62,000	53,10,81,87,000	
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	87,36,16,535	15,38,56,23,842	16,25,92,40,377	
(iv) 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.					Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken
(v) The amount payable to Small & Medium Enterprises is not ascertainable.					No such transactions take place at Corporate Office level.
(vi) 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.					No comment. As the para is only informative
(vii) During the year Marketing expenses have been allocated to Gurgoan Plant Rs. 6, 99, 13,859 (Pr.Yr. Rs. 6, 65, 84,628), Rishikesh Plant Rs. 7, 27, 67,487 (Pr.Yr. Rs. 6, 93, 02,369) and Hyderabad Plant Rs.21, 17,850 (Pr.Yr. Rs.20, 17,000) total Rs. 14, 47, 99,196 (Pr.Yr. Rs. 13, 79, 03,997) without any basis, hence we are unable to verify/comment upon the accuracy of expenses allocated to these plants.					This is as per the practice followed in the company
(viii) 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 Uttarakhand 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.					No comment. As the para is only informative

<p>(ix) Reference is drawn to Notes to Accounts 3 (A) (s) regarding detail of legal cases annexed with the notes to account , in this regard reference is drawn to our Audit Memo 1, in the said Memo we have desired that 'The Legal cases are bifurcated into Civil and Criminal with financial implications as well. The details may also be provided for those cases as well which were decided during the last 5 years and with present status and financial impact on the company.'</p> <p>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 inspite of Statutory Auditor's Audit Memo. The information provided by the Company is incomplete, deficient and cannot be relied upon. It is further apprised that as a prudent practice the legal cases (Criminal and Civil) for/against the Company decided by the competent court/authorities and no further appeal /ligation have been filed the amount payable/recoverable should be prudently disclosed in the financial statements with due reference in notes to accounts, there must be some cases where execution against the Company is pending should be prominently disclosed in the Notes to Accounts with financial implications. The Legal department of the company have failed to disclosed the detail of financial implications as contingent liabilities and failed to disclose the amount payable/recoverable in decided cases with due reference in notes to accounts. Further Legal Department failed to take the cognizance of letter No F.No 54014/1/2016-PSU ,Government of India ,Ministry of Chemicals & Fertilizers , Department of Pharmaceuticals dated 09th January,2017 which dealt with follow-up action on the Cabinet decision dated 28th December,2016 for closure of Company. The decision of cases filed for/against the Company, which may have favourable/adverse impact on the liabilities/assets of the Company .In absence of Internal Control in the Legal Department we are unable to comment upon the financial implications of the pending/decided/appealed/under execution cases.</p>	<p>Noted for corrective actions, if any in future</p>
<p>(x) 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. It is pertinent to mention that neither the amount of Rs 1, 92, 00,000.00 (Approx) have been shown as Income not this have been shown as Sundry Debtors, there is no disclosure in the notes to accounts. The Branch Statutory Auditor failed to report the matter in Branch Statutory Auditors Report about material misstatement in the Accounts of Hyderabad Plant The Company have defaulted in the compliance of Service tax on due basis .The Board was not apprised for 3-4 Years ,the financial implications is Rs 1,92,00,000.00 (Approx).The Company have not furnished any details pertaining to vacation of premises, staff accountability, Criminal proceedings and Recovery suit pertaining to recovery of rent.</p>	<p>The matter is under legal proceedings.</p>
<p>(xi) The Company have not furnished the status regarding maintenance of centralised data base (pan India) regarding Assets (including Land & Building, residential accommodation(s),Schools and other facilities) given on lease, rent and hire to outside parties, Govt. Establishment, employees and ex-employees, neither the recovery nor the outstanding status of the same is available . We are unable to comment regarding recording of receipt of rent, entering into agreement and recoveries during the previous year and present year upto 31st March, 2018.</p>	<p>All such records are maintained at Plant and Zonal level.</p>
<p>(xii) Special Audit of Roorkee Depot</p>	

<p>There was a Special Audit of Roorkee Depot which was carried out in relation to financial year 2012-13 to 2015-16 after Branch statutory Auditor in its Independent Audit Report of Rishikesh plant for the financial year ending 31st March,2016 disclosed vide para no 2(f) under the head "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" as under "f) 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. The Special Audit was carried on behalf of the management for looking into the loopholes in Roorkee Depot working, the reply on the Special Audit Report is still awaited from the depot and the corresponding impact of that on the Financial Statements can be known after final decision of the Management.</p>	<p>No comment. As the para is only informative</p>
<p>(xiii) Regarding status of Flats in RSO Mumbai: - The RSO Mumbai in its financial statements did not disclose the desired information nor the Branch Statutory Auditor did not verify the veracity the status of flats in its Statutory Audit Report. The details of anomalies are as under:- Disposal of scrap (unused and broken/unserviceable furniture in flats) without following proper procedure. The audited financials of RSO Mumbai have not commented regarding total compensation to be received, received and outstanding amount. Legal vetting of chain in the Registrar /Sub-Registrar office regarding ownership of flats. Display of board "Property of IDPL" at all places. The fixed assets schedule of audited financials of RSO Mumbai in Note 7 "Township Building", but it did specify breakup of Township Building into No of flats nor the value of each flat as these flats are in different societies whereas these 12 (Twelve) flats are located – 3 flats in Goregaon (Goregaon Pearl Co-operative Housing Ltd), 4 flats in Poiser Saurabh Society, Kandivali East,3 flats in Poiser Ashiana Society,Kandivali East, and 2 flats in Poiser Akansha Society, Kandivali East. The fixed assets schedule of audited financials of RSO Mumbai have not disclosed nor commented by the Branch Statutory Auditor regarding three houses in Goregaon (Goregaon Pearl Co-operative Housing Ltd) are under redevelopment which was supposed to be completed by July,2010 and revised date of possession was 31st January,2020.The status as on 12th November,2018 should have been given in Audited Financial Statements at the time signing of Audited Financial of RO Mumbai..</p>	<p>The matter is under the legal proceedings.</p>
<p>(xiv) Non Compliance of Directions and 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 .</p>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken. However, we are in process of reconciliation of old receivables and</p>

	payables.
<p>(xv) (a) In the year 2016-17 the Company received Grant of Rs 500.00 Lacs for WHO-GMP upgradation under critical assistance category for its Hyderabad Plant. In the year 2015-16 also the Company received Grant of Rs 740.00 Lacs 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 1735.00 Lacs received from Govt. Of India (other than received for VRS payments) is appearing Other Long Term Liabilities, however amount transferred to IDPL Plants situated at Rishikesh, Gurgaon & Hyderabad and ODCL & Tamil Nadu(Chennai) have not been reduced based upon the utilisation as on the end of the financial year .</p> <p>From the available records and documents produced before us, the Company have received Rs 1,735.00 Lacs from Govt. of India as Grant as per sanction letter(s), out of which Rs 520.00 Lacs was transferred to Plants/JV/ Subsidiaries.</p> <p>Reference is drawn to Branch Statutory Auditor of Plant Rishikesh comment on Government Grant which states that “There is old outstanding Government Grant of Rs.2.06 crore out which DBT assets have been booked worth Rs.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”, this Grant stands refundable to Corporate Office further there is no details of DBT assets in the Audited Financial Statements of Plant Rishikesh.</p> <p>The IDPL needs to further strengthen its records pertaining to utilisation of Grants received from Govt. of India further required documents pertaining to utilisation of Govt. Grant from Plants concerned needs to be taken (duly audited). The compliance of rules as stipulated in GFR -2005 pertaining to Grant-in-Aid needs to be further strengthened. All Grants-in-Aid which are unutilized as on 31st March,2018 with Corporate Office, Plants, JV and Subsidiaries should be shown separately. Reference is drawn to Notes to Accounts no 1 that consequent to the decision of Cabinet for closure of IDPL in December 2016, fund and its utilisation was kept in abeyance. The unutilized Grant-in-Aid including interest earned thereon received from Govt. of India upto 31st March,2018 with Corporate Office along with unutilised Grant lying with Plants, JV and Subsidiaries should be shown under the head “Other Current Liabilities” instead of “Other Long Term Liabilities” further the Company have not formulated any accounting policy with regard to government grants, including the methods of presentation in the financial statements. The quantum of the same is indeterminate.</p>	<p>The accounting of grant in aid and its utilization is done as per the Sanction letter however, IDPL is in a Process of improving its internal practices to make appropriate disclosures.</p>
<p>(xv) (b) The IDPL needs to further strengthen its records pertaining to utilisation of Unsecured Loans received from Govt. of India further required documents pertaining to utilisation of Unsecured Loans from Plants concerned needs to be taken (duly audited). The compliance of rules as stipulated in GFR -2005 pertaining to Grant-in-Aid needs to be further strengthened. All Unsecured Loans which are unutilized as on 31st March,2018 with Corporate Office, Plants, JV and Subsidiaries should be shown separately. Reference is drawn to Notes to Accounts no 1 that consequent to the decision of Cabinet for closure of IDPL in December 2016, fund and its utilisation was kept in abeyance. The unutilized Unsecured Loans including interest earned thereon</p>	<p>Noted for corrective action in future.</p>

<p>received from Govt. of India up to 31st March,2018 with Corporate Office along with unutilised Unsecured Loans lying with Plants, JV and Subsidiaries should be shown under the head "Other Current Liabilities" instead of "Other Long Term Liabilities" further the Company have not formulated any accounting policy with regard to Unsecured Loans, including the methods of presentation in the financial statements. The quantum of the same is indeterminate.</p>	
<p>(xvi) 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. As per information provided the accounts of ODCL have been completed up to FY 2011-12, BDOCL up to 2017-18 and IDPL (Tamil Nadu) Ltd up to 2009-10</p>	<p>Since the Books of accounts of subsidiaries companies in arrears, consolidation is not possible.</p>
<p>(xvii) The compliance of comments of the Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act ,2013 on the Financial Statements of the Company for the year ended 31st March,2015 -The replies were submitted to Comptroller and Auditor General of India on 12th May,2016, the Comptroller and Auditor General of India vide their letter dated 21st June,2016 issued comments u/s 143(3)(b) of the Companies Act,2013.The Management incorporated their replies in the Annual Report of the year 2014-15, the status of acceptance of Management Replies by the Comptroller and Auditor General of India in not available.</p>	<p>The acceptance of CAG will be provided.</p>
<p>(xviii) The Company terminated the contract with Service Agents vide letter no NIL dated 22nd December,2016. The statutory notice of one month was not given, further status of recovery of records and reconciliation, status of liabilities including Statutory Liabilities of these Service Agents , Status of recoveries of the parties handled by these Service Agents and C & F Agents, against the opening balance as at 31-03-2017 and balance confirmation of amount due from various authorities (Book debts) on the supplies made to through them is indeterminate from various Service Agents. During the year the Regional offices paid and/or incurred/booked expenses towards commission (Service Agents)/liquidated damages/provision for bad and doubtful debts</p>	<p>The termination of C&F agents agreement was done considering the discrepancies on their part in collection and deposit of Service Tax, company is in the process of reconciling the amount of commission due and taxes thereon.</p>

<p>(xix) (a) Reference is drawn to Trade Receivables (Gross) – Rs 3,793.40 Lacs ,out of which the Trade Receivables which are doubtful in nature and/or outstanding for more than one year (though considered as unsecured, considered good (as classified by the RO , Plants and Corporate Office) are Rs 1,725.05 Lacs. This comprises 46 % (Approx.) of the total Trade Receivables. There is short provisioning as reported by Branch Statutory Auditors and have qualified their opinion in the Branch Statutory Auditors Report regarding under provisioning of Bad & Doubtful Debts and also we further emphasise that in absence of any reconciliation and balance confirmation, , the RO , Plants and Corporate Office should have reviewed the provisioning status and additional provision for bad and doubtful debts should have been provided. No reasons have been specified in the Notes to Accounts except “subject to reconciliation and confirmations” it construes that outstanding(s) may be due to late delivery, rejection and non-handing over of records by service agents and these Trade Receivables are unconfirmed and unrealized without any cogent reason</p> <p><u>(b)Wrong classification/ understatement of Trade Receivables:-</u>Reference is drawn to Trade Receivables (Gross) –Rs 3,793.40 Lacs, it has been observed that wrong classification have been done of Trade Receivables and/or Advance from Customers which has resulted in understatement of Trade Receivables</p>	<p>Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken</p> <p>However, we are in process of reconciliation of old receivables and payables.</p>
<p>(xx) In Gurugram Plant of the Company there are 128 Flats in the Town Ship of various categories such as A,B, C and D. Out of these 128 Flats, 60 Flats were vacant as on 31st March,2018 and rest Flats are occupied by Plant employees, Corporate Office employees ,Ex-Employees and Contractors .There are 36 Flats under various categories which have been occupied by Ex-Employees/VRS opted Employees and they have occupying since last 17 years have not paid Rent, Electricity, Water and Maintenance charges to the Estate Department. The total gross outstanding towards these 36 Flats as on 31st March,2018 is Rs 1,18,90,377 and after adjustment of retained amount of Rs 28,37,972, the outstanding amount towards Rent, Electricity, Water and Maintenance charges as on 31st March,2018 is Rs 90,52,405. There is no Rent Agreement with the Ex-Employees/VRS opted Employees and the Company is supposed to charge 50% of the market rent from Ex-Employees/VRS opted Employees. The Company needs to work out the market value of rent of these flats and recalculate the outstanding rent since their retirement and /or VRS, implementing the decision dated 07th December, 2006 along with dues of Electricity, Water and Maintenance charges. The Gurugram Plant have issued recovery notices for recovery of Rent, Electricity, Water and Maintenance charges, the Gurugram Plant is awaiting for reply of Legal Department for further course of action.</p>	<p>Tnis is as per the past policy followed by the company.</p>
<p>(xxi) The Company have defaulted in complying with the requirement(s) as stipulated by Registrar of Companies, time to time, the fees and penalties to be paid shall be determined at the time compliance</p>	<p>We are in process of completing ROC pendencies.</p>
<p>(xxii) Reference is drawn to DHBVN issued a notice dated 30th May,2016 to IDPL Corporate Office regarding wrong billing(unauthorised use of electricity) of electricity provided to IBS in IDPL Complex .This notice was issued for unauthorised use of electricity and charging tariff under HT Industrial tariff instead of Non Domestic Supply(NDS) to IBS in IDPL Complex. The billing of the IDPL was found under HT Industrial tariff and it was required under NDS tariff (to be billed) which was higher than the HT Industrial Tariff. The penalty of Rs 2,68,62,270 for the period from January,2014 to May,2016 was imposed due to violation of section 126 of Electricity Act,2003.The present fine/penalty was showing Rs 3,76,26,408 in electricity bill of</p>	<p>Noted for corrective actions in future.</p>

December,2019.The IDPL Corporate Office did not disclose Rs 2,68,62,270 in the books of accounts for the year ending 31 st March,2018 as liability or contingent liability (subject to challenge of penalty notice dated 30 th May,2016 of DHBVN before competent court of law or authority), further the IDPL Corporate Office should have disclosed Rs 1,07,64,138 as contingent liability.	
(xxiii) Reference is drawn lease of portion of A & B Block Hostel to IBS New Delhi w.e.f 01.10.2010 till date .The IBS has not paid any service tax on the let out services rendered by the Company upto June, 2012.The Company has calculated that IBS has not paid an amount of Rs 95, 08,938 for the period June 2007 to June 2012.No Service Tax assessment has been made for the period from Octobe, 2001 to May, 2001.The records for period from 2001 to 2007 is not available. The amount of Rs 95, 08,938 should be shown under Contingent Liability along with working of interest and penalty. Under the head "Other Liabilities" an amount of Rs 29,85,348 is service tax from IBS on account is payable, out of this amount of Rs 11,29,722 is pertaining to the financial year 2014-15 and rest amount of Rs 18,55,526 pertains to the period from October,2013 to March,2014 and similar amount is recoverable from IBS. The amount of interest and penalty should be shown under Contingent Liability.	Noted for corrective actions in future
(xxiv) Reference is drawn to note on Inventories at various plants, regional offices and corporate offices and its further analysis have revealed deficiencies in reporting on provisions for expired stock	Noted for corrective actions in future
Non-Compliance of points in Audit Memo's not addressed by Units/Regional Offices and Plants having impact on Financial Statements	
REGIONAL OFFICE- LUCKNOW	
(i) 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.	No such adverse comment in last year
(ii) As stated above there are amounts received from parties aggregating to Rs.15, 80,538/- as on 31st March, 2018 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 of Audited Financial Statements of R O Lucknow may also change .	Noted for corrective actions, if any in future.
(iii) Rs 54,483/- has been shown as Salary payable in Note 6 of Audited Financial Statements of R O Lucknow. The amount of Rs 45,769/- is unreconciled and outstanding for past many years	This will be relooked in subsequent years for needful
(iv) We have observed that few payments were made against demand of VAT/Sales Tax against the amount as stated in Notes to Accounts of Audited Financial Statements of R O Lucknow relating to contingent liability to the department aggregating to Rs.7,81,462.34/- of which Rs 2, 34,439/- has been paid for the A.Y 2009-10 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.	The amount is routed through Inter unit balances as per the past practices.
(v) 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 .	This is as per past practice followed in the company.
(vi) No provision for audit fees of Rs.50,000/- has been made. The audit fee has been provided in accounts on cash basis.	Noted for corrective actions, if any in future

(vii) The company has not deposited GST under reverse charge mechanism on commission paid to Service Agents who are not registered with GST Authorities applicable 01-07-2017 to 12-10-2017.	The agreement with Service agents was under the scrutiny at that moment.
(viii) There is old variance of Rs 3,93,612.82 in sundry debtors for past many years between balance as 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	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken
(ix)SUNDRY CREDITORS AND LIABILITIES:	
<p>Rs 14,82,361.21 is outstanding to parties shown as Current Liability as per Note 5 of Audited Financial Statements of R O Lucknow 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.</p> <p>Rs. 7,13 017.81 (Refer Note- 4 of Audited Financial Statements of R O Lucknow) 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 17,03,306/- (as per Note- 4 of Audited Financial Statements of R O Lucknow). The amount of interest payable is much higher than the amount of deposits and increasing every year without any payment and claim .</p> <p>Rs. 31,65,012.68 and Rs 30,42,330/- (refer Note-4 of Audited Financial Statements of R O Lucknow) 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>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>Rs. 20,01,706.21 (refer item (b)(xv) of Note-4 of Audited Financial Statements of R O Lucknow)- , 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>	Due to bulk VRS, almost all the employees of IDPL left in 2003. This has resulted in non availability of proper records as well as staff since 2003. Due to this corrective actions if any, with reference to observations could not be taken
RISHIKESH PLANT	
(i) Notes to account 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.	No comments. As the para is only informative
(ii) Share in Central office and marketing division expenses amounting of Rs.72767487/-shown as expenditure is on the basis of advice from corporate office, for which we are not in position to comment upon.	Allocation of expenses is done on the basis of total production of IDPL Plants

(iii) 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 fed on COBOL programming software which obsolete and outdated software system, it is highly suggested that accounting system should be 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	No comments. As the para is only informative
(iv) The Company has written back provision of inventory of Rs.21.59 lacs on account of consumption of old material during the year and declared the amount under the sub heads other income of main head Other Income.	No comments. As the para is only informative
(v) The Company has claimed Rs.121035/- input credit of VAT in TRANS-1 against the total credit of Rs.871035/- thereby relinquish Rs.750000/-. This credit of Rs.871035/- was already expensed in the past on the basis that it would be taken in the account as input credit was allowed by the V.A.T. (G.S.T.) Department.	No comments. As the para is only informative
HYDERABAD PLANT	
(i) 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.	This is as per the policy followed by the company
(ii) The company is providing Depreciation on the Plant & Machinery under Straight line method at rates specified by the Companies Act, 1956 even though the Plant & Machinery were not in working condition. Hence we are unable to comment on the net block of Plant & Machinery.	This is as per the policy followed by the company
(iii) 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.	This is as per the policy followed by the company
(iv) The accounts have been maintained on a going concern basis. During the financial 2017-18 .On 09-10-2017 commercial production of Formulation Block-42 started tablets and ointments. The capital expenditure of Rs 1506.43 Lakhs incurred till 8th October 2017 has been allocated to assets on pro-rata basis.	
(v) The assets of the New Formulation Block includes net block value of Rs 1 plus conversion cost of the following assets: Transformers: Rs 8.22 Lakhs Old LAF : Rs 0.34 Lakhs	
(vi) 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.	Efforts are on at government level to make APSEB agree on waiver of surcharge and additional charges imposed by them on delayed bills because this company is sick from 1992
(vii) We are unable to comment on the closing balances as we were not provided with confirmation letters from Creditors, Depositors.	Valuation of Inventories is done as per Cost or NRV whichever is low
(viii) There is no valuation of inventories or verification of assets either movable or	

<p>fixed by the management and there is no inventory register of Fixed Assets in respect of old block. With regard to new Formulation Block-42 Fixed Asset register is being maintained in Excel format and being converted to manual Fixed Asset Register</p>	basis and Fixed Assets are maintained as per the policy of the Company.
<p>(ix) There is delay in the finalization of accounts of Hyderabad Plant due to capitalization of assets.</p>	
REGIONAL OFFICE- MUMBAI	
<p>(i) Without qualifying our opinion, attention is invited to note on contingent liability "An arbitrator is appointed by Bombay High Court vide arbitration application No 22 of 2018 dated 19th July,2018 in the matter of claim by one of super stockiest M/s Rama Ark Medicine Distributors Pvt Ltd through its managing director, Mr Arjan Atmaraman Changrani against Indian Drugs & Pharmaceuticals Limited. Super stockiest M/s Rama Ark Medicine Distributors Pvt Ltd has claimed old outstanding advances along with cumulative interest of 2 % P.M to Rs 48,42,36,223.Final award from the learned Arbitrator is still pending .Pending outcome , no provision has been made in the accounts for the same.</p>	The matter is under legal proceedings.
<p>(ii) A Public Interest Litigation has been filed against the company vide PIL No. 29440/2011 before Hon'ble Bombay High Court for invoking its extra-ordinary jurisdiction under Article 226 & 227 of the constitution of India and for directing BIFR to order Winding –up of company.</p>	The matter is under legal proceedings.

Annexure -V

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

Corporate Governance is a systems, process 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 shareholder sand 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 operation leading to sharply focused and operationally efficient growth, It is of the firm conviction that the good governance is a pre-requisite to attainment of excellent performance in terms of all its stakeholders' value creation. Your Company strongly believes in marinating 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 and Managing Director (CMD) manage the business of the Company under the overall supervision, control and guidance of the Board.

a) As on 31st March, 2018, the Board consisted of Three Directors Namely:

Shri Sudhansh Pant, CMD (upto 08.03.2018)

Shri Manharbhai Zala, Independent Director

Shri Navdeep Rinwa, CMD (w.e.f 28.03.2018)

b) During 2017-18, two meeting were held as under

292nd meeting held on 02nd June, 2017

293rd meeting held on 15th November, 2017

c) Constitution of Board of Directors and related information

Name of the Directors	Category	No of Board Meeting with Attendance	No of outside Board Committee Membership/ Chairmanship as on 31.03.2018
Shri Sudhansh Pant	CMD	2/2	Director at IDPL(Tamil NADU) Ltd.

			Chennai, Director at Bihar Drugs & Organic Chemicals Limited, Muzaffarpur, Director at Orissa Drugs & Chemicals Ltd. Bhubaneswar
Shri Navdeep Rinwa	CMD	-	Director at IDPL(Tamil NADU) Ltd. Chennai, Director at Bihar Drugs & Organic Chemicals Limited, Muzaffarpur, Director at Orissa Drugs & Chemicals Ltd. Bhubaneswar
Shri Manharbhai Zala	Independent Director	2/2	

3. AUDIT COMMITTEE

There is no 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 Company by the Audit Committee of Holding Company.
- b) Board of Holding company reviews the performance of Subsidiaries Companies. The Board is periodically informed about all significant transaction and arrangements entered into by the Subsidiary companies.

5. DISCLOSURES

a) **Remuneration of Directors:** In case of full time Chairman cum Managing Director (CMD), terms and conditions of appointment are fixed by Government of India while making the appointment. No remuneration is paid by the company if additional charge of CMD is entrusted to any official of the Ministry. 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 of the Company. Any unethical conduct is to be brought to the attention of immediate senior 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 operation.

6. ANNUAL GENERAL MEETING

Financial Year	Date	Time	Venue
2015-16(55 th)	07.09.2016	11.00 AM	IDPL Gurgaon
2016-17(56 th)	Meeting not held		
2017-18(57 th named as 56 th)	13.03.2019	11.000 AM	Gurgaon
2018-19(58 th)	Meeting not held		

2019-20 (59 th)	Meeting not held		
2020-21(60 th)	27.01.2022	3.00 PM	Gurgaon

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 (Haryana)-122 016.

b) PLANT LOCATION:

IDPL-Gurgaon Plant

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

Rishikesh Plant

Virbhadr, 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.

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

(RAJNEESH TINGAL)

CHAIRMAN & MANAGING DIRECTOR

Place: Gurgaon

Date:

Annexure VI
INDIAN DRUGS & PHARMACEUTICALS LIMITED
Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

S No.	Name of the subsidiary	Bihar Drugs & Organic Chemicals Limited	IDPL (TAMILNADU) LIMITED	Orissa Drugs and Chemicals Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.
3.	Share capital (Rs.)	1,32,14,900	5,00,000	4,00,00,000
4.	Reserves & surplus	Accounts not ready	Accounts not ready	Accounts not ready
5.	Total assets	Accounts not ready	Accounts not ready	Accounts not ready
6.	Total Liabilities	Accounts not ready	Accounts not ready	Accounts not ready
7.	Investments	Accounts not ready	Accounts not ready	Accounts not ready
8.	Turnover	Accounts not ready	Accounts not ready	Accounts not ready
9.	Profit before taxation	Accounts not ready	Accounts not ready	Accounts not ready
10.	Provision for taxation	Accounts not ready	Accounts not ready	Accounts not ready
11.	Profit after taxation	Accounts not ready	Accounts not ready	Accounts not ready
12.	Proposed Dividend	Accounts not ready	Accounts not ready	Accounts not ready
13.	% of shareholding	51%	100%	100%

Note: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – NIL
- Names of subsidiaries which have been liquidated or sold during the year- NIL



कार्यालय प्रधान निदेशक लेखापरीक्षा (स्वास्थ्य, कल्याण एवं ग्रामीण विकास)
Office of the Principal Director of Audit (Health, Welfare and Rural Development)
इन्द्रप्रस्थ एस्टेट, नई दिल्ली - 110 002
Indraprastha Estate, New Delhi - 110 002

No. - PDA (HW&RD)/AMG-I/PSU-IDPL/2020-21/ 195

Date: 22.07.2021

23 JUL 2021

To,

The Chairman & Managing Director,
Indian Drugs & Pharmaceuticals Limited,
IDPL Complex, Dundahera,
Gurgaon-122016
Haryana

विषय : भारत के नियंत्रक एवं महालेखापरीक्षक द्वारा कंपनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत INDIAN DRUGS & PHARMACEUTICALS LIMITED के 31 मार्च 2018 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ

महोदय,

इस पत्र के साथ कंपनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत INDIAN DRUGS & PHARMACEUTICALS LIMITED के 31 मार्च 2018 को समाप्त वर्ष के वित्तीय खातों पर Comments प्रमाण पत्र भेजा जा रहा है।
कृपया इस पत्र की पावती भेजने की कृपा करें।

संलग्न. यथोपरि

भवदीय

प्रवीण सक्सेना
22/7/2021

(पी. के. सक्सेना)
(उप निदेशक)
(ए.एम.जी.1)

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 2018

The preparation of Standalone financial statements of Indian Drugs & Pharmaceuticals Limited (IDPL) for the year ended 31st March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are 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 3rd March 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Standalone financial statements of Indian Drugs & Pharmaceuticals Limited for the year ended 31st March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability

Other Income (Note-24)

Interest on Term Deposits: ₹ 3.06 crore

(i) The above does not include an amount of ₹ 1.49 lakh being the interest income earned during the year on fixed deposit maintained at State Bank of Bikaner & Jaipur (SBBJ). As per certificate given by SBBJ, interest income earned on fixed deposit receipt 61056924784 was ₹ 4.16 lakh during the year whereas Company accounted only ₹ 2.67 lakh as interest income in the books.

This has resulted in understatement of 'Other Income' and 'Cash and Bank Balances' by ₹ 1.49 lakh and overstatement of 'Loss for the year' by the same amount.

(ii) The above include an amount of ₹ 0.29 lakh being the amount of interest income overbooked in respect of three fixed deposits maintained at Oriental Bank of Commerce. As per certificates

provided by Bank, interest income earned on three fixed deposit receipts (09393031022297/2358/2372) were ₹ 276.24 lakh against the ₹ 276.53 lakh booked as interest income by the Company.

This has resulted in overstatement of 'Other Income' and 'Cash and Bank Balances' by ₹ 0.29 lakh and understatement of 'loss for the year' by the same amount.

B. Comments on Financial Position

(I) Liabilities

(A) Non-Current Liabilities

(i) Long Term Borrowings (Note-5): ₹ 5,605.48 crore

The above does not include an amount of ₹ 1,475.97 crore being the amount of interest payable on loan taken from Life Insurance Corporation of India (LIC). An amount of ₹ 1,550 crore have been claimed by LIC against which company had provided liability of ₹ 74.03 crore in the books of accounts.

Non recognition of liability towards LIC has resulted in understatement of 'Long Term Borrowings-Interest accrued and due' by ₹ 1,475.97 crore and 'Loss for the year' by the same amount.

(ii) Other Long Term Liabilities (Note-7): ₹ 120.95 crore

The above includes ₹ 13 crore as advance received from NBCC Limited for the joint development of Residential-cum-Commercial/IT complex on company land located at Gurugram, Haryana. Memorandum of Undertaking (MoU) signed on 1 January 2009 provides that in case IDPL failed to provide land on account of any reason what so ever in a period of six months from the date of signing of MoU, IDPL will return the amount to NBCC with interest from the date of advance of receipt. The project could not be started and NBCC demanded refund of advance pending with IDPL along with interest thereon. In a meeting held on 19 July 2019, NBCC agreed for settlement of dues at principal plus simple interest at Marginal Cost of Lending Rate (MCLR). In pursuance of Accounting Standard-4, IDPL should have provided interest liability till 31 March 2018 in the books in respect of NBCC Limited dues using SBI one year MCLR as on 1 April 2017 (i.e. 8 *per cent*).

This has resulted in understatement of 'Other Long Term Liabilities' and understatement of 'Loss for the year' by ₹ 9.62 crore.

(B) Current Liabilities

Short term borrowings (Note-9): ₹ 1717.06 crore

The above includes an amount of ₹ 101.88 crore being the balance in cash credit accounts with three banks (State Bank of India, Punjab National Bank and Indian Bank) as on 31 March 2018. However as per joint Lenders meeting held on 27 December 2017, the liabilities of the Company towards bank loans were ₹ 100.80 crore.

Thus 'Short Term Borrowings' were overstated by ₹ 1.08 crore. Consequently 'Loss for the year' is also overstated by ₹ 1.08 crore.

(II) Assets

(A) Non Current Assets

(a) Fixed assets

Tangible assets (Note-13): ₹ 25.33 crore

The Company has adopted opening balance of fixed assets (gross block) as on 1 April 2017 at ₹ 142.02 crore instead of ₹ 143.54 crore by excluding a fully depreciated asset of ₹ 1.52 crore without any recorded justification. This has resulted understatement of 'Tangible Assets' and 'Depreciation Reserve' by ₹ 1.52 crore.

Further, figures of previous year of net fixed assets (tangible assets and capital work in progress) in Balance Sheet do not match with previous year figures stated in Note-13. There was a difference of ₹ 11,830 in net tangible assets and ₹ 57,025 in capital work in progress. As noted, the difference was due to incorrect adoption of figures of 2015-16 as previous year figures instead of 2016-17 in Note-13.

(b) Long Term Loan and Advances (Note-15)

Advances to Subsidiary Companies: ₹ 87.29 crore

The above includes an amount of ₹ 87.29 crore recoverable from two subsidiaries namely Bihar Drugs and Organic Chemicals Limited (₹ 28.81 crore), IDPL (Tamil Nadu) Limited (₹ 41.41 crore) and a joint venture Orissa Drugs and Chemical Limited (₹ 17.07 crore) on account of advances given to them. The subsidiaries i.e. BDOCL and IDPL (Tamil Nadu) Limited have stopped their production since April 1996 and October 2018 respectively and there are no revenue generation activities. The joint venture i.e. ODCL is under liquidation. Considering operational and financial status of these three subsidiaries companies, chances of recovery of advances given to them are remote and thus company should have made provision for doubtful recovery.

Non provision for doubtful recovery of advances given to these companies has resulted in overstatement of 'Long Term Loan and Advances' and understatement of 'Loss for the year' by ₹ 87.29 crore.

(c) Other Non Current Assets (Note-16)

Term Deposits having maturity of more than 12 months: ₹ 42.18 crore

(i) The above includes 15 fixed deposits (9 at State Bank of Travancore, 3 at State Bank of India and 3 at State Bank of Bikaner & Jaipur) valuing ₹ 0.77 crore for which copy of fixed deposit receipts were not available with the Company. Though Company furnished bank certificates of interest income on these FDRs, it could not provide copy of FDRs to Audit for balance verification. Thus Audit was unable to vouchsafe these 15 FDRs.

(ii) The above also includes an amount of ₹ 0.50 crore for fixed deposit receipt 25277 maintained at Corporation Bank. This Fixed deposit had matured before 31 March 2018 and the proceeds were recorded as Government Grant received instead of being accounted as funds received from fixed deposit maturity.

This has resulted in overstatement of 'Other Non Current Assets' and 'Other Long Term Liabilities – Grants in Aid' by ₹ 0.50 crore.

(B) Current Assets

Other Current Assets (Note-22): ₹ 3.10 crore

The above includes an amount of ₹ 2.11 crore on account of interest accrued but not due on deposits with banks. The said amount pertains to TDS receivables from Income Tax Department and not on account on interest accrued but not due.

This has resulted into overstatement of 'Interest accrued but not due on deposits' and understatement of 'TDS receivables' by ₹ 2.11 crore.

C. Comments on Disclosure

(I) Contingent liabilities (Notes to Accounts-2)

(i) The above is understated by ₹ 3029.84 crore due to non inclusion of interest payable on loans given by banks (State Bank of India, Punjab National Bank and Indian Bank). IDPL had defaulted bank loans since 1992. As per contractual terms, interest liability worked out to ₹ 4,568.40 crore against which company had already made provision of ₹ 1,538.56 crore in the books. Company had approached banks for one time settlement which is under finalisation.

Considering the fact that settlement with banks has not been reached, the interest on loans of ₹ 3,029.84 crore which has not been provided in the books, should have been shown under contingent liabilities.

(ii) GoI had provided loans of ₹ 1,214.39 crore to the company till 2014-15. In case of default in repayment, penal interest was to be paid to GoI which ranging from 14 *per cent* to 21.25 *per cent*. The company defaulted in repayment of loans amounting to ₹ 1,211.79 crore and was thus liable to pay penal interest as per agreed terms. However company provided for liability for penal interest at a uniform rate 14 *per cent* for all the defaulted loans irrespective of applicable penal rate to individual loan. The difference between penal interest at applicable rate to individual loan and at uniform rate of 14 *per cent* comes to ₹ 74.35 crore for 2017-18. Though the company claimed to have GoI acceptance for penal interest at uniform rate of 14 per cent, no waiver/exemption from GoI was made available to Audit. Thus the difference should have been shown in the contingent liabilities. This has resulted in understatement of 'Contingent Liabilities' by ₹ 74.35 crore which represents the amount for 2017-18. Contingent liability for earlier years could not be ascertained by Audit due to non availability of related documents.

(iii) The above does not include an amount of ₹ 11.41 crore being claims against the company which are in litigation and pending in different Courts. Thus, 'Contingent Liabilities' are understated by ₹ 11.41 crore.

(iv) The above includes an amount of ₹ 175.05 crore as contingent liabilities in respect of guarantees given by the Government of India on behalf of the company. However, the guarantees given by the Government of India were amounted to ₹ 171 crore only. Thus, 'Contingent Liabilities' are overstated by ₹ 4.05 crore.

(II) Notes to Accounts

Company has not complied with Accounting Standard-29 which states that for each class of provision, an enterprise should disclose: (a) the carrying amount at the beginning and end of the period; (b) additional provisions made in the period, including increases to existing provisions; (c) amounts used (i.e. incurred and charged against the provision) during the period; and (d) unused amounts reversed during the period. Thus, Notes to Accounts for the year are deficient to the extent.

**D. Other Comments-General
Discrepancies in figures**

Audit noted differences in balance of following head of accounts that were carried forward in financial year 2017-18 from 2016-17:

Number of Notes to Accounts	Head of Account	Closing balance as per Financial Statements of 2016-17	Balance carried forward in Financial Statements of 2017-18	Difference
7	Advance from Customers (NRA)	17,37,01,951	17,37,01,950	1
9	Interest accrued and due on State Bank of Hyderabad	76,62,45,018	76,62,45,017	1
11	Security Deposits for Contractors and Others	13,70,538	13,70,537	1
13	Fixed Assets (Block 42 Hyderabad)	0	2	2
13	Accumulated Depreciation on Plant & Machinery	82,03,59,194	82,03,59,193	1
21	Loans and Advances to Contractors	2,83,765	2,83,764	1

Further, differences were also noticed in totals of some items in Notes to Accounts 2017-18, Balance Sheet as on 31 March 2018 and Statement of Profit and Loss for the year ended 31 March 2018. There was difference of one rupee each in total of head of accounts as per Notes to Accounts and corresponding amount in Balance Sheet and Statement of Profit and Loss Account in respect of in Reserves and Surplus (Note-4), Long Term Provision (Note-8), Long Term Loan and Advances (Note-15), Cash and Bank Balances (Note-20), Short Term Loans and Advances (Note-21), Changes in inventories of finished goods, work in progress and Stock in Trade (Note-25C), Finance cost (Note-27) and Other Expenses (Note-29). Also there was difference of six rupees in Net Block in total as per Notes to Accounts (Note-13) and corresponding amount shown in Balance Sheet as on 31 March 2018.

E. Comments on Independent Auditor's report

- (i) Independent Auditor in its audit report in Para 22 under Emphasis of Matters (Corporate Office) stated that Dakshin Haryana Bijli Vitran Nigam (DHBVN) issued a notice dated 30 May

2016 to IDPL Corporate Office regarding wrong billing (unauthorized use of electricity) at IDPL complex. Audit report further stated that IDPL Corporate Office should have disclosed ₹ 1,07,64,138 as contingent liability.

However it was noted that demand raised by DHBVN in March 2018 was ₹ 2,76,73,775 which has been contested by the Company. Thus Independent Auditor's observation that contingent liability of ₹ 1,07,64,138 should have been disclosed by IDPL Corporate Office is incorrect to the extent as the correct amount was ₹ 2,76,73,775.

Further Para-B under Contingent Liabilities (Gurugram Plant) in Notes to Accounts states that contingent liability for demand raised by DHBVN was ₹ 2,74,75,606 though the correct amount was ₹ 2,76,73,775. Thus Para-B in Notes to Accounts is also incorrect to the extent.

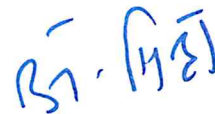
(ii) Independent Auditor in its audit report in Para 15(a) under Emphasis of Matters (Corporate Office) stated that from the available records and documents produced, Company have received ₹1,735 lakh from Government of India as Grants as per sanction letters. A review of records revealed that Company had received Grants of ₹ 1,685 lakh from Government of India till March 2018. Thus Independent Auditor report is deficient to the extent.

Further Independent Auditor also reported that other long term liabilities represented by Government Grants were not reduced for the grant utilised by the end of financial year. However Independent Auditor has not quantified the observation. It was noted that Government Grants equal to ₹ 65.67 lakh were utilised by the Company but the same was not considered by Independent Auditor while making observation on utilisation of Government Grants. Thus Independent Auditor report is deficient to the extent.

(iii) Considering the impact of comments at A(i) and (ii), B(I)(A)(i) and (ii) and B(I)(B) and B(II)(A)(b) as above and comments made by the Independent Auditor in its audit report at Para 5(a) and 11 in 'Basis for Qualified Opinion' for Corporate Office and consolidated impact of other audit observations in concluding paragraph under 'Basis for Qualified Opinion', the loss for the year (₹ 164.66 crore) as depicted in statement of profit and loss of the company would increase by ₹ 1,586.62 crore. The loss for the year of ₹ 164.66 crore is impacted by 964 *per cent*. Considering the impact of ₹ 1,586.62 crore on loss for the year as a consequence of comments and comment at D above, the financial statements of the company for the year 2017-18 do not present a 'true and

fair view' and it was not proper on the part of Independent Auditor to have provided an assurance that the financial statements presented a 'true and fair view'.

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



**(Ashok Sinha)
Principal Director of Audit
(Health Welfare & Rural Development)**

**New Delhi
Date:22.07.2021**

INDIAN DRUGS & PHARMACEUTICALS LTD.

(A Government of India Undertaking)

CIN No. U24231HR1961GOI003418



आई डी पी एल

पंजीकृत कार्यालय : आईडीपीएल कॉम्प्लेक्स, डूंडाहेड़ा, पुराना दिल्ली गुडगांव रोड, गुडगांव-122016 (हरियाणा)

Dated: 28.09.2021

To,

Deputy Director

MMG-1

Office of Principal Director of Audit

(Health, Welfare and Rural Development)

Indraprastha Estate, New Delhi-110002

Subject: Comments of Comptroller and Auditor General of India u/s 143 (6)(b) of the Companies Act, 2013 on the Financial Statements of Indian Drugs and Pharmaceuticals Limited for the Financial Year ending 31.03.2018.

Reference: Letter No. -PDA(HW & RD) / AMG-I/PSU-IDPL/2020-21/195 dated 23 July 2021.

Sir,

This has reference to the above letter regarding the captioned subject. In this connection we are furnishing herewith point wise replies of the comments of C&AG on the financial Statements of Indian Drugs and Pharmaceuticals Limited for the year ended 31.03.2018.

2. We request you to kindly review your comments and give us an opportunity to present our case through personal hearing because some of the comments provided by C&AG are not in line with the actual situation, facts and figures. The replies furnished herewith has the concurrence of the statutory Auditors M/s Megha & Associates .

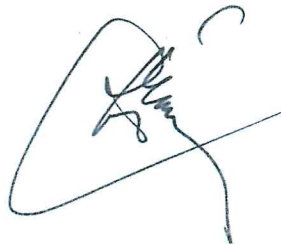
Thanking you

Encl: Annexure 1to 17

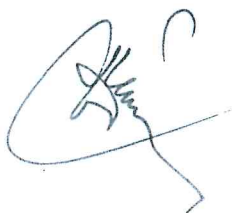
Yours faithfully

(Dipankar Chakraborty)
Chief Financial Officer

S.no.	Audit Comments	Reply
1.	<p>Comments on Profitability</p> <p>Other Income(Note-24)</p> <p>Interest on Term Deposit (Rs. 3.06 crores)</p> <p>The above amount does not include Rs, 1.49 lakhs being interest income earned during the year on Fixed deposit maintained at State Bank of Bikaner and Jaipur (SBBJ). As per the Certificate given by SBBJ, Interest income earned on Fixed Deposit receipt 61056924784 was 4.16 Lakhs and during the year the company accounted only Rs. 2.67 Lakhs as interest income in the books. This has resulted in Understatement of Other income and Cash and Bank Balances by Rs. 1.49 Lakhs and overstatement of loss for the year by the same amount</p> <p>The above amount includes .29 Lakhs as the amount of interest income overbooked in respect of three deposits maintained at Oriental Bank of Commerce. As per the Certificates provided by bank, interest income earned on these three fixed deposits receipts 09393031022297/2358/2372), were 276.24 lakhs against 276.53 lakhs booked as interest income by the company. This has resulted in overstatement of "Other income" and "cash and bank balances "by 0.29 Lakhs and understatement of loss for the year by the same amount.</p>	<p>While Finalising the books of accounts for the year 17-18, we were unable to trace the bank certificate for SBBJ, and therefore the amount of interest was on the basis of internal working, however, we will correct the amount of 2.67 lakhs in Accounts of FY i.e. 2018-19.</p> <p>The amount entered by us in the books is on the basis of closing balance certificates of FDRs provided by OBC for the year 17-18 and the interest certificates for the corresponding year that means the difference must be in the opening FD balance. Therefore, to correct that we have booked the difference of 0.29 lakh in current FY so that all mismatch shall be tallied.</p> <p>(FD Interest certificates along with balance certificates attached herewith at Annexure-1</p>



S.No.	CAG Comments	Management reply
2	<p>Long Term Borrowings (Note-5): 5605.48 crores</p> <p>The above does not include an amount of Rs. 1475.97 crores being an amount of interest payable on loan taken from Life Insurance Corporation of India (LIC). An amount of Rs. 1,550 crores have been claimed by LIC, against which company has provided a liability of Rs. 74.03 crores in the books of accounts.</p> <p>Non Recognition of liability towards LIC has resulted understatement of "Long Term Borrowings- interest accrued and due by Rs. 1475.97 crores and "Loss for the year: by the same amount.</p>	<p>IDPL was incurring continuous losses from 1979-80 onwards, and in 1982-83, its Net worth became negative. It Faced acute shortage of funds to meet its working capital requirements and to retain the liquidity.</p> <p>IDPL approached LIC and availed a Loan of Rs 5.00 Crores on 01.02.84. The Loan was guaranteed by the Govt of India</p> <p>In addition to that the company made a reference to BIFR in 1992 in pursuance of Sick Industrial Companies Act. 1985. BIFR vide its order dated 12.08.1992, declared the company as a Sick company.</p> <p>Being covered under SICA (Sick Industrial Companies Act), the company was not in position to pay its debts/loans. Thus the company did not have the capacity either to repay principal amount or interest accrued thereon. It is uncertain for the company to sustain. Therefore creation of huge interest liability or its provisioning is not justifiable.</p> <p>IDPL has made various representations through Draft Rehabilitation Schemes to Govt. of India and applied for waiver of all PSU loans along with interest from time to time.</p> <p>Therefore, IDPL entered the loan amount in books of accounts along with simple interest liability as mentioned in the loan/ agreement after its failure to pay interest and loans.</p> <p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries became arrears for the year 2002-</p>



03 to 2010-11. However, with great efforts of the then employees, CMD and Finance team it got all its accounts updated from 2002-03 to 2010-11.

Also, in between that period, LIC of India vide their letter dated 29.01.2007 (annexed herewith at annexure -2) conveyed in principle approval, for one time settlement of Short Term loans of Rs. 5.00 Crores to the company, but due to huge crunch of funds, the settlement could not be made.

Further to this, the company already had entered the huge amount of interest in the books of accounts on simple interest basis i.e. Rs. 74.03 crores.

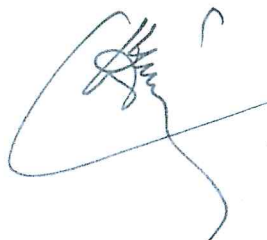
Till the time, when BIFR was in operation, The company had made all the proper disclosures in its books of accounts about the status of BIFR with the quote that:"

"The Company was under BIFR, so the exact amount of Long Term Borrowing will be known after any speaking order. Rate of interest, instalment 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."

Hence, there was a proper disclosure of the fact that additional interest liability, if any, will be ascertainable only after BIFR Order.

Meanwhile the company got a closure notice dated 28.12.2016 along with guidelines issued by DPE vide OM dated 14.06.2018, for closure of Public Sector Enterprises(copy enclosed at annexure-3). Reference is drawn to Para 3.1 and 3.2 of the same, for closure of Public Sector enterprise and disposal of movable and immovable assets, where all the decision making powers were shifted

		<p>to Administrative Ministry /Department.</p> <p>Therefore, it is clear from these guidelines that it is the role of concerned Ministry/Department to take up the settlement of liabilities be it secured or unsecured. And also we are producing herewith a <u>letter of The Joint Secretary, Ministry of Chemicals and Fertilizers , Mr. Rajneesh Tingal to The then, CMD of IDPL, MR, Sudhansh pant,</u> emphasising the findings of meetings held with Niti Aayog for drawing a roadmap for implementation of decision of Cabinet to close the PSUs wherein it is clearly mentioned that,...." for PSUs the voluntary closure route would be adopted and after abolition of BIFR, the company will not go for NCLT. It was also decided that in order to minimise the mandatory outgo to meet the liability of the PSUs, they need to hold negotiations with the lenders to take necessary "haircuts". (annexure -4)</p> <p>Hence, in such scenario, the question of taking additional interest liability in the books of accounts does not arise. It would have been in contravention to the revised guidelines issued by Department of Public Enterprises (DPE) vide their OM dated 14-06-2018.</p> <p>Secondly, we don't have any necessary evidence/ calculations for Rs. 1550 crores interest liability mentioned in the audit Para. LIC did not provide any necessary evidence/ calculations /workings for Rs. 1550 crores interest liability mentioned in the audit Para. The amount stated in the letter of LIC is <u>approx.</u>, thereby the LIC were not having any working and they even have not approached appropriate authority for their claim i.e Administrative Ministry/Department.</p>
--	--	--



Also, LIC has not furnished year wise liability bifurcation that would have resulted into non-compliance of Accounting Standard-5 issued by Institute of Chartered Accountants of India- Para- 15 prior Period Items "The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived."

It seems to include not only simple, compound interest but also the penal interest and other charges, because then only, the figure of 1550 crores can be obtained. The LIC letter dated 19-01-2019 enclosed at **annexure-5** stated that the Company is now outside the purview of BIFR vide their earlier letter dated 15-05-2017 and 24-05-2018 as all the letters dated 15-05-2017 , 24-05-2018 and 19-01-2019 were inoperative due to the fact that with effect from December 1, 2016, the SICA has been repealed by the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 ("**Repeal Act**"). This has resulted in the dissolution of the BIFR and other bodies formed under the SICA.[1]. Further submitted that with the Bankruptcy Code coming into effect, all proceedings pending before the BIFR and AAIFR stand abated. However, the entity whose reference has abated may initiate fresh proceedings before the NCLT under the Bankruptcy Code (that of corporate insolvency resolution), within 180 days of the commencement of the Bankruptcy Code, i.e. December 1, 2016. There was closure order vide Cabinet decision dated 28th December, 2016 for closure of INDIAN DRUGS & PHARMACEUTICALS LIMITED, ("the Company"). Hence no effect was taken of all the three letters 15-05-2017 , 24-05-2018 and 19-01-2019 as these were in contravention of Para 4 and 5 of guidelines issued by Department of



		<p>Public Enterprise (DPE) vide their OM dated 07-09-2016 (Refer annexure attached at annexure-6) We can neither consider this as per AS-4</p> <p><i>"Events occurring after Balance Sheet date"</i></p> <p>Because we already have DPE guidelines as per which we cannot proceed with any adjustment/modification in the interest or liability figure without the approval/ extant guidelines of Ministry/Department in this regard.</p> <p>These facts were well with the knowledge of CAG. Thus, there was no such comment in any of the CAG Audits in final comments from last many years.</p> <p>Since ,IDPL is under closure it cannot take decision on any additional liability without the express cabinet / Ministry approval or any other extant guidelines in this regard.</p> <p>Also, it is not advisable for any sick company to make a provision for interest payable amounting to Rs. 1550 crores in lieu of principle dues of 5 crores only which is almost 310 times of the principle dues.</p>
--	--	--

S.No.	CAG Comments	Management reply
3	<p>Other long term liabilities –Rs.120.95 crores (Note No.7):</p> <p>The above includes Rs. 13 crores as advance received from NBCC Limited for the joint development of Residential cum Commercial IT Complex on the company land located at Gurugram, Haryana. Memorandum of Undertaking (MOU) signed on 1 January 2009 provides that in case IDPL failed to provide land on account of any reason what so ever in period of six months from the date of signing of MOU, IDPL will return the amount to NBCC with interest from the date of advance of receipt . The project could not be started and NBCC</p>	<p>Reference is drawn to para 3.1 and 3.2 of revised guidelines issued by Department of Public Enterprise (DPE) vide their OM dated 14-06-2018 (annexure-6) for closure of Public Sector Enterprise and disposal of movable and immovable assets, where all the decision making powers were shifted to Administrative Ministry /Department. We are enclosing copy of revised guidelines issued by</p>

demanded the refund of advance pending with IDPL along with the interest thereof. In a meeting held on 19.07.2019, NBCC Agreed for settlement of dues at principal plus simple interest at Marginal Cost of Lending Rate (MCLR). In pursuance of Accounting Standard -4, IDPL should have provided interest liability till 31.03.2018 in the books in respect of NBCC dues using SBI one year MCLR as on 01.04.17(8%)

This has resulted in understatement of "Other long term liabilities "and understatement of loss for the year by "Rs. 9.62 Crores"

Department of Public Enterprise (DPE) vide their OM dated 14-06-2018 as Annexure-6. Therefore, it is under the role of Ministry/ Department to take up on settlement of all kinds of liabilities with necessary haircuts.

In the meeting dated 19-7-2019(**annexure-7**) on disposal of surplus land, reference is drawn to Para 3 (i) where NBCC agreed for OTS at MCLR , but this agreement is subject to the approval in Board of Directors of both the Companies. The liability in the books of IDPL is governed subject to revised guidelines issued by Department of Public Enterprise (DPE) vide their OM dated 14-06-2018 as the Board of IDPL is only a recommending authority. Secondly the NBCC have not conveyed their acceptance as well quantum of interest liability (year wise break up of interest for compliance of AS-5). **Copy of the minutes of the meeting dated 19th July,2019 is enclosed as annexure-7.**

Therefore the reason for not providing interest amount in books is due to the fact as stated above.



Current Liabilities**Short Term Borrowings (Note 9): 1717.06 crores**

The above includes Rs. 101.88 crores being the balance in cash credit accounts with three banks (State Bank of India, Punjab National bank and Indian Bank) as on 31st March 2018. However, as per Joint lenders meeting held on 27th December 2017, The liabilities of the company towards bank loans were Rs.100.80 cores. Thus, short term borrowings were overstated by Rs. 1.08 crores. Consequently, Loss for the year is also overstated by Rs. 1.08 crores.

We received a letter dated 13.09.2017, from State Bank of India regarding the change in principal amount of loan from State Bank of India from 30.94 to 29.72 crores (**annexure-8**)

Old breakup

SBI	30.94
SBI-JAIPUR	23.42
SBH	18.49
SBANK OF PATIALA	14.25
PUNJAB NATIONAL BANK	11.24
INDIAN BANK	3.54
	101.88

New breakup

SBI	29.72
SBI-JAIPUR	23.42
SBH	18.49
SBANK OF PATIALA	14.25
PUNJAB NATIONAL BANK	11.24
INDIAN BANK	3.68
	100.80

The reason for not reducing the principal amount in books is due to the fact that since IDPL is on the verge of closure, and got a cabinet

		<p>decision to close its activities dated 28.12.2016, all the decisions related to alterations/amendments in the figure of liabilities or assets are subject to the approval of Ministry/ Cabinet. We cannot understate/overstate any of our Financial figures.</p> <p>Therefore the reason for not reducing the principal amount in books is due to the fact as stated above.</p>
Sr. No.	Audit Comments	Reply
5.	<p>Assets</p> <p>Noncurrent assets</p> <p>Fixed Assets</p> <p>Tangible Assets (Note-13): 25.33 crores</p> <p>The company has adopted opening balance of Fixed assets (Gross block) as on 1st April 2017 at Rs. 142.02 crores instead of Rs. 143.54 cores by excluding fully depreciated assets of Rs. 1.52 crores without any recorded justification. This has resulted understatement of "Tangible assets "and "Depreciation reserves "by Rs. 1.52 crores.</p> <p>Further, figures of previous year of net Fixed assets (tangible and WIP) in Balance sheet do not match with previous year figures stated in Note no 13. There is a diff of Rs. 11830/- in net tangible assets and Rs. 57025/-in capital WIP. As noted, the difference was due to incorrect adoption of figures in 2015-16 as previous year figures instead of 2016-17 in</p>	<p>While auditing the books for the FY17-18, it was found that while preparing consolidated accounts in the year 2016-17, one figure of Railway sidings amounting to Rs, 1,6,98,017 which was fully depreciated in the year 2016-17 itself was entered in the Gross block column as 16,8,94,725 which is the figure of Returned equipment. But, while posting openings in 2017-18, we have corrected the figure that cause the difference of 15196708 i.e..1.52 crores in the opening gross block of 17-18 and opening depreciation of 2017-18. This was done to correct the gross book value error which was done in the last year. However, the figure has no financial impact because the net block value in zero in either case. Considering this as a previous year typographical error, the Para may please be dropped. .</p>



	Note -13.	<p>Working of the Depreciation chart for the 2016-17 and 2017-18 along with working of differences and amount of 1.52 crores is enclosed as annexure 9</p> <p>In our opinion necessary corrections have been made in the Balance Sheet.</p>
--	-----------	--

Sr No.	Audit Comments	Management reply
6.	<p>Long term Loans and advances (Note-15)</p> <p>Advances to subsidiary companies: 87.29 crores</p> <p>The above amount includes an amount of Rs. 87.29 recoverable from two subsidiary namely Bihar Drugs and Organic chemicals Limited (28.81 cr). IDPL (TN) Rs. 41.41 crores and Joint venture ODCL(17.07cr)on account of advances given to them. The subsidiaries i.e. BDOCL and IDPL (TN) have stopped their production since April 1996 and October 2018 respectively and there are no revenue generation activity. The Joint venture i.e. ODCL is under liquidation. Considering the operational and financial status of these subsidiaries, chances of recovery of advances given to them are remote and the company should have made the provisions for doubtful recovery.</p> <p>Non provision of doubtful recovery of advances given to this company has resulted in Overstatement of "long term loans and advances "and understatement of "loss of the year "by 87.29 crores.</p>	<p>Related to Prior to FY 17-18)</p> <p>The amount recoverable from subsidiary and joint ventures is subject to reconciliation. Since the accounts of all subsidiaries and Joint venture are in arrear from last many years, the exact amount of recovery will be ascertained only after settling off all the Inter unit reconciliations.</p> <p>Further, if the accounts are consolidated as per AS-21, then the amount will be net off and stands cancelled.</p> <p>Secondly, the liabilities of all these subsidiaries will be settled at the time of sale of assets as per the closure order and in such a case if we will make the provisions for doubtful recovery in our books of accounts of such un-reconciled amount, the chances of recovery of the amount from these will be remote and it will be a loss of receivables on part of IDPL as a holding company.</p> <p>Current status of accounts of subsidiary and Joint venture is as under:- ODCL(JV): The accounts are prepared till FY 11-12 IDPL(TN) (Wholly owned Subsidiary) : The accounts are prepared till 09-10 however audited till 2008-09</p>

		BDOCL: The accounts are prepared till FY 17-18. Therefore in our opinion full disclosures have been made and no provisioning can be done till the time accounts of subsidiaries/JV are updated.
Sr. No.	Audit Comments	Management Reply
7.	<p>Other noncurrent assets (note-16)</p> <p>Term deposits of maturity more than 12 months:</p> <p>The above includes 15 fixed deposits (9 at State bank of Travancore, 3 at state bank of India and 3 at State bank of Bikaner and Jaipur) valuing .77 crores for which the copy of Fixed deposit receipts were not available with the company. Though company furnished bank certificates of interest income on these FDRs, it could not provide the copy of FDR to audit for the balance verification. Thus. audit was unable to voucher safe these 15 FDRs.</p>	<p>related to prior to FY 17-18)</p> <p>The FDR's relates prior to merger of State bank of India with the associate Banks viz State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH) and State Bank of Patiala (SBP). The merger was effected w.e.f 01st April, 2017. The Audit was for Financial Year 17-18 conducted and completed in year 2020. Due to merger and integration of SBI with Associate Banks, the bank did not provide Fixed Deposit receipts of old FDs after renewal though they were renewed many times, hence in such a case the bank issued interest certificate to acknowledge the amount of interest, which was treated as valid proof. Copy of the interest certificate is enclosed as Annexure-10.</p>
Sr. No.	Audit Comments	Management Reply
8.(A)	<p>Noncurrent assets</p> <p>Fixed Assets</p> <p>Tangible Assets (Note-13): 25.33 crores</p> <p>The above amount also includes and amount of .50 crores of fixed deposit receipt 25277 maintained at Corporation bank. These fixed deposits have</p>	<p>related to prior to FY 17-18)</p> <p>During the year 2017-18, inadvertently the amount of Rs. 50 Lakhs received on account of maturity of Fixed Deposit was credited to Grant a/c.</p> <p>IDPL itself admits its mistake and have given a point in its Notes to</p>

	<p>matured before 31.03.2018, and the proceeds were recorded as Government grants instead to be reported as Fixed deposit maturity amount.</p> <p>This has resulted in overstatement of Other noncurrent assets" and "other long term liabilities "Grant in aid by Rs. .50 crores</p>	<p>Accounts i.e 3 (A)(r) , that necessary adjustments will be made in the coming year i.e. 2018-19. An extract of Notes to accounts is annexure-11</p> <p>Hence, considering this, the para should be dropped.</p>
8.(B)	<p>Current Assets</p> <p>Other Current Assets (Note-22) Rs. 3.10 (crores)</p> <p>The above includes an amount of Rs. 2.11 crores on account of interest accrued but not due on deposits with banks. The said amount pertains to TDS receivables from Income Tax Department and not on account of interest but not due .</p> <p>This has resulted into overstatement of "interest accrued but not due on deposits" and understatement of TDS receivable by Rs. 2.11 crores.</p>	<p>At the time of finalisation of accounts, the amount of TDS was not reflected in 26As, Therefore, we have entered the amount in interest head so that when it will be reflected the rectification entry will be passed. Therefore, to show the full amount recoverable from the banks, we have opted this method of presentation in books of accounts. Hence, There is no misstatement as such.</p>
Sr No.	Audit Comments	reply
9.	<p>Comments on disclosure:-</p> <p>Contingent Liabilities(Notes to Accounts-2)</p> <p>The above amount is understated by Rs. 3029.84 crores due to non inclusion of interest payable on loans given by banks (state bank of India, Punjab National Bank and Indian Bank). IDPL has defaulted the bank loans since 1992. As per the contractual terms, interest liabilities work out to 4568.40 crores against which the company has already made provisions of 1538.56 crores in the books. Company has approached banks for one time settlement which is under finalisation. Considering the fact, that settlement with banks have not been reached, the interest on loans of Rs. 3029.84 cores which has not been provided in the books should have been</p>	<p>IDPL has in its first consortium meeting dated 22nd November,2012 with IDBI led consortium with banks agreed in principal payment of loan along with 5% simple interest dated 22nd November,2012, wherein banks agrees to forgo the huge interest liability with only 5% Simple interest terms. Copy of the minutes of the meeting dated 22nd November,2012 is enclosed as annexure-12</p> <p>In the meeting dated 15th December, 2014, the issue was reiterated regarding interest @ 5%. Copy of the minutes of the meeting dated 15th December, 2014 is enclosed as annexure-13</p> <p>Before the consortium, company has already entered a huge interest liability in the books of accounts till 2011-12. Therefore, it was decided not to book more interest liability in books. Further to this, there was another meeting with Banks dated 28.12.2017, wherein the banks agreed with 8.15% MCLR Rate</p>



	shown under "contingent Liabilities"	<p>(minutes attached) which was again very less than the compounded liability of interest entered in books of accounts till 2011-12, therefore, the huge amount of interest payable to banks with compounded rate was not entered in books of accounts. Copy of the minutes dated 28th December, 2017 is enclosed as annexure-14</p> <p>For example: In case of Punjab National bank, Principal amount is 11.24 crores taken on 31st October 1984. The amount of interest entered in books of account is Rs. 226 crores (extract of interest ledger attached- at annexure-15) and if we see in MCLR rate calculation given by Banks the interest would be around Rs. 23 crores appx. by taking 8.15% Simple interest. Similar situation is with each and every bank and its loans. Copy of the interest and due to various banks including Punjab National Bank as per books of accounts is enclosed as annexure-15</p> <p>We draw your kind attention to difference between interest provided and interest as per MCLR:- (RSs. In Crores)</p> <table border="1"> <thead> <tr> <th>Bank</th><th>Interest as per books</th><th>Interest as per MCLR</th></tr> </thead> <tbody> <tr> <td>PNB</td><td>226.03</td><td>23.83</td></tr> <tr> <td>INDIAN BANK</td><td>85.72</td><td>7.80</td></tr> <tr> <td>SBI</td><td>1226.44</td><td>181.98</td></tr> </tbody> </table> <p>Therefore, considering this view, the company on the basis of principle of prudence, has already entered a huge interest liability in books of accounts, here no further liability/contingent needs to be booked in the books of accounts and/or disclosed as Contingent Liability.</p> <p>The above statement should be read in tandem with Para No 3.2.1(a), 3.2.1 (b) and 4.1.3 of revised guidelines issued by Department of Public Enterprise (DPE) vide their OM dated 14-06-2018.</p>	Bank	Interest as per books	Interest as per MCLR	PNB	226.03	23.83	INDIAN BANK	85.72	7.80	SBI	1226.44	181.98
Bank	Interest as per books	Interest as per MCLR												
PNB	226.03	23.83												
INDIAN BANK	85.72	7.80												
SBI	1226.44	181.98												
Sr No.	Audit Comments	reply												
10.	<p>Comments on disclosure:-</p> <p>Contingent Liabilities(Notes to Accounts-2)</p> <p>GOI has approved loans of Rs. 1214.39</p>	<p>IDPL is GOI undertaking hence all the decisions and calculations provided or duly accepted by GOI are valid and dependable. The rate of interest is</p>												

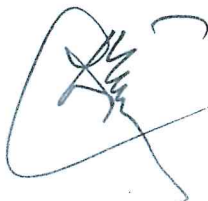


	<p>crores to the company. In case of default in repayment, the penal interest was to be paid to GOI which ranging from 14 percent to 21.25 percent.</p> <p>The company defaulted in repayment of loans amounting to Rs 1211.79 crores and was thus liable to pay penal interest as per agreed terms. However, the company has provided for the liability of penal interest at a uniform rate of 14 percent for all defaulted loans irrespective of applicable rate to Individual loans. The difference between the penal interest at applicable rates to the individual loan and at the uniform rate of 14% comes to Rs. 74.35 crores for 2017-18. Though company claim to have the GOI acceptance to the penal interest rate of 14%, no waiver/exemption from GOI has been available for audit. Thus the difference should be in the head contingent liabilities. This has resulted in understatement of Contingent liabilities by Rs. 74.35 crores which represents the amount for 2017-18. Contingent liability for earlier year could not be ascertained by audit due to non availability of related documents.</p>	<p>calculated by IDPL every year and same is furnished to the Government and after due verification of compliance of the terms and conditions further in acceptance of that every year Government issued an interest due letter We are enclosing copies of the letter/ correspondences exchanged with Controller of Accounts on various dates as annexure-16</p> <p>Hence, the interest liability @ 14% calculated by IDPL is accepted by Govt. Every year. Therefore, it cannot be questioned.</p> <p>Further, The power to change rate of interest is with GOI and all sanction letters are already with GOI, therefore, charging higher rate of interest is not favourable for IDPL.</p> <p>Regarding Contingent Liability it is submitted reference is drawn to revised guidelines issued by Department of Public Enterprise (DPE) vide their OM dated 14-06-2018, where role of Concerned Organisation/Bodies have been clearly defined in Para 4.1.5 which states about the "Estimation of dues payable to the Central Government". It is also submitted that Para 4.1.5 should be read in tandem with 3.1 and 3.2 revised guidelines issued by Department of Public Enterprise (DPE) vide their OM dated 14-06-2018. We In view of our reply it is requested the Audit Para may be dropped.</p>
Sr No.	Audit Comments	reply
11.	<p>Comments on disclosure:-</p> <p>Contingent Liabilities(Notes to Accounts-2)</p> <p>The above does not include an amount of 11.41 crores being claims against the company which are in litigation and pending in different courts. Thus, "contingent liabilities " are understated by 11.41 crores</p>	<p>IDPL has large no. of pending cases (matters are sub judice in various courts) whose liabilities working and evaluation is in process but the presentation of same in books of accounts as contingent liabilities may invite its creditors/ honourable Court attention towards the pending cases it means the case of the company will be on weaker side, hence if the company conceded that this liability as Contingent liability it will become payable indirectly therefore, the management is of the view that this contingent liability will be</p>

		crystallised only on the decision of honourable Court. Secondly, Statutory Auditor has qualified his report following a conservative principle of reporting. In view of our reply it is requested the Audit Para may be dropped.														
Sr No.	Audit Comments	reply														
12.	The above includes an amount of Rs. 175.05 crores as contingent liabilities in respect of Guarantees given by Government of India behalf of the company. However, the guarantees given by Government of India on behalf of the company. However, the guarantees given by the Government of India were amounting to Rs. 171 crores only. Thus, the contingent liabilities are overstated by Rs. 4.05 crores.	<p>This amount Rs 175.05 Crores comprises of counter Guarantee given by GOI on behalf of company to the bankers in respect of UPSEB. The amount of Rs 175.05 Crores is disclosed in the notes to accounts since the financial year 2011-12.</p> <p>These Guarantees are more than 30 years old and since then, there is no movement except in the year 2011-12, has happened in the mentioned figures. Since the financial year 2011-12 there is no movement i.e neither any guarantee was taken nor is it provided.</p> <p>The details are as under:-</p> <table><tr><td>Guarantee given to</td><td>Amount in Crores</td></tr><tr><td>LIC</td><td>5.00</td></tr><tr><td>Banks</td><td>148.00</td></tr><tr><td>Coal India Limited</td><td>3.00</td></tr><tr><td>Oil India Limited</td><td>15.00</td></tr><tr><td>UPSEB</td><td>305.00</td></tr><tr><td>OTHER GUARANTEE IN THE YEAR 2011-12, NO RECORD IS AVAILABE BUT THE SAME HAVE BEEN VERIFIED THE THEN STATUTORY AUDITOR.</td><td>100.00</td></tr></table>	Guarantee given to	Amount in Crores	LIC	5.00	Banks	148.00	Coal India Limited	3.00	Oil India Limited	15.00	UPSEB	305.00	OTHER GUARANTEE IN THE YEAR 2011-12, NO RECORD IS AVAILABE BUT THE SAME HAVE BEEN VERIFIED THE THEN STATUTORY AUDITOR.	100.00
Guarantee given to	Amount in Crores															
LIC	5.00															
Banks	148.00															
Coal India Limited	3.00															
Oil India Limited	15.00															
UPSEB	305.00															
OTHER GUARANTEE IN THE YEAR 2011-12, NO RECORD IS AVAILABE BUT THE SAME HAVE BEEN VERIFIED THE THEN STATUTORY AUDITOR.	100.00															

		<p>Reference is drawn to notes to accounts of the financial year 2010-11 on the above matter where it has been specifically stated that :-</p> <p>1. Guarantee given by bank on behalf of company are 305 lakhs(prev year 53.26 lakhs) (corporate office) The said guarantee of 305 lacs has been expired and cancelled by bank.(corporate office)</p> <p>2. Guarantee given by GOI on behalf of company are Rs. 17405 lacs (prev yr. 17405 lacs) including counter guarantee RS 305 lacs given to the bankers in respect of UPSEB.</p> <p>While seeing the audit report of FY 10-11 it is clear that 305 lakhs guarantee given by GOI is still valid and hence it has been shown in the books.</p> <p>However the note No 1 was not part of the notes to account from the financial year 2011-12. The Company continued to show Rs 17505 Lacs since Financial Year 2011-12.</p> <p>Copy of the notes to accounts depicting the above facts for the financial year 2010-11,2011-12,2012-13 ,2013-14,2014-15,2015-16,2016-17 and 2017-18 is enclosed as annexure-17</p>
--	--	---

S. No.	Audit Comments	Reply
13	<p>Notes to Accounts:</p> <p>Company has not complied with Accounting Standard-29, which states that for each class of provision, an enterprise should disclose:-</p> <p>The carrying amount at the beginning and</p>	<p>As per AS -29 Before we recognise any provisions three conditions should be satisfied</p> <p>A provision should be recognised when:</p> <p>(a) an enterprise has a present obligation as a result of a past event;</p>



	<p>the end of period</p> <p>b) additional provisions made in the period, including increases to existing amounts</p> <p>c) amount used(i.e. incurred and charged against the provision) during the period and</p> <p>d)unused amount reversed during the period.</p> <p>Thus Notes to Accounts for the year are deficient to that extent.</p>	<p>(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;</p> <p>and</p> <p>(c) a reliable estimate can be made of the amount of the obligation.</p> <p>If these conditions are not met, no provision should be recognised. The Company have made provisions for the routine expenses , however regarding interest liability ,no provisions have been made in the books of accounts since the year 2011-12 and disclosure have been made in the financial statements as well as in the notes to accounts in Para 3(A)(I) and 3(A)(m) (applicable to Corporate Office).</p> <p>Regarding other liabilities the disclosures have been made in the respective notes to accounts of plants and RSO's.</p>
--	--	---

S.No.	Audit Comments	Reply									
14	<p>Other Comments-General Discrepancies in figures,Audit noted in the balance of following head of accounts that were carried forward in Financial year 2017-18 from 2016-17</p> <table border="1"> <thead> <tr> <th>Notes</th><th>Head</th><th>diff</th></tr> </thead> <tbody> <tr> <td>7</td><td>Advances from customers</td><td>1</td></tr> <tr> <td>9</td><td>Interest due and accrue on state bank of Hyderabad</td><td>1</td></tr> </tbody> </table>	Notes	Head	diff	7	Advances from customers	1	9	Interest due and accrue on state bank of Hyderabad	1	<p>These are the minor rounding off errors. These all are considered in coming years and will be noted for compliance.</p>
Notes	Head	diff									
7	Advances from customers	1									
9	Interest due and accrue on state bank of Hyderabad	1									



11	Security deposit for contractors and others	1
13	Fixed assets (block-42)	2
13	Accumulated depreciation on plant and machinery	1
21	Loans and advances to contractors	1

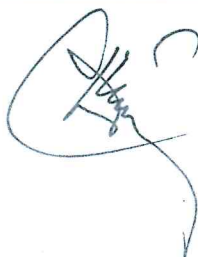
Further, differences were also noticed in total of some items in Notes to Accounts, 2017-18, Balance sheet as on 31.03.2018 and statement of profit and loss accounts for the year ended 2018. There was a difference of one rupee each in total of head of accounts as per notes to accounts and corresponding amount in balance sheet and statement of profit and loss respect of Reserve and Surplus. (Note-4). Long term provisions (Note-8), Long term loans and advances (note-15), cash and bank balances (note-20), Short term loans and advances (note-21), changes in inventory of finished goods, work in progress and stock in trade (Note-25C), Finance cost (Note-27) and other expenses (Note-29). Also, There was a difference of 6 Rs. In net block in total as per (Notes to accounts-13) and corresponding amount shown in balance sheet as on 31st March 2018.

Sr. No.	Audit Comments	Reply
15	<p>Comments on Independent Auditors report</p> <p>Independent auditor in its audit report in Para - 22 under Emphasis of matters (Corporate office) stated that Dakshin Haryana Bijli Vitran Nigam (DHBVN) issued a notice dated 30 May 2016 to IDPL Corporate office regarding wrong billing (unauthorised use of electricity) at IDPL Complex. Audit report further stated that IDPL Corporate office should have disclosed Rs. 10764138 as contingent liability.</p> <p>However, it was noticed that demand raised by DHBVN in March 2018 was Rs. 27673775 which</p>	<p>IDPL Corporate office and Gurugram plant both have common meter, the consolidated meter billing of the same is done by the Electricity department. The amount of contested DHBVN liability of Rs 27475606.41 have been shown as Contingent Liability by Gurgaon plant, being consolidating auditor and figures being certified and</p>

	<p>has been contested by the company. The independent auditors observation that contingent liability of Rs. 10764138 should have been disclosed by IDPLCorporate office is incorrect to the extent as the correct amount was rs. 27673775/-.</p> <p>Further, Para-B, under contingent liabilities (Gurugram Plant) in note to accounts states that contingent liability for demand raised by DHBVN was Rs. 2,74,75,606 though the correct amount was Rs. 2,76,73,775/-.Thus Para B in Notes to accounts is also incorrect to the extent.</p>	<p>audited by the Branch Auditor was consolidated in the notes to accounts by the Management.</p> <p>That there was qualification by the Statutory Auditor based upon the information received however the Gurugram Plant have also stated in their Contingent liability. In other words there two separate disclosures for the contested bill of Rs 27475606.41.</p> <p>Since, the litigation for the same is still pending in court of law, we cannot put higher amount in books as contingent liability as against the figure verified by the auditor of Gurugram Plant.</p>
--	--	---

Sr. No.	Audit Comments	Reply
16	<p>Independent auditor in audit report in Para 15(a) under Emphasis of Matters (Corporate office) stated that from the available records and documents produced, Company has received Rs. 1735 lacs from GOI as grants as per sanction letters. A Review of records revealed that the company has received Rs. 1685 lacs from GOI till March 2018; Thus Independent Auditor is deficient to that extent.</p>	<p>Reference is drawn to point no 15 (a) of the Auditors report wherein the plant wise bifurcation is given for 1685 lacs however, due to inadvertent error or Rs. 50 lacs it was shown as 1735 lacs in books of accounts but the mistake was realized therefore, we have given at 3(1) (r') of notes to accounts a brief note on such matter. Hence, the Total amount of Grant for the year ended 17-18 is Rs. 1685 lacs only.</p>

Sr. No.	Audit Comments	Reply
17.	<p>Further, Independent Auditor also reported that other long term liabilities represented by Govt. Grants were not reduced for the grant utilised by the end of Financial year. However,</p>	<p>Adequate disclosures are made by Independent Auditor in his report. We are</p>



	<p>Independent auditor has not quantified the observation. It was noted that Govt grants equal to Rs. 65.67 lacks were utilised by the company but the same was not considered by Independent Auditor while making observation on utilisation of Government Grants. Thus Independent auditor report is deficient to that extent.</p> <p>Considering the impact of comments at A(i) and A(ii), B(I)(A)(i) and (ii) and B(I)(B) and B(II)(A)(b) as above and comments made by the Independent auditor in its audit report at Para 5(a) and 11 in "Basis of qualified opinion" for Corporate office and consolidated impact of other audit observations in concluding paragraph under "Basis for Qualified opinion" the loss for the year Rs. 164.66 crores as depicted in statement of profit and loss of the company would increase by 1586.62 crores. The loss for the year of Rs. 164.66 crores is impacted by 964 percent. Considering the impact of Rs. 1586.62 crores on loss for the year as a consequence of comments and comment at D above, The financial statements of the company for the year 2017-18, do not present a true and fair view and it was not proper on the part of Independent Auditor to have provided an assurance that the Financial statements presents a true and fair view</p>	<p>enclosing all the documents, evidences, explanations and justifications for your kind consideration.</p> <p>Kindly consider the same and upheld the True and Fair view of Independent Auditor's Report dated 03rd March,2020 for the year 2017-18.</p> <p>We further request you kindly give us an opportunity of personal hearing so that we can explain the same in the interest of natural justice.</p>
--	--	--



INDEPENDENT AUDITORS' 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 2018, 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.

Note on status of Going Concern of INDIAN DRUGS & PHARMACEUTICALS LIMITED, ("the Company")

Reference is drawn to letter No F.No 54014/1/2016-PSU, Government of India, Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals dated 09th January, 2017 which dealt with follow-up action on the Cabinet decision dated 28th December, 2016 for closure of INDIAN DRUGS & PHARMACEUTICALS LIMITED, ("the Company"). The recommendations of the Ministers were considered by the Cabinet on 28th December, 2016. By virtue of Cabinet decision dated 28th December, 2016 for closure of INDIAN DRUGS & PHARMACEUTICALS LIMITED, ("the Company") and letter dated 09th January, 2017 which dealt with follow-up action on the Cabinet decision dated 28th December, 2016, it casted serious aspersions on the continuity of the Company. Department of Public Enterprise (DPE) vide their OM dated 14-06-2018 has issued Revised Guidelines for closure of Public Sector Enterprise and disposal of movable and immovable assets. Further the financial statements which indicate that the Company 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 Company have been prepared on a going concern basis, till the final closure recommendation from Govt. of India, whereas we do not accept the contentions of the management regarding preparation of accounts on going concern basis.

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	RISHIKESH PLANT	SHEKHAR CHANDRA & CO.
2	KOLKATA, PATNA,CUTTACK & GUWAHATI REGIONS (CONSOLIDATED)	T.C.PAL & CO
3	REGIONAL OFFICE DELHI	L.N.MALIK & CO
4	GURGAON PLANT	R S MODI & CO
5	REGIONAL SALES OFFICE,MUMBAI	KOTHARI & KENIA
6	REGIONAL OFFICE,LUCKNOW	RZS & ASSOCIATES
7	CORPORATE OFFICE,GURGAON	MEGA & ASSOCIATES
8	HYDERABAD UNIT	NARASIMHA RAO & SRINIVAS
9	ZONAL OFFICE HYDERABAD	N G RAO & ASSOCIATES

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 **except Roorki depot's unaudited financials were merged with Rishikesh Plant and accounts of Patna & Cuttack region have been merged with Kolkata and duly certified by the management** . 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

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 54,81,08,96,807 (Pr. Yr Rs 54,66,13,35,309) 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 31.03.2018 & 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.2,51,66,54,026(Pr. Yr. Rs.2,51,66,54,026) 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. 113,09,72,138 (Pr. Yr. Rs. 109,16,12,138) 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. Rs.14,63,60,246) 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. 80,38,28,658 (Pr. Yr. Rs. 76,94,68,658). 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 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. 80,38,28,658 (Pr. Yr. Rs. 76,94,68,658) are also overstated to that extent.

(c) Included in above "Other Long Term Liabilities" is an amount of Rs.93,01,83,510 (Pr. Yr. Rs.92,51,83,510) 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) Under Long Term Provisions, the 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.

7) Short Term borrowings "Cash Credit accounts" with Banks "of Rs. 87,36,16,535 (Pr. Yr. Rs. 91,84,94,024) 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. 7,56,56,654 (Pr. YrRs. 7,57,76,654) 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.7,79,40,899 (Pr. Yr. Rs.7,68,06,288) 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. 4,53,07,152) 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" are amounts payable on account of TDS, Service Tax payable, GST, Service Tax IBS which are outstanding. Further disputed statutory liabilities are unascertained.
- 10) The Company is not maintaining proper fixed assets register showing the details of the fixed assets belonging to the Company. No report of physical verification of fixed assets was produced before us for our verification and perusal. No



reconciliation between fixed assets register and accounting records along with scrap register was not produced for our verification. In absence of the same we cannot comment on quantum and value of fixed assets appearing in accounting records of the Company vis-à-vis physical assets further Impact of loss on assets due to non -reconciliation/scrap 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 40,00,00,00 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 status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as "Under Liquidation", which has also impacted the Investment of the Company amounting to Rs 67,40,000 given to Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The loss in our opinion is of a permanent nature. The Corporate Office has not provided for any loss on this account.
- 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 status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as "Under Liquidation", which has also impacted



the Investment of the Company (Share Application Money) amounting to Rs 6,99,000 given to Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The Corporate Office has not provided for any loss on this account.

12) Long Term Loans and advances of Rs.1,45,48,91,677 (Pr. Yr . Rs.1,39,18,01,102) against with provision of Rs.8,79,918(Pr. Yr. Rs. 8,79,918) Nett Rs. 1,45,40,11,759 (Pr.Yr. Rs. 1,39,09,21,184) 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.87,29,16,792 (Previous Year Rs. 80,98,26,217) are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. The status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as "Under Liquidation", which has impacted the Advances of the Company amounting to Rs 17,06,62,059 given to Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The 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. 8,36,99,504 (Pr. Yr. Rs. 8,64,41,638) includes long trade receivables at various regional offices, now transferred to Corporate office. There is wrong classification in aging of Book Debts to the extent of Rs 93.94 Lacs, which have classified as amount outstanding for more than six months where as it is less than six months. Out of "Trade Receivable" of Rs. 8,36,99,504 , Rs 6,38,68,462 is the amount of "Trade Receivable" outstanding for period exceeding three years out of which provision of Rs 20,69,981 had been made in the earlier years as doubtful. No provision has been made in the current or previous year(s). In our opinion, the provision for the amount outstanding for more than three years of Rs 6,17,98,481 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.

14) Short Term Loans and advances of Rs.8,90,62,966 (Pr.Yr. Rs.8,67,37,917) 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(including suspense and unlinked entries of Rs 3,05,49,781.94 un-reconciled/unidentified/unadjusted for the last many years). In our opinion provision against the Unsecured advances (including suspense and unlinked entries of Rs 3,05,49,781.94) in books of account against doubtful advance is not adequate. The detail of non-movement of advances (including suspense and unlinked entries of Rs 3,05,49,781.94) are as under:-

S.No	Name of the Advances	Balance as on 31 st March,2018 (in Rs)	Balance as on 31 st March,2017 (in Rs)
1	Suspense	(1,10,615.00)	(1,10,615.00)
2	Suspense A/C	3,70,89,180.94	3,70,89,180.94
3	Unlinked Entries	(64,28,784.00)	(64,28,784.00)
4	Advances-Others	23,02,956.69	23,02,956.69



5	Advances to PSIDC	3,116.50	3,116.50
6	Claim Recoverable	60,71,901.55	60,71,901.55
7	Director Expenses (Imprest)	10,000.00	10,000.00
8	Duty Drawback on Export (M)	1,02,764.07	1,02,764.07
9	Electricity & Water Charges	2,70,700.69	2,70,700.69
10	Expenses Recoverable (M)	35,840.75	35,840.75
11	Mr A, Sarath	(3,500.00)	(3,500.00)
12	Recoverable -CPF trust	2,100.00	2,100.00
13	Recoverable from Frug Equal (M)	75,22,259.97	75,22,259.97
14	Recoverable from Ministry(M)	89,067.80	89,067.80
15	SSCL	8,65,003.99	8,65,003.99
	Total	4,78,21,993.95	4,78,21,993.95

These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Had the provision been made for the entire amount of Rs. 5,08,21,993.95 the loss would have increased by Rs.3,56,10,174.95 and Short Term Loan Advances decreased by Rs.3,56,10,174.95.

- 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) , 13 and 14 has resulted in, understatement of Loss for the year by Rs.6,30,48,655.95, overstatement of Reserves & Surplus by (Rs. 6,30,48,655.95) (Previous Year - (Rs 3,43,60,000)), overstatement of Other Long Term Liabilities by Rs. 3,43,60,000 (Previous Year - Rs 3,43,60,000 , overstatement of Trade Receivables by Rs 6,17,98,481 (Previous Year -Nil),overstatement of Short Term Loans & Advances by Rs 3,56,10,174.95(Previous Year -Nil and understatement of Long Term Provisions by Rs 9,74,08,655.95(Previous Year -Nil).

KOLKATTA ,PATNA, CUTTAK & GUWAHATI REGIONS (CONSOLIDATED)

- 1) The accounts of Patna & Cuttack region have been merged with Kolkata and duly certified by the management.
- 2) Aggregate of Claims recoverable, Advance Recoverable, Advance to other than Employees and Advance to Railways/Transport amounting to Rs 40,85,471.82 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, 2018. Had the provision been made for the entire amount of Rs. 40,85,471.82, the loss would have increased by Rs.27,001.35 and current asset decreased by Rs. 27,001.35.

- 3) Provision for Gratuity and Leave Encashment has not been made as these are dealt with at Head Office.
- 4) Trade Receivables includes Rs. 21.16 lac which is under CBI investigation.
- 5) The balances of Trade Payables, Trade Receivables and Advances have remained unconfirmed.
- 6) The balance of Trade Receivables of RO Patna as at 31.03.18 was Rs. 2,17,31,766.49. Out of the total trade receivables, Rs. 54,93,302.21 is un-reconciled i.e. to whom the sales were made are not traceable. Therefore, provision has to be made for the entire amount.
- 7) The balance of Advance from Customers of RO Patna as at 31.03.2018 was Rs 3,14,260.60, the parties from whom the amounts have been received as advance are not traceable.

The total impact of above Para (2) and (6) has resulted in, understatement of Loss for the year by Rs.55,20,303.56, overstatement of Reserves & Surplus by (Rs. 55,20,303.56) (Previous Year - (Rs. 55,23,007.56)), understatement of Long Term provisions by Rs. 55,20,303.56 (Previous Year - Rs. 55,23,007.56) and overstatement of Other Current Assets by Rs.27,001.35 (Previous Year - Rs.29,705.35) and Trade Receivables by Rs 54,93,302.21 (Previous Year -Rs 54,93,302.21).

REGIONAL OFFICE- MUMBAI

1. No provision has been made for sundry debtors and deposits account. Such account balances for since number of 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. 30,11,752/-

Details of respective balances are detailed below:



- a) Sundry Debtors amounting Rs. 20,20,106/-
 - b) Sundry Deposits amounting Rs. 9,61,006/-
 - c) Advance to Employees/contractors and others Rs 30,640/-
2. The bank reconciliation statement as on 31/12/2018 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. 58,54,919/-, out of which stock amounting to Rs. 18,37,547/- 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. Long outstanding dues payable since more than 15 years not dealt with in accounts detailed as follows:-
 - a) Advance from Customers & Others Rs 63,80,420/-
 - b) Sundry Deposits from contractors and others Rs 13,70,537/-
 - c) Provision for expenses Rs 6,13,101/-

The total impact of above Para (1a),(1b) , (1c) and (4) has resulted in, understatement of Loss for the year by Rs.48,49,299, overstatement of Reserves & Surplus by (Rs.48,49,299) (Previous Year - (Rs.42,87,827)), understatement of Long Term provisions by Rs.48,49,299 (Previous Year - Rs.42,25,327) and overstatement of Short Term Loan & Advances by Rs.9,91,646 (Previous Year - Rs.9,61,006), Inventories by Rs. 18,37,547 (Previous Year - Rs. 15,88,223) and Trade Receivables by Rs. 20,20,106 (Previous Year - Rs. 16,76,098).

REGIONAL OFFICE- LUCKNOW

- (1) Rs 2,75,14,085 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 1,42,91,699.34 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. There is difference of Rs 3,93,616.82 of unreconciled debtors of which no details are available.
- (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. Refer Note No 8 of the Audited Financials of R.O.Lucknow.
- 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. Refer Note No 8 of the Audited Financials of R.O.Lucknow.
- 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. Refer Note No 8 of the Audited Financials of R.O.Lucknow.
- 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 recovery. Refer Note No 8 of the Audited Financials of R.O.Lucknow.



E-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. Refer Note No 8 of the Audited Financials of R.O.Lucknow.

- 3- Rs. 15,80,538/- 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 2018 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. Refer Note No 4 of the Audited Financials of R.O.Lucknow.

The total impact of above Para (1) and (2) has resulted in, understatement of Loss for the year by Rs.1,45,75,812.27, overstatement of Reserves & Surplus by (Rs.1,45,75,812.27) (Previous Year -(Rs.1,34,96,124.85)), understatement of Long Term provisions by Rs.1,45,75,812.27 (Previous Year - Rs.1,34,96,124.85) and overstatement of Trade Receivables by Rs 1,42,91,699.34 (Previous Year - Rs 1,32,12,011.92) and Long Term Loan & Advances by Rs 2,84,112.93 (Previous Year - Rs 2,84,112.93).

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 of Plant Rishikesh Audited Financial Statements 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 recognised the impairment loss on fixed assets as per Accounting Standard 28. Since the assets of the company are 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 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 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 which Department of Biotechnology 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) The Company 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 overstated.
- (viii) Note.2.1 of Plant Rishikesh Audited 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. Further decision for initiating of

closure proceeding of the PSU is also taken by cabinet as per the letter no. F.No.54014/1/2016-PSU dated 09.01.2017 issued by Ministry of Chemicals & Fertilizers, Department of Pharmaceuticals, Shastri Bhawan New Delhi. However, the financial statements of the unit have been prepared on a going concern basis.

- (ix) The (loss)/profit of Roorkee depot related to previous year has not been incorporated in the opening balance sheet which result in difference in opening balance of the current year and closing balance of the last year.
- (x) The Company has incurred transport expenses of Rs.6,08,146 on which tax is to be paid on reverse charge basis under G.S.T. Act which comes to Rs.30,408 but the G.S.T. of Rs.30,408 is adjusted against the input tax credit which result in wrong claim of G.S.T. therefore the unit is required to pay G.S.T. of Rs.30,408 with interest on transport expenses and also to reverse the input tax credit wrongly claimed. Further we also report that no GST was paid on payment made to advocates of Rs.94,950 in which G.S.T. liability of Rs.17,091 is to arise.
- (xi) The Company has claimed G.S.T. credit of Rs.26,93,639 on purchases of raw material which consumed in exempted sales against the Taxable Sales which result in increase of profit for the year under consideration by the same amount.

The total impact of above Para (xi) has resulted in, understatement of Loss for the year by Rs.26,93,639 and overstatement of Reserves & Surplus by (Rs.26,93,639) (Previous Year -(Rs. Nil)), understatement of Current Liabilities (GST Liabilities) by Rs Rs.26,93,639 (Previous Year- Rs Nil) and understatement of Short Term Loan & Advances by Rs Rs.26,93,639 (Previous Year - Rs Nil)

GURUGRAM PLANT

- (a) The Stock of stores and spares, stationery has been valued at cost price. The management has made part provision of Rs 15.50 Lacs for the non-moving/obsolete stocks. Since almost all the stores and spares items out of Total stores amounting to Rs 67.76 Lacs are quite old and not moving, and part of it amounting to Rs 10.63 Lacs 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 2,83,764 are pending since long, thereby decreasing losses by Rs. 3,57,634.
- (d) The Fixed Assets other than Plant & Machine 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.33639(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 are outstanding in books since last many years (Not confirmed since which year) & found no claims.
- (h) Share of C.O Expenses Rs 2,86,12,152 and Marketing Div. expenses Rs. 4,13,01,707 has been charged on the basis of e-mail from corporate office stating to increase ad-hoc 5 % as compared with previous year where as the Turnover has reduced to Half as compared with previous year. We are unable to comment on the correctness of expenses claimed by the plant as no supporting vouchers or Debit Note from HO produced by us.
- (i) No Provision has been made for amount of Rs. 43,028.93 recoverable from IDPL-FCPF which is pending since 1992-93 and thereby decreasing losses by Rs. 43,028.93.
- (j) No Provision has been made for doubtful amount of Rs. 69,45,925 (P.Y. 64,79,067) shown as recoverable from ex- employees for rent and other expenses which is pending and thereby understating losses by Rs. 69,45,925.



- (k) 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.
- (l) 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.
- (m) The Plant has made the provision of Gratuity of Rs.2,40,089 and Leave Encashment of Rs.28,332 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.
- (n) 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.
- (o) Rs 1,35,12,678 shown as Purchase Tax/Entry Tax up to June,2017,the company has not paid the liability & No provisions for interest on Payable of tax were computed & provided thus the loss is understated to the extent of interest payable on Tax Liability.
- (p) There is difference in Balance with Associate Branch/Corporate office amounting to Rs 12,58,712, which will have an impact on Profit & Loss Account.

The total impact of above Para (c) , (i) ,(j) and (n) has resulted in, understatement of Loss for the year by Rs.74,35,254.93, overstatement of Reserves & Surplus by (Rs. 74,35,254.93) (Previous Year -(Rs . 68,19,125.93)),understatement of Long term provisions by Rs 74,35,254.93 (Previous Year- Rs 68,19,125.93) and overstatement of other Current Assets by Rs.70,77,620.93 (Previous Year - Rs.64,61,491.93) and Short Term Loan & Advances by Rs 3,57,634 (Previous Year - Rs 3,57,634)



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 ,Plants and 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 , understatement of Loss for the year by Rs.9,81,22,964.71, overstatement of Reserves & Surplus by (Rs. 9,81,22,964.71) (Previous Year - (Rs. 42,33,914.66)) ,understatement of Long Term provisions by Rs 12,97,89,325.71 (Previous Year - Rs 3,00,63,585.34) , understatement of Current Liabilities by Rs 26,93,639 (Previous Year -Rs-62,500) and overstatement of Long term loans and advances by Rs 2,84,112.93 (Previous Year - Rs NIL),Trade Receivables by Rs 8,36,03,588.55 (Previous Year - Rs 2,03,81,412.13),Other current assets by Rs 70,77,620.93 (Previous Year - Rs 64,91,197.28) ,Inventories by Rs 18,37,547 (Previous Year - Rs 15,88,223),Short term Loan & Advances by Rs 3,96,53,093.95 (Previous Year - Rs 16,02,752.93), Current Assets by Rs 27,001.35 (Previous Year-NIL),further overstatement of Other Long Term Liabilities by Rs 3,43,60,000 (Previous Year - Rs 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 **INDIAN DRUGS & PHARMACEUTICALS LIMITED** as at 31st March, 2018, and its losses and its cash flows for the year ended on that date.



Emphasis of Matters

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 31.03.2018	Interest accrued and due Un-reconciled	Total as at 31.03.2018
Govt. of India	1,64,02,00,000	12,14,39,25,000	40,96,42,62,000	53,10,81,87,000
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	87,36,16,535	15,38,56,23,842	16,25,92,40,377

- 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. 6,99,13,859 (Pr.Yr. Rs. 6,65,84,628), Rishikesh Plant Rs. 7,27,67,487 (Pr.Yr. Rs. 6,93,02,369) and Hyderabad Plant Rs.21,17,850 (Pr.Yr. Rs.20,17,000) total Rs. 14,47,99,196 (Pr.Yr. Rs. 13,79,03,997) without any basis, hence we are unable to verify/comment upon 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 Uttarakhand 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) Reference is drawn to Notes to Accounts 3 (A)(s) regarding detail of legal cases annexed with the notes to account , in this regard reference is drawn to our Audit Memo 1, in the said Memo we have desired that "The Legal cases are bifurcated into Civil and Criminal with financial implications as well. The details may also be provided for those cases as well which were decided during the last 5 years and with present status and financial impact on the company."

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 inspite of Statutory Auditor's Audit Memo. **The information provided by the Company is incomplete, deficient and**

cannot be relied upon. It is further apprised that as a prudent practice the legal cases (Criminal and Civil) for/against the Company decided by the competent court/authorities and no further appeal /ligation have been filed the amount payable/recoverable should be prudently disclosed in the financial statements with due reference in notes to accounts, there must be some cases where execution against the Company is pending should be prominently disclosed in the Notes to Accounts with financial implications . The Legal department of the company have failed to disclosed the detail of financial implications as contingent liabilities and failed to disclose the amount payable/recoverable in decided cases with due reference in notes to accounts. Further Legal Department failed to take the cognizance of letter No F.No 54014/1/2016-PSU ,Government of India ,Ministry of Chemicals & Fertilizers , Department of Pharmaceuticals dated 09th January,2017 which dealt with follow-up action on the Cabinet decision dated 28th December,2016 for closure of Company. The decision of cases filed for/against the Company ,which may have favourable/adverse impact on the liabilities/assets of the Company .In absence of Internal Control in the Legal Department we are unable to comment upon the financial implications of the pending/decided/appealed/under execution cases.

- 10) 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. It is pertinent to mention that neither the amount of Rs 1,92,00,000.00 (Approx) have been shown as Income not this have been shown as Sundry Debtors , there is no disclosure in the notes to accounts. The Branch Statutory Auditor failed to report the matter in Branch Statutory Auditors Report about material misstatement in the Accounts of Hyderabad Plant The Company have defaulted in the compliance of Service tax on due basis .The Board was not apprised for 3-4 Years ,the financial implications is Rs 1,92,00,000.00 (Approx).The Company have not



furnished any details pertaining to vacation of premises, staff accountability, Criminal proceedings and Recovery suit pertaining to recovery of rent.

11) The Company have not furnished the status regarding maintenance of centralised data base (pan India) regarding Assets (including Land & Building, residential accommodation(s), Schools and other facilities) given on lease, rent and hire to outside parties, Govt. Establishment, employees and ex-employees, neither the recovery nor the outstanding status of the same is available . We are unable to comment regarding recording of receipt of rent, entering into agreement and recoveries during the previous year and present year upto 31st March, 2018.

12) Special Audit of Roorkee Depot

There was a Special Audit of Roorkee Depot which was carried out in relation to financial year 2012-13 to 2015-16 after Branch statutory Auditor in its Independent Audit Report of Rishikesh plant for the financial year ending 31st March, 2016 disclosed vide para no 2(f) under the head "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" as under "f) 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. The Special Audit was carried on behalf of the management for looking into the loopholes in Roorkee Depot working, the reply on the Special Audit Report is still awaited from the depot and the corresponding impact of that on the Financial Statements can be known after final decision of the Management.

13) Regarding status of Flats in RSO Mumbai:- The RSO Mumbai in its financial statements did not disclose the desired information nor the Branch Statutory Auditor did not verify the veracity the status of flats in its Statutory Audit Report. The details of anomalies are as under:-

- i) Disposal of scrap (unused and broken/unserviceable furniture in flats) without followance of proper procedure.
- ii) The audited financials of RSO Mumbai have not commented regarding total compensation to be received, received and outstanding amount.



iii) Legal vetting of chain in the Registrar /Sub-Registrar office regarding ownership of flats.

iv) Display of board "Property of IDPL" at all places.

v) The fixed assets schedule of audited financials of RSO Mumbai in Note 7 "Township Building", but it did specify breakup of Township Building into No of flats nor the value of each flat as these flats are in different societies whereas these 12 (Twelve) flats are located - 3 flats in Goregaon (Goregaon Pearl Co-operative Housing Ltd), 4 flats in Poiser Saurabh Society, Kandivali East, 3 flats in Poiser Ashiana Society, Kandivali East, and 2 flats in Poiser Akansha Society, Kandivali East.

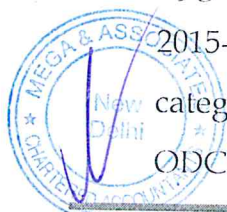
vi) The fixed assets schedule of audited financials of RSO Mumbai have not disclosed nor commented by the Branch Statutory Auditor regarding three houses in Goregaon (Goregaon Pearl Co-operative Housing Ltd) are under redevelopment which was supposed to be completed by July, 2010 and revised date of possession was 31st January, 2020. The status as on 12th November, 2018 should have been given in Audited Financial Statements at the time signing of Audited Financial of RO Mumbai.

14) Non Compliance of Directions and 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.

15) a) In the year 2016-17 the Company received Grant of Rs 500.00 Lacs for WHO-GMP upgradation under critical assistance category for its Hyderabad Plant. In the year 2015-16 also the Company received Grant of Rs 740.00 Lacs 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 1735.00 Lacs received from Govt. Of India (other than received for VRS payments) is appearing Other Long Term Liabilities, however amount transferred to IDPL Plants situated at Rishikesh, Gurgaon & Hyderabad and ODCL & Tamil Nadu(Chennai) have not been reduced based upon the utilisation as on the end of the financial year .

Detail of amount of Grant received for various plants

S.No	Financial Year	Grant Received (Rs in Lacs)	Name of Plants/JV/ Subsidiaries and amount (Rs in Lacs)	Purpose of Grant (Capital in nature)
1	2010-11	445.00	➤ Rishikesh-170.00 ➤ Gurgaon-100.00 ➤ Tamil Nadu (Chennai)-175.00	WHO-GMP compliance under critical assistance category
2	2015-16	740.00	➤ Rishikesh-210.00 ➤ Gurgaon-251.00 ➤ ODCL-279.00	Under critical assistance category
3	2016-17	500.00	➤ Hyderabad	WHO-GMP upgradation under critical assistance category
	Total	1,685.00		

Status of dispersal of Grant (Capital Nature) for various plants

S.No	Name of Plants/JV/ Subsidiaries	Grant Disbursed (Rs in Lacs)	Disclosure Requirements as per AS-12- Treatment of Govt. Grant	Status of Compliance



1	Rishikesh	190.00	<ul style="list-style-type: none"> • The accounting policy adopted for government grants, including the methods of presentation in the financial statements. Treatment:- • Government grants related to specific fixed assets should be presented in the balance sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. • Where the grant related to a specific fixed asset equals the whole, or virtually the whole, of the cost of the asset, the asset should be shown in the balance sheet at a nominal value. • Alternatively, "government grants related to depreciable fixed assets may be treated as deferred income which should be recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset, i.e., such grants 	<ul style="list-style-type: none"> • The Company have not formulated any accounting policy with regard to government grants, including the methods of presentation in the financial statements. • In Rishikesh Plant:- In plant audited financials for the year ending 31st March, 2018 they have not mentioned separately assets acquired through funds transferred to plant out of Grant received from Government of India since 2010-11. • In Gurgaon Plant:- In plant audited financials for the year ending 31st March, 2018 they have not mentioned separately assets acquired through funds transferred to plant out of Grant received from Government of India since 2010-11. • In Tamil Nadu Chennai Plant (Subsidiary):- The Audit of the Tamil Nadu Chennai Plant (Subsidiary) has been completed upto 2009-10. The Company have transferred Rs 175.00 Lacs since 2010-11, we are unable to comment in absence of
2	Gurgaon	100.00		
3	IDPL Chennai	175.00		
4	ODCL	50.00		



			should be allocated to income over the periods and in the proportions in which depreciation on those assets is charged.	audited financial statements the compliance /Disclosure Requirements as per AS-12-Treatment of Govt. Grant.
				<ul style="list-style-type: none"> • In ODCL Plant (Subsidiary):- The Audit of the ODCL Plant (Subsidiary) has been completed upto 2011-12. The Company have transferred Rs 50.00 Lacs since 2010-11, we are unable to comment in absence of audited financial statements the compliance /Disclosure Requirements as per AS-12-Treatment of Govt. Grant.
	Total	520.00		

From the available records and documents produced before us, the Company have received Rs 1,735.00 Lacs from Govt. of India as Grant as per sanction letter(s), out of which Rs 520.00 Lacs was transferred to Plants/JV/ Subsidiaries.

Reference is drawn to Branch Statutory Auditor of Plant Rishikesh comment on Government Grant which states that "There is old outstanding Government Grant of Rs.2.06 crore out which DBT assets have been booked worth Rs.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", this Grant stands refundable to Corporate Office further there is no details of DBT assets in the Audited Financial Statements of Plant Rishikesh.



The IDPL needs to further strengthen its records pertaining to utilisation of Grants received from Govt. of India further required documents pertaining to utilisation of Govt. Grant from Plants concerned needs to be taken (duly audited). The compliance of rules as stipulated in GFR -2005 pertaining to Grant-in-Aid needs to be further strengthened. All Grants-in-Aid which are unutilized as on 31st March,2018 with Corporate Office, Plants, JV and Subsidiaries should be shown separately. Reference

is drawn to Notes to Accounts no 1 that consequent to the decision of Cabinet for closure of IDPL in December 2016, fund and its utilisation was kept in abeyance. The unutilized Grant-in-Aid including interest earned thereon received from Govt. of India upto 31st March,2018 with Corporate Office along with unutilised Grant lying with Plants, JV and Subsidiaries should be shown under the head "Other Current Liabilities" instead of "Other Long Term Liabilities" further the Company have not formulated any accounting policy with regard to government grants, including the methods of presentation in the financial statements. The quantum of the same is indeterminate.

- 15) b) The Company have received following funds (in the nature of Loan) other than Grant from Govt. of India:-

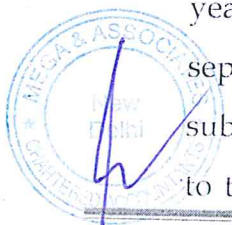
S.No	Financial Year	Funds released by Govt. of India (Rs in Lacs)	Name of Plants/JV/ Subsidiaries and amount (Rs in Lacs)	Purpose of Unsecured Loan (Capital in nature)
1.	2011-12	340.00	➤ Rishikesh-Rs80.00 ➤ Gurgaon -Rs 205.00 ➤ Tamil Nadu (Chennai)- Rs 55.00	IDPL and Subsidiary for GMP/Schedule M Compliance
2.	2012-13	500.00	➤ Hyderabad- Rs 500.00	Restart the production in Hyderabad Plant
3.	2013-14	122.00		



4.	2013-14	180.00			
5.	2014-15	500.00	➤ Hyderabad- 500.00	Rs	Restart the production in Hyderabad Plant

The IDPL needs to further strengthen its records pertaining to utilisation of Unsecured Loans received from Govt. of India further required documents pertaining to utilisation of Unsecured Loans from Plants concerned needs to be taken (duly audited). The compliance of rules as stipulated in GFR -2005 pertaining to Grant-in-Aid needs to be further strengthened. All Unsecured Loans which are unutilized as on 31st March,2018 with Corporate Office, Plants, JV and Subsidiaries should be shown separately. Reference is drawn to Notes to Accounts no 1 that consequent to the decision of Cabinet for closure of IDPL in December 2016, fund and its utilisation was kept in abeyance. The unutilized Unsecured Loans including interest earned thereon received from Govt. of India upto 31st March,2018 with Corporate Office along with unutilised Unsecured Loans lying with Plants, JV and Subsidiaries should be shown under the head "Other Current Liabilities" instead of "Other Long Term Liabilities" further the Company have not formulated any accounting policy with regard to Unsecured Loans, including the methods of presentation in the financial statements. The quantum of the same is indeterminate.

- 16) a) 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. As per information provided the accounts of ODCL have been completed up to FY 2011-12, BDOCL up to 2017-18 and IDPL (Tamil Nadu) Ltd up to 2009-10. The status of annual filing of these companies is as follows:-

S.No	Name of the Subsidiary/JV	Status of the Subsidiary/JV Company as per MCA	Status of annual filing of the Company as per MCA.
1	Orissa Drugs and Chemicals Limited	Under Liquidation	31/03/2002
2	Bihar Drugs and Organic Limited	Active	31/03/2003
3	IDPL (Tamil Nadu) Limited	Active	31/03/2004

16 b) Reference is drawn to status of Orissa Drugs and Chemicals Limited in MCA where it has been shown as "Under Liquidation", which has impacted the Investments/Loan/Share Application Money/Advances of the Company in Orissa Drugs and Chemicals Limited. The Company have not considered the impact of Orissa Drugs and Chemicals Limited being "Under Liquidation" and its resultant impact on the Financial Statements of the Company. The details are as follows:-

S.No	Particulars/Nature of Transactions	Head of Account	Amount(Rs)
1	6,74,000 Equity Shares of Rs 10/- each fully paid up.	Trade Investment	67,40,000
2	Share Application pending money allotment.	Share Application pending money allotment.	6,99,000
3	Advances to ODCL	Loans & Advances (Assets),Advances New	3,84,99,038
4	ODCL	Loans & Advances (Assets),Advances New	13,21,63,021



17) The compliance of comments of the Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 on the Financial Statements of the Company for the year ended 31st March, 2015:- The replies were submitted to Comptroller and Auditor General of India on 12th May, 2016, the Comptroller and Auditor General of India vide their letter dated 21st June, 2016 issued comments u/s 143(3)(b) of the Companies Act, 2013. The Management incorporated their replies in the Annual Report of the year 2014-15, the status of acceptance of Management Replies by the Comptroller and Auditor General of India is not available.

18) The Company terminated the contract with Service Agents vide letter no NIL dated 22nd December, 2016. The statutory notice of one month was not given, further status of recovery of records and reconciliation, status of liabilities including Statutory Liabilities of these Service Agents, Status of recoveries of the parties handled by these Service Agents and C & F Agents, against the closing balance as at 31-03-2017 and balance confirmation of amount due from various authorities (Book debts) on the supplies made to through them is indeterminate from various Service Agents. During the year the Regional offices paid and/or incurred/booked expenses towards commission (Service Agents)/liquidated damages/provision for bad and doubtful debts:-

Name of office	Commission	Liquidated Damages and Sales Discount	Provision for bad & doubtful debts
R O Mumbai	9,83,585.00	4,02,796.00	0.00
R O Kolkata	72,46,882.00	0.00	670.96
R O Delhi	14,16,665.00	70,493.00	0.00
Z O Hyderabad	2,71,782.00	48,82,168.00	0.00
R O Lucknow	28,01,843.00	0.00	0.00
Total	1,27,20,757.00	53,55,457.00	670.96

19)(a) Reference is drawn to Trade Receivables (Gross) -Rs 3,793.40 Lacs, out of which the Trade Receivables which are doubtful in nature and/or outstanding for more than one year (though considered as unsecured, considered good (as classified by the RO, Plants and Corporate Office) are Rs 1,725.05 Lacs. This comprises 46 % (Approx.) of the total Trade Receivables. There is short provisioning as reported by Branch Statutory Auditors and have qualified their opinion in the Branch Statutory Auditors Report regarding under provisioning of Bad & Doubtful Debts and also we further emphasise that in absence of any reconciliation and balance confirmation, the RO,



Plants and Corporate Office should have reviewed the provisioning status and additional provision for bad and doubtful debts should have been provided. No reasons have been specified in the Notes to Accounts except "subject to reconciliation and confirmations" it construes that outstanding(s) may be due to late delivery, rejection and non-handing over of records by service agents and these Trade Receivables are unconfirmed and unrealized without any cogent reason . The details are as follows:-

(Rs in Lacs)					
Name of office	Gross Book Debts	Provision for Bad & Doubtful Debts	Short Provisioning as reported by Branch Statutory Auditors	Additional Provisioning Required/ suggested	Overstatement of Book Debts by Company
(A)	(B)	(C)	(D)	(E)	(D) +(E)=(F)
RO Mumbai	78.58	0.00	0.00	0.00	0.00
RO Mumbai (wrongly shown under non-current assets by RO Mumbai)	53.08	14.15	20.20	18.73	38.93
RO Kolkata	367.88	122.93	54.93	66.45	121.38
Rishikesh Plant	124.90	42.41	0.00	82.49	82.49
Gurgaon Plant	60.90	53.30	0.00	7.60	7.60
RO Delhi	931.02	0.00	0.00	931.02	931.02
ZO Hyderabad	864.17	269.08	0.00	47.67	47.67
RO Lucknow	496.74	11.36	142.92	132.22	275.14
Corporate Office	837.00	20.69	617.98	0.00	617.98
Total	3814.27	533.92	836.03	1,286.18	2,122.21

19 (b) Reasons for additional provisioning required/ suggested

(Rs in Lacs)		
Name of office	Additional Provisioning Required/ suggested	Reasons/Comments



(A)	(B)	(C)
RO Mumbai	0.00	No Comments
RO Mumbai (wrongly shown under non-current assets by RO Mumbai)	18.73	Reference is drawn to Branch Statutory Auditor's Report and Audited Financial Statements of R O Mumbai- Para 1 Basis of qualifications on Note No 10 "such account balances are outstanding for since number of years and without any recovery and/or any initiative to recover the same by the company", secondly this is also a case of wrong presentation as it was shown under Note 10 - "Other Non-Current Assests" (whereas it should have been shown under Note 12) thirdly the information was sought from R O Mumbai and Marketing Division have not been replied , therefore in our opinion for entire amount of Rs 53.08 Lacs provision should have been made based upon the observation of Branch Statutory Auditor's Report. Hence additional provision of Rs 18.73 Lacs is required/ suggested.
RO Kolkata	66.45	Reference is drawn to Annexure-1 of Branch Statutory Auditor's Report and Audited Financial Statements of R O Kolkata -Para 5- The balance of trade receivables have remain unconfirmed secondly these debtors are unreconciled thirdly the information was sought from R O Kolkata and Marketing Division have not been replied, therefore in our opinion for entire amount of Rs 244.31 Lacs (exceeding six months) provision should have been made based upon the observation of Branch Statutory Auditor's Report. Hence additional provision of Rs 66.45 Lacs is required/ suggested.
Rishikesh Plant	82.49	Reference is drawn to Note 2.09 of Audited Balance Sheet of Plant Rishikesh on Book debts, these book debts pertain to Roorkee depot and of age wise analysis of book debts as on 16-03-2018 shared by R O Lucknow with Marketing Head .In the age wise analysis it has been shown that outstanding debts upto March,2013-Rs 68.04 Lacs , 2014-15 Rs 11.16 lacs ,2015-16 Rs 2.51 Lacs and 2016-17 Rs 1.21 Lacs, secondly these book debts are unreconciled, unconfirmed , thirdly the information was sought from R O Lucknow, Plant Rishikesh and Marketing Division have not been replied and fourthly the accounts of Roorkee depot are not under audit only they are merged with Plant Rishikesh financial statements therefore in our opinion for entire amount of Rs 82.49 Lacs provision should have been made based upon the above observations. Hence additional provision of Rs 82.49 Lacs is required/ suggested as it will be prudent on the part of IDPL to make provision .
Gurgaon Plant	7.60	Reference is drawn to para (f) of the qualifies opinion of Branch Statutory Auditor's Report of Plant Gurgaon,



		which stated that " The balances of Sundry Debtors ,suppliers and all other personal accounts whether in debit or credit are subject to confirmation, reconciliation and adjustments ,if any, in the books of accounts .Impact on loss , if any could not ascertained" further there is no movement for the last few years. Hence additional provision of Rs 7.60 Lacs is required/ suggested as it will be prudent on the part of IDPL to make provision .
R O Delhi	931.02	Reference is drawn to reply of Regional Sales Manager of R O Delhi on 12th March,2019 addressed to Accounts Department IDPL, CFO and Marketing Head on Audit memo, in the reply it was specifically stated " Rs 931.02 Lacs is appearing under the head Sundry Debtors since inception its very difficult to specify the reason with running the zone with 2 employees one Sr Account Executive including undersigned (RSM)"the reply is self-explanatory . Hence provision of Rs 931.02 Lacs is required/ suggested as it will be prudent on the part of IDPL to make provision.
ZO Hyderabad	47.67	Reference is drawn to Note 20 Trade Receivables appearing in Audited Financial Statements of Zonal Office Hyderabad where by management have themselves mentioned that a sum of Rs 316.75 Lacs is doubtful against which a provision was made for Rs 269.08 Lacs , if the Trade Receivable are doubtful full provision should have been made of Rs 316.75 Lacs there by additional provision of Rs 47.67 Lacs is required. Hence provision of Rs 47.67 Lacs is required/ suggested as it will be prudent on the part of IDPL to make provision.
RO Lucknow	132.22	Reference is drawn Note 11 Trade Receivables appearing in Audited Financial Statements of RO Lucknow where Rs 275.14 Lacs have been shown as outstanding for more than six months and also the Branch Statutory Auditor have opined that a provision of Rs 142.92 Lacs is under-provided (O/S more than 3 years) where as in our opinion balance Rs 132.22 Lacs should also be provided as provision .The opinion of Branch Statutory Auditor also extends to the status of Book Debts outstanding for more than six months (Rs 132.22 Lacs) in absence of reconciliation ,confirmation. Hence provision of Rs 132.22 Lacs is required/ suggested as it will be prudent on the part of IDPL to make provision.
Corporate Office	0.00	No Comments
Total	1,286.18	



19 (c) Wrong classification/ understatement of Trade Receivables :-Reference is drawn to Trade Receivables (Gross) -Rs 3,793.40 Lacs, it has been observed that wrong classification have been done of Trade Receivables and/or Advance from Customers which has resulted in understatement of Trade Receivables. The details are as follows:-

Name of office	Gross Book Debts	Amount of amount received from customer wrongly classified as Trade Receivable	Revised Trade Receivables	(Rs in Lacs) Corresponding Impact
RO-Delhi	931.02	123.43	1,054.45	The Trade Receivable have been understated by Rs 123.43 Lacs and corresponding Other Long Term Liabilities have been understated by Rs 123.43 Lacs.
Corporate Office	837.00	N.A	N.A	There is wrong classification in aging of Book Debts to the extent of Rs 93.94 Lacs, which have classified as amount outstanding for more than six months where as it is less than six



- 20) In Gurugram Plant of the Company there are 128 Flats in the Town Ship of various categories such as A,B, C and D. Out of these 128 Flats, 60 Flats were vacant as on 31st March,2018 and rest Flats are occupied by Plant employees, Corporate Office employees ,Ex-Employees and Contractors .There are 36 Flats under various categories which have been occupied by Ex-Employees/VRS opted Employees and they have occupying since last 17 years have not paid Rent, Electricity, Water and Maintenance charges to the

Estate Department. The total gross outstanding towards these 36 Flats as on 31st March,2018 is Rs 1,18,90,377 and after adjustment of retained amount of Rs 28,37,972, the outstanding amount towards Rent, Electricity, Water and Maintenance charges as on 31st March,2018 is Rs 90,52,405. There is no Rent Agreement with the Ex-Employees/VRS opted Employees and the Company is supposed to charge 50% of the market rent from Ex-Employees/VRS opted Employees. The Company needs to work out the market value of rent of these flats and recalculate the outstanding rent since their retirement and /or VRS, implementing the decision dated 07th December, 2006 along with dues of Electricity, Water and Maintenance charges. The Gurugram Plant have issued recovery notices for recovery of Rent, Electricity, Water and Maintenance charges, the Gurugram Plant is awaiting for reply of Legal Department for further course of action.

- 21) The Company have defaulted in complying with the requirement(s) as stipulated by Registrar of Companies, time to time, the fees and penalties to be paid shall be determined at the time compliance. **The lists of non-compliance are as under:-**

- i) Annual filing of the year 2015-16 and 2016-17 (Form AOC-4 u/s 137 of the Companies Act, 2013 and Form MGT-7 u/s 92 of the Companies Act,2013).
- ii) Form-DIR-12- Cessation of Sh Sudhansh Pant and Sh Manharbhai Vajibbhai Zala as Directors of the Company.
- iii) Form DIR-12/MR-1 for Appointment and Cessation of Sh Navdeep Rinwa as Director of the Company.
- iv) Form DIR-12/MR-1 for Appointment of Sh Rajneesh Tingal and Sh Jitendra Trivedi as Directors of the Company.
- v) Form DIR-3 KYC for Directors.
- vi) Form 22A Active KYC Regd. Office.



- vii) Form MBP-1-disclosure of interest in other entities u/s 184(1) of the Companies Act,2013.
- viii) Form DIR-8 disclosure of non-disqualification u/s 164(2) of the Companies Act,2013.
- ix) Form MGT-14 -Adoption of Financials and Director's Report u/s 179(3) of the Companies Act,2013.
- x) Form MGT-8 -Certificate of Annual Return by a Company secretary in Practice.

- xi) Compliance of Section 203 of the Companies Act,2013-Appointment of Key Management Personnel-Company Secretary.
- xii) Secretarial Audit Report of the Company in Form- No MR3, by Company Secretary in Practice as per Companies Act, 2013.
- xiii) Report on Corporate Governance.
- xiv) Corporate Governance compliance certificate.

22) Reference is drawn to DHBVN issued a notice dated 30th May,2016 to IDPL Corporate Office regarding wrong billing(unauthorised use of electricity) of electricity provided to IBS in IDPL Complex .This notice was issued for unauthorised use of electricity and charging tariff under HT Industrial tariff instead of Non Domestic Supply(NDS) to IBS in IDPL Complex. The billing of the IDPL was found under HT Industrial tariff and it was required under NDS tariff (to be billed) which was higher than the HT Industrial tariff.The penalty of Rs 2,68,62,270 for the period from January,2014 to May,2016 was imposed due to violation of section 126 of Electricity Act,2003.The present fine/penalty was showing Rs 3,76,26,408 in electricity bill of December,2019.The IDPL Corporate Office did not disclose Rs 2,68,62,270 in the books of accounts for the year ending 31st March,2018 as liability or contingent liability (subject to challenge of penalty notice dated 30th May,2016 of DHBVN before competent court of law or authority), further the IDPL Corporate Office should have disclosed Rs 1,07,64,138 as contingent liability.

23) Reference is drawn lease of portion of A & B Block Hostel to IBS New Delhi w.e.f 01.10.2010 till date .The IBS has not paid any service tax on the let out services rendered by the Company upto June,2012.The Company has calculated that IBS has not paid an amount of Rs 95,08,938 for the period June 2007 to June 2012.No Service Tax assessment has been made for the period from Octobe,2001 to May,2001.The records for period



from 2001 to 2007 is not available. The amount of Rs 95,08,938 should be shown under Contingent Liability along with working of interest and penalty.

Under the head "Other Liabilities" an amount of Rs 29,85,348 is service tax from IBS on account is payable, out of this amount of Rs 11,29,722 is pertaining to the financial year 2014-15 and rest amount of Rs 18,55,526 pertains to the period from October,2013 to March,2014 and similar amount is recoverable from IBS. The amount of interest and penalty should be shown under Contingent Liability.

- 24) Reference is drawn to note on Inventories at various plants, regional offices and corporate offices and its further analysis have revealed deficiencies in reporting on provisions for expired stock, the details are as under:-

(In Rs)

S.No	R O/Plant	Total Inventory as on 31 st March,2018 as per Audited Financials	Expired Stock (Raw Material, Finished Goods etc) as on 31 st March,2018 included in Inventories (Current Year)	Cumulative Amount	Remarks/deficiency in provision/additional provision required
1	RO Mumbai	58,54,919	18,37,547	18,37,547	No Comments
2	RO Kolkata	74,94,655	10,24,017	10,24,017	No Comments in the Audited Financial Statements.
3	Rishikesh Plant	9,62,10,707	4,67,08,595	4,67,08,595	No Comments
4	Gurgaon Plant	3,10,94,830	21,79,603	59,36,396	The Branch Statutory Auditor have commented in their Audited Report for the year ended 31 st March,2018 regarding short provisioning of Rs 52,25,696.
5	R O Delhi	77,53,458	2,36,757	2,36,757	It is apprised that apart from the stock reported in financial statements ,expired stock amounting to Rs 51,41,869 is also



					lying which have not been reported in the financial statements, the details are as follows:- 1.Delhi depot :-Rs 22,62,938 2. Mandi :-Rs 19,52,294 3. Indore:-Rs 2,44,345 4.Raipur :-Rs 6,82,292
6	ZO Hyderabad	29,12,192	Not Available	Not Available	It is apprised that Stock transfer (in transit) from Plant Guugram, Rishikesh amounting to Rs 1,28,16,950 have been shown as purchase instead of Inventories (Current Assets). Rs 4,95,995 have been debited as loss due to expired stock of medicines etc during the year 2017-18.
7	RO Lucknow	6,52,327	2,41,759	2,41,759	It is apprised that apart from the stock reported in financial statements ,expired stock amounting to Rs 1,82,412 is also lying which have not been reported in the financial statements,
8	Corporate Office	0.00	0.00	0.00	No Comments
9	Hyderabad Plant	4,30,74,746	3,97,71,005	3,97,71,005	The Branch Statutory Auditor have commented in their Audited Report for the year ended 31 st March,2018 regarding being technical issue and commented upon inadequacy of provisioning of Rs 15,53,315.
	Total				



25) Non-Compliance of points in Audit Memo's not addressed by Units/Regional Offices and Plants having impact on Financial Statements:-Copy of the same is enclosed as Annexure-D.

REGIONAL OFFICE- LUCKNOW

1. 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.15,80,538/- as on 31st March,2018 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 of Audited Financial Statements of R O Lucknow may also change .
3. Rs 54,483/- has been shown as Salary payable in Note 6 of Audited Financial Statements of R O Lucknow. The amount of Rs 45,769/- is unreconciled and outstanding for past many years .
4. We have observed that few payments were made against demand of VAT/Sales Tax against the amount as stated in Notes to Accounts of Audited Financial Statements of R O Lucknow relating to contingent liability to the department aggregating to Rs.7,81,462.34/- of which Rs 2,34,439/- has been paid for the A.Y 2009-10 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.
5. 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 .
6. No provision for audit fees of Rs.50,000/- has been made. The audit fee has been provided in accounts on cash basis.



7. The company has not deposited GST under reverse charge mechanism on commission paid to Service Agents who are not registered with GST Authorities applicable 01-07-2017 to 12-10-2017.
8. There is old variance of Rs 3,93,612.82 in sundry debtors for past many years between balance as 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.

8. SUNDRY CREDITORS AND LIABILITIES:

- A. Rs 14,82,361.21 is outstanding to parties shown as Current Liability as per Note 5 of Audited Financial Statements of R O Lucknow 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 of Audited Financial Statements of R O Lucknow) 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 Rs 17,03,306/- (as per Note- 4 of Audited Financial Statements of R O Lucknow). 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 30,42,330/- (refer Note-4 of Audited Financial Statements of R O Lucknow) 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. Rs. 20,01,706.21 (refer item (b)(xv) of Note-4 of Audited Financial Statements of R O Lucknow)- , 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.

RISHIKESH PLANT

- a) Notes to account 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.72767487/- 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 be 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.
- d) The Company has written back provision of inventory of Rs.21.59 lacs on account of consumption of old material during the year and declared the amount under the sub head other income of main head Other Income.
- e) The Company has claimed Rs.121035/- input credit of VAT in TRANS-1 against the total credit of Rs.871035/- thereby relinquish Rs.750000/-. This credit of Rs.871035/- was already expensed in the past on the basis that it would be taken in the account as input credit was allowed by the V.A.T. (G.S.T.) Department.

HYDERABAD PLANT

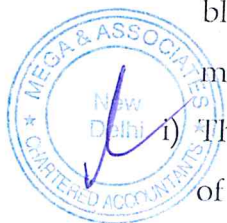
- a) Capital work in progress include Rs.400.39 lakhs,(previous year Rs.400.39 lakhs) of disposable capital equipments, capital stores and spares identified by the company

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, 1956 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 financial 2017-18 ,on 09-10-2017 commercial production of tablets and ointments started in Formulation Block-42. The capital expenditure of Rs 1506.43 Lakhs incurred till 8th October 2017 has been allocated to assets on pro-rata basis.
- e) The assets of the New Formulation Block includes net block value of Rs 1 plus conversion cost of the following assets:
 - i. Transformers: Rs 8.22 Lakhs
 - ii. Old LAF : Rs 0.34 Lakhs
- f) 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.
- g) We are unable to comment on the closing balances as we were not provided with confirmation letters from Creditors, Depositors.
- h) There is no valuation of inventories or verification of assets either of movable or Fixed by the management and there is no inventory register of Fixed Assets in respect of old block. With regard to new Formulation Block-42 Fixed Asset register is being maintained in Excel format and being converted to manual Fixed Asset Register.
- i) There is delay in the finalization of accounts of Hyderabad Plant due to capitalization of assets.



- a) Without qualifying our opinion ,attention is invited to note on contingent liability “
An arbitrator is appointed by Bombay High Court vide arbitration application No 22 of 2018 dated 19th July,2018 in the matter of claim by one of super stockiest M/s Rama Ark Medicine Distributors Pvt Ltd through its managing director, Mr Arjan Atmaraman Changrani against Indian Drugs & Pharmaceuticals Limited. Super stockiest M/s Rama Ark Medicine Distributors Pvt Ltd has claimed old outstanding advances along with cumulative interest of 2 % P.M to Rs 48,42,36,223.Final award from the learned Arbitrator is still pending .Pending outcome , no provision has been made in the accounts for the same.
- b) A Public Interest Litigation has been filed against the company vide PIL No. 29440/2011 before Hon'ble Bombay High Court for invoking its extra-ordinary jurisdiction under Article 226 & 227 of the constitution of India and for directing BIFR to order Winding -up of company.

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. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we have considered appropriate and according to the information and explanations given to us, in Annexure B on the directions and sub-directions issued by Comptroller and Auditor General of India.
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 "except Roorkee depot's unaudited financials were merged with Rishikesh Plant and accounts of Patna & Cuttack region have been merged with Kolkata and duly certified by the management " 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 Note on Going Concern and 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 clarify that we have been informed by the unit management that there is practice being followed for incorporating of the financial statement of Roorkee Depot with I.D.P.L. Rishikesh because TIN number under Uttarakhand VAT



were common, so in this year it is also forming part of Financial Statements. Similarly accounts of Patna & Cuttack region have been merged with Kolkata and duly certified by the management ;

- 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 -Refer Point 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
Sandeep Manaktala

PARTNER

M.No. 91408

UDIN:- 20091408 AAAAX6573

Place : Delhi

Date : **03 MAR 2020**

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, 2018

PLANT -RISHIKESH

- (i)(a) M/s IDPL, Rishikesh -unit, has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (i)(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.
- (i)(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 31.03.2018, 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.46708595/-.
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.
- (iii)(b) This clause is not applicable.
- (iii)(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, GST 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 2018 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 :

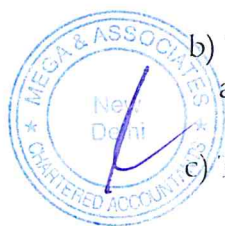
U.P. Pollution Control Board- Rs.5023966/-.

Uttarakhand Environment & Pollution Board -Rs.243293/-

- (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

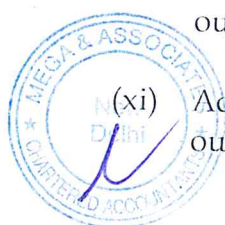
- (i) a) The Company has maintaining proper records of fixed assets.
- b) The procedures adopted by the management for physical verification of fixed assets are reasonable and adequate.
- c) The Company does not have any immovable property.
- (ii) The Company has carried physical verification of inventory at reasonable intervals during the year. There is no such material discrepancies were noticed.



- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the company
- (iv) The Company has not given any loan under the provisions of Section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees & security. Hence this clause not applicable to the company.
- (v) The Company has not accepted such type of deposits.
- (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. 62,59,385.35 /- were in arrears as at 31st March 2018 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	2008-09	Rs.24,359/-	Add. Commissioner (A)
West Bengal Value Added Tax Act	2008-09	Rs.42,003/-	Add. Commissioner (A)

- (viii) The Company has not defaulted in repayment of dues to any financial institution or bank, Government or dues to debenture holders.
- (ix) The Company has not applied the moneys raised by way of initial Public Offer and term loans for the purpose other than for which it obtained.
- (x) According to the information and explanations given by the management and during our audit procedure, there is no such fraud noticed by us.
- (xi) According to the information and explanations given by the management and during our audit procedure, there is no such cases noticed by us.



- (xii) This clause is not applicable to this company.
- (xiii) According to the information and explanations given by the management and during our audit procedure, the company is compliance with section 177 and 188 of Companies Act,2013 in respect of all transaction with related parties.
- (xiv) This clause is not applicable to the company.
- (xv) This clause is not applicable to the company.
- (xvi) This clause is not applicable to the company.

REGIONAL OFFICE -DELHI

(i) In respect of its fixed assets:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- The company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years . In accordance with this program , certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion , this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company. However the building which is 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.

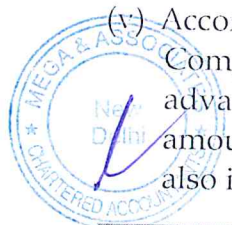
(ii) In respect of its inventories:

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) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the company

(iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made any loans, investment, guarantee and security during the year which are not covered under section 185 & 186 of the Companies Act,2013, hence para 3 (iv) is not applicable.

(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 31.03.2018 which is outstanding more than 365 days amounting to Rs. 1,23,42,524. Further balance of sundry creditors as on 31st March,2018 also includes credit balance of Advance from Customers.



(vi) According to the information and explanation given to us Regional office 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 and on the basis of our examination of the records of the company, 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, 2018 for a period of more than six months from the date they became payable.

Undisputed amounts payable in respect of VAT as at 31.03.2018 for a period of more than six months from the date they became payable.

PARTICULARS	AMOUNTS(Rs.)
VAT (Exclusive of Interest)	7,25,757

Details of above liability are as under

Punchkula	14,890
Indore	89,574
Raipur	1,53,627
Delhi	4,35,744
Jammu	7,995
Jaipur	23,567

b) According to the information and explanations given to us by the company, 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) In our opinion and according to the information and explanations given to us the Company has not taken any loan or borrowing from bank, financial institution, Government and Debenture holders hence provisions of clause (viii) of paragraph 3 of CARO 2016 is not applicable.

(ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and money raised by way of term loans have been applied by the company during the year for the purposes for which they were raised hence 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 material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the regional office of the company has not paid managerial remuneration. Therefore, the provisions of clause (xi) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations to given us and based on our examination of the records of the company, 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 and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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 Original title deeds of immovable properties are lying with Corporate Office held in the name of the company. Thus we unable to report on it.

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 except the Company has withheld the payment of Entry /Purchase Tax of Rs 1,35,12,678 payable as on 31st March,2018.The plant has been regular in payment 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, that the company has withheld the Entry Tax as several parties have challenged it in court, however the company is not the party to it. There is no other undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 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

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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 in respect of old block of assets.

(b) As explained to us, fixed assets have not been physically verified by the management at reasonable intervals in respect of old block of assets.

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.

(d) Whether the title deeds of immovable properties in the name of the company, if not provided details thereof:

1) Whether the Company has the clear title/ lease deeds for freehold and leasehold respectively?

According to companies advocate Mrs.V.Umadevi by her letter dated 9th June 2016, to that the company owns Acres 891.38 Gts. Spread over various survey no's in 7 villages of RR district, and conveyed by vide the registered deed no 5348/1994; dated 8-02-1994.

2) How many acres of the land is in possession of IDPL, Hyderabad?

Acres 861.38 Gts. Are in the possession of IDPL, Hyderabad.

3) How much land is alienated in what form?

Out of Acres 891.38 Gts. Only 30Acres of land in the factory area is under illegal occupancy of hut dwellers. The company has not filed cases against these illegal occupants in a court for eviction, and this is inexplicable and needs explanation of management.

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. During the year, in respect of loans, the unit has not granted any secured/ unsecured loans to companies, firms or other parties covered by clause (76) of section 2 of Companies Act 2013.

4. The Company has not granted during the year loans and guarantees nor made any investments, have provisions of section 185 & 186 of the company's act 2013 been complied with.

5. 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.

6. 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.



7. 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 2018 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 as these are included in BIFR case.

APGST	RS.24.55 lakhs
CST	Rs.132.75 lakhs.

8. 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, 2018 are as follows:

Name of the Bank	Facility	Due date	Principal(Rs. Lakhs)	Interest(Rs. Lakhs)
State Bank of Hyderabad (SBH)	Cash Credit	1992	1450.98	9410.16

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.

Even here we fail to understand why this profitable unit is not interested in settling PSB dues, Which are suffering from NPA's.

9. The money raised by way of public issue/ follow- on offer (including debt instruments) and term loans were applied for the purposes, for which those are raised.

Not applicable to this company

10. 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.

11. Whether managerial remuneration has been paid are provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act 2013?

This is only branch, hence the above is not applicable to IDPL Hyderabad.

12. Whether the Nidhi Company has complied with the Net Owned Fund in the ration of 1:20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability?

This is not Nidhi Company.

13. Whether all transactions with the related parties are in compliance with section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.

This is a Government Company and hence and not applicable clause.



14. Whether the company has made any preferential allotment / private placement of shares or fully or partially convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the companies Act, 2013 have been complied and the amount raised have been used for the purpose for which the funds were raised . if not, provide details thereof ?

This only a branch unit of IDPL and hence not applicable.

15. Whether the company has entered into any non-cash transactions with the directors or persons connected to with him and if so, whether provisions of section 192 of companies Act, 2013 have been complied with?

This only a branch unit of IDPL and hence not applicable.

16. The Unit does not have internal audit .

17. **This being a unit of IDPL, with Corporate Office at Gurgaon, Paragraph 4(X) with regard to accumulated losses. Cash Losses are dealt in the consolidated accounts at the Corporate Office.**

REGIONAL OFFICE -MUMBAI

- (i) The Regional Sales Office has maintained fixed asset register for the financial year 2017-18.

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 & The Title deeds of all are held in the name of company. This is on the basis of copies of title deeds produced before us for verification. As informed to us all the original title deeds of the said flats are with HO and presently not available with this office for verification.

- (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.

We were informed that closing stock includes expired stock of medicines amounting to Rs. 18,37,547/- which needs to 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 nor taken any loans, secured or unsecured. Therefore this clause is not applicable to Regional Sales Office.

- (iv) In our opinion and according to the explanation given to us the Regional Sales Office has neither granted any loans nor made any investments, guarantees, and security as per provisions of section 185 and 186 of the Companies Act, 2013. Therefore this clause is not applicable to Regional Sales Office.

(v) As per information and explanations given to us, the Regional Sales Office has not accepted any deposit from public. Therefore this clause is not applicable to Regional Sales Office.



- (vi) Auditee being a Regional Sales Office, maintenance of cost records if any is dealt at Head Office.
- (vii) a) According to the explanations and information given to us, in our opinion undisputed statutory dues have been generally deposited with the appropriate authorities in time except for payment of provident fund dues for which no information is available.
According to explanation and information given no statutory dues have been outstanding for more than 6 months which the company has undisputed with any authorities.
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and GST which have not been deposited on account of any dispute.
- (viii) According to explanation and information given to us Regional Sales Office has not taken any loan from banks, financial institutions or debenture holders. Therefore this clause is not applicable to Regional Sales Office.
- (ix) According to the information and explanation given to us, the Regional Sales Office has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans. Therefore this clause is not applicable to Regional Sales Office.
- (x) According to the information and explanation given to us, there is no fraud reported at the Regional Sales Office, during the year.
- (xi) The provisions of Managerial Remuneration, if any, is dealt at Head Office. Therefore this clause is not applicable to Regional Sales Office
- (xii) In our opinion and according to the information and explanations given to us, the Regional Sales Office is not a Nidhi company. Therefore this clause is not applicable to Regional Sales Office.
- (xiii) According to the information and explanations given to us, the Auditee being a Regional Sales Office, the compliance with sections 177 and 188 of Companies Act, 2013 have been dealt by H.O.
The transactions with related parties have been disclosed in the notes to accounts attached to financial statement
- (xiv) According to the information and explanation given to us, The Regional Sales Office has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year .Therefore this clause is 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 this clause is not applicable to Regional Sales Office.
- (xvi) The Regional Sales Office is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore this clause is not applicable to Regional Sales Office.



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, Income-tax, GST, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material



statutory dues except Employees' State Insurance 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) 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 are no loans given to Directors including entities in which they are interested as no loans have been given by the branch.
- (v) 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. Company has not paid GST to unregistered Service Agents on Service Commission paid during the financial year 2017-18.
- (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, 2018 for a period of more than six months from the date they become payable excepting in the following cases under Sales Tax/VAT:

Fin. Year	AMOUNT INVOLVED	FORUM WHERE CASE IS PENDING
2007-08	133,356	Additional Commissioner (Appeals), Commercial Tax
2009-10	781,462	Dy. Commissioner sec-2, Commercial tax, Lukhnow
2010-11	472,120	Additional Commissioner , Appeal, Lucknow (state)
	445,940	Additional 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) & (C) 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.
- (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) 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 records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, 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, 2018 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 in un ascertained.
- (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 2013 FOR THE YEAR 2017-18

Sl.No	Directions	Auditor's Comment	Impact on Standalone Financial Statements
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. Out of Acres 891.38 Gts. Only 30Acres of land in the factory area is under illegal occupancy of hut dwellers. The company has not filed cases against these illegal occupants in a court for eviction, and this is inexplicable and needs explanation of management.</p> <p>iii) Rishikesh Land - Forest Land on lease for 99 years expiring in 2021</p> <p>(iv) Flats in Mumbai:-Kindly refer Note No 12 of emphasis of matters under Corporate Office, which have been dealt in detail.</p> <p>NOT APPLICABLE</p>	<p>i. Gurgaon Land-No Impact.</p> <p>ii.Hyderabad Land - Kindly refer 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 of Plant Hyderabad point no 1(d).</p> <p>iii.Rishikesh Land - No Impact.</p> <p>(iv) Flats in Mumbai:-The Compliance of Note No 12 of emphasis of matters under Corporate Office, which have been dealt in detail may impact the Standalone Financial Statements.</p>
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons	NOT APPLICABLE	NOT APPLICABLE



	there for and the amount involved.		
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	NOT APPLICABLE	NOT APPLICABLE

SUB DIRECTIONS U/S 143(5) OF THE COMPANIES ACT, 2013 FOR THE YEAR 2017-18

Sl.No	Sub-Directions	Auditor's Comment	Impact on Standalone Financial Statements
1.	<p>BFIR Scheme</p> <p>Whether the fact of sickness and progress as per scheme has been adequately disclosed in the books of accounts?</p> 	NO	<p>Reference is drawn to letter No F.No 54014/1/2016-PSU ,Government of India ,Ministry of Chemicals & Fertilizers , Department of Pharmaceuticals dated 09th January,2017 which dealt with follow-up action on the Cabinet decision dated 28th December,2016 for closure of the Company. The recommendations of the Ministers were considered by the Cabinet on 28th December,2016.By virtue of Cabinet decision dated 28th December,2016 for closure of 'the Company and letter dated 09th January,2017 which dealt with follow-up action on the Cabinet decision dated 28th December,2016 ,it casted serious aspersions on the continuity of the Company. Department of Public Enterprise (DPE) vide their OM dated 14-06-2018 has issued Revised Guidelines for closure of Public Sector Enterprise and disposal of movable and immovable assets. Further the financial</p>

statements which indicate that the Company 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 Company have been prepared on a going concern basis, till the final closure recommendation from Govt. of India, whereas we do not accept the contentions of the management regarding preparation of accounts on going concern basis.

Place : Delhi

Date :

03 MAR 2020

For MEGA & ASSOCIATES
Chartered Accountants
FRN-007541N



SANDEEP MANAKTALA
PARTNER
M.No. 91408

UDIN:- 20091408 AAAAAX6573

ANNEXURE TO THE AUDITORS' 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 of Indian Drugs & Pharmaceuticals Limited on the financial statements for the year ended March 31,2018

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, 2018 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 judgment, 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 except (i) control over fixed assets of the company due to inadequacy in procedure of physical verification of fixed assets (ii) control over implications /compliances of legal cases ,further non-reporting of financial implication in the Notes to Accounts , over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 :

03 MAR 2020

For **MEGA & ASSOCIATES**
Chartered Accountants

FRN-007541N



Sandeep Manaktala
PARTNER

M.No. 91408

UDIN:- 20091408 AAAAAAX6573

Non-Compliance of points in Audit Memo's not addressed by Units/Regional Offices and Plants having impact on Financial Statements

1. Status and action taken for the Asset located at ground floor & second floor ,34 ,Abadi Lal Dora Village ,Kapashera, New Delhi-110037, which has been sealed since December,2006 - DELHI REGIONAL OFFICE.
2. Copy of latest Balance Sheet of Orissa Drugs and Chemicals Limited, IDPL (Tamil Nadu) Limited and Bihar Drugs and Organic Limited for valuation of Investments, further there accounts are in arrears. CORPORATE OFFICE
3. Replies from the Regional offices/Plants/Corporate Office on the qualifications and comments of the Statutory Auditor including CARO Report.
4. Physical verification of Stock and Assets as at 31-03-2018.
5. The reason for non-adoption/non adherence of Accounting policy of the IDPL as a whole and its financial impact on the accounts of the Plant/Regional Offices had they adhered the IDPL as a whole Accounting Policies.
6. There is addition to Formulation Block in Fixed Assets is Rs 15,06,42,851/-.These assets have been purchased/erected out of grant/loan given by GOI. A certificate on commercial production along with date of start of commercial production-PLANT-HYDERABAD
7. Utilization certificates (Year wise) since receipt of grant/loan from Corporate Office duly certified by Branch Statutory Auditor on the amount spent-PLANT-HYDERABAD/PLANT RISHIKESH/PLANT GURGAON/ODCL/IDPL-TN.
8. Copy of latest Balance Sheet of Andhra Pradesh Gas Power Corporation Limited for valuation of Investments is desired-PLANT-HYDERABAD
9. Details of Assets Hyderabad Plant given on rent and also where rent is outstanding as at 31-03-2018.Status of encroachment on the Assets of the Company. Whether the Company has released any Land to the Govt. If yes the details may be furnished PLANT-HYDERABAD.
10. Kindly provide the reconciliation with subsidiaries and JV for the last 4 years (including the current year under audit).It is apprised that the IDPL is holding company to these subsidiaries though they are independent entities but the management control is with IDPL. The IDPL is responsible for monitoring of funds transferred to these units. Since the Accounts of Subsidiaries and Joint Ventures are in



arrear this, information is not complied up by the IDPL Corporate office -
CORPORATE OFFICE

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

Place : Delhi

Date : **03/03/2020**

03 MAR 2020



Sandeep

Sandeep Manaktala
PARTNER

M.No. 91408

UDIN:-20091408 AAAAX6573

INDIAN DRUGS & PHARMACEUTICALS LIMITED
Balance Sheet as at March 31, 2018

(Amount in Rs.)

Particulars	Note	As at 31-Mar-18	As at 31-Mar-17
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share capital	3	1,168,833,000	1,168,833,000
(b) Reserves and surplus	4	(75,843,424,110)	(74,196,749,964)
2 Non-current liabilities			
(a) Long-term borrowings	5	56,054,841,030	54,355,342,030
(b) Deferred tax liability	6	-	-
(c) Other long term liabilities	7	1,209,459,670	1,168,403,001
(d) Long term provision	8	78,588,513	79,468,213
3 Current liabilities			
(a) Short term borrowings	9	17,170,584,059	17,215,461,250
(b) Trade payables	10	2,855,131,456	2,880,152,643
(c) Other current liabilities	11	602,693,054	610,962,984
(d) Short-term provisions	12	293,680	3,450,449
TOTAL		3,297,000,351	3,285,323,606
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	253,342,636	116,734,000
(ii) Capital WIP		78,141,014	221,760,870
(b) Non current investments	14	307,239,000	307,239,000
(c) Long term loan and advances	15	1,458,463,397	1,393,550,299
(d) Other non current assets	16	425,903,638	197,015,513
2 Current assets			
(a) Current Investment	17	-	-
(b) Inventories	18	107,544,344	126,095,759
(c) Trade receivables	19	325,947,664	302,806,878
(d) Cash and Bank Balances	20	97,005,282	429,907,004
(e) Short-term loans and advances	21	212,396,739	162,449,505
(f) Other current assets	22	31,016,637	27,764,778
TOTAL		3,297,000,351	3,285,323,606

As per our report of even date

For

MEGA & ASSOCIATES

Chartered Accountants

Firm Regd No.: 007541N

[Signature]
CA SANDEEP MANAKTALA
Partner

Membership No. 091408

For and on behalf of

Indian Drugs & Pharmaceuticals Limited

[Signature]
Rajneesh Tingal
CMD

[Signature]
Jitendra Trivedi
Director

[Signature]
D.P.Singh
GM (F)-Incharge

Place : Gurgaon

Date :

03 MAR 2020

INDIAN DRUGS & PHARMACEUTICALS LIMITED
Statement of Profit and Loss for the year ended March 31, 2018

(Amount in Rs.)

Particulars		Note	For the year ended 31-Mar-18	For the year ended 31-Mar-17
I	Revenue from operations	23	391,610,688	747,941,159
II	Other income	24	241,025,720	228,020,646
III	Total revenue (I+II)		632,636,408	975,961,805
IV	Expenses			
	Cost of materials Consumed	25a	144,080,122	253,805,019
	Purchase of Stock in Trade	25b	121,027,821	181,475,016
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25c	8,221,999	13,247,355
	Employee Benefits expenses	26	61,424,920	71,020,131
	Finance Cost	27	1,699,710,520	1,703,182,688
	Depreciation and amortization expenses	28	14,435,215	11,204,605
	Other expenses	29	225,700,697	267,452,039
V	Total Expenses		2,274,601,294	2,501,386,854
VI	Profit Before Prior Period Items		(1,641,964,886)	(1,525,425,049)
VII	Prior Period Items		4,709,261	8,334,105
VIII	Profit before exceptional and extraordinary items and tax (VI-VII)		(1,646,674,147)	(1,533,759,154)
IX	Exceptional Items			
X	Profit before extraordinary items and tax (VII- IX)		(1,646,674,147)	(1,533,759,154)
XI	Extraordinary items		-	-
XII	Profit before tax (X-XI)		(1,646,674,147)	(1,533,759,154)
XIII	Tax expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XIV	Profit after tax (XI-XII)		(1,646,674,147)	(1,533,759,154)
	Basic and Diluted earning per share (Rs.) (face value Rs. 10 each)		(1,408.82)	(1,312.21)
	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

Rajneesh Tingal
CMD

Jitendra Trivedi
Director

D.P. Singh
GM (F)-Incharge

Place : Gurgaon
Date :

03 MAR 2020

NOTE 3 : SHARE CAPITAL

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Authorized 12,00,000 (Previous year 12,00,000) equity shares @ Rs. 1000 each	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 each	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.)

	As at 31-Mar-18	As at 31-Mar-17
Capital Reserve	2	2
Revaluation Reserve	627,654,240	627,654,240
Accumulated loss of subsidiaries	(954,421,498)	(954,421,498)
Surplus/(Deficit) in Statement of Profit & Loss		
At commencement of the year	(73,869,982,708)	(72,336,223,554)
Add/(Less): Profit/(Loss) for the year	(1,646,674,147)	(1,533,759,154)
Add/(Less): Prior Period Expenses		
Less: Utilised for prior year depreciation	-	-
Total	(75,843,424,110)	(74,196,749,964)

NOTE 5 : LONG TERM BORROWINGS

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Unsecured Loan :-		
a) From Government of India	12,143,925,004	12,143,925,004
interest accrued and due on Govt Loan	40,964,262,000	39,264,763,000
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	56,054,841,030	54,355,342,030

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.)

	As at 31-Mar-18	As at 31-Mar-17
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.)

	As at 31-Mar-18	As at 31-Mar-17
Trade Payable:		
- Acceptance	-	-
- Other than Acceptance	372,000	372,000
Advance from Customers (NRA)	173,701,950	173,701,951
Advance from Customers (Sundry Dr Credit Bal)	4,950,792	4,799,119
Advance from Service Agent-APMHIDC	-	-
Security deposits	6,904,334	6,904,334
interest payable	8,396,415	8,317,015
Claims Payable	4,500,988	4,500,988
Outstanding expenses	7,686,074	7,670,548
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	1,221,108	1,190,966
CST Payable	5,038,868	5,038,868
Unlinked Credit	169,571	169,571
Suspense Credit Balance	1,580,538	1,584,916
Deposits security by staff for retaining Qtr	4,291,728	2,892,938
Deposits security from contractors	4,755,945	4,740,530
Deposits Earnest Money	1,255,568	1,245,468
Government Guarantee Fees Payable	803,828,658	769,468,658
Other Liabilities		
Grants In Aid-WHO/GMP	173,500,000	168,500,000
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	1,209,459,670	1,168,403,001

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.)

	As at 31-Mar-18	As at 31-Mar-17
Employee Benefits		
Prov for Gratuity	26,673,463	28,314,862
Prov for Leave Encashment	13,872,318	15,290,121
Total(A)	40,545,781	43,604,983
Other Provisions		
Obsolete & surplus Finished Goods	4,025,295	1,845,792
Obsolete & packing material	307,217	307,217
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(B)	38,042,732	35,863,230
Total(A+B)	78,588,513	79,468,213

Note:

The Company is under BIFR, the amount disclosed under Long Term Provision have

NOTE 9 : SHORT TERM BORROWINGS

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Loan repayable on demand:		
From Banks:		
Secured Loans		
Cash Credit Account with bank	873,616,535	918,494,024
Interest accrued and due on secured loan	15,385,623,842	15,385,623,842
(Secured by Hyphothication of stock of raw material, stock in process, stores, spares, finished goods , book debts, receivables , shares and alognwith government gurantee of Rs		
Cash Credit - State Bank of Hyderabad	145,098,665	145,098,366
Interest due and accrued on above	766,245,017	766,245,018
(Working Capital Limit is secured against hypothecation of Raw Material, WIP, Finished Goods, Stores & Spares and Trade Recievables of the company and personel guarantee of all the Directors.)		
Unsecured Loans		
From Others:	-	-
Total	17,170,584,059	17,215,461,250

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.)	
	As at 31-Mar-18	As at 31-Mar-17
Trade Payable:		
Acceptance	6,020,202	6,103,840
Sundry Creditors Mkt	75,656,654	75,776,654
Marg Computech Pvt Ltd	45,600	45,600
Other than Acceptance	2,484,046	2,475,616
Suppliers	108,086,445	132,570,980
Others	69,365,365	71,762,208
Services	2,593,473,144	2,591,417,745
Total	2,855,131,456	2,880,152,643

NOTE 11 : OTHER CURRENT LIABILITIES

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Inter unit Account	139,789,277	120,415,143
Expenses Payable	213,348,662	236,314,550
Advance from Customers	14,120,744	16,049,020
Trade Security Deposit	11,922,737	13,052,566
Liability DBT	14,935,787	14,935,787
Staff welfare liability	850,871	928,509
Misc Deposit	3,827,483	3,827,483
Deposits from Contractors & others	20,717,583	19,985,804
Other liabilities	103,149,526	95,270,574
Duties & Taxes	793,644	2,484,461
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	1,370,538
Other payables:		
TDS Payable	10,542	161,873
Professional Tax Payable	1,100	1,050
Other Statutory due's payable- VAT & CST	5,362	589,326
Statutory remittances	466,752	689,906
Liability for salary & others	26,562,572	30,432,107
Electricity bill payable	538,742	462,605
Outstanding Liab (Excl Electricity Bill)	6,014,021	6,285,989
Sundry suppliers	36,393,272	39,831,853
Stale cheques	33,639	33,639
Estimated liability for capital civil works	7,689,126	7,689,126
Total	602,693,054	610,962,984

NOTE 12 : SHORT TERM PROVISION

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Provision for Gratuity	-	1,846,140
Provision for Leave Encashment	-	956,810
Expenses Payable	293,680	647,499
Total	293,680	3,450,449



(All Amount are in Rupees)									
Description	Gross block (at cost)			Depreciation			Net Block		
	As at April 1, 2017	Additions during the year	Deletions during the year	As at March 31, 2018	As at April 1, 2017	For the year	On deletions	As at March 31, 2018	As at March 31, 2017
Tangible assets									
(A) FACTORY									
Freehold land inc Dev Exp (F)	9,829,307	-	-	9,829,307	-	-	-	-	9,829,307
Leasehold Land Rishikesh	1	-	-	1	-	-	-	-	1
Buildings Inc Boundary wall	178,230,774	-	-	178,230,774	155,503,161	3,519,875	-	159,023,028	22,727,613
Roads Bridges & Culverts	9,244,431	-	-	9,244,431	5,996,796	90,729	-	6,087,525	3,247,635
Drainage,Sewerage & water Supply	38,771,349	-	-	38,771,349	37,826,422	4,621	-	37,831,043	940,306
Electrical Installations	84,701,575	-	-	84,701,575	79,873,203	589,829	-	80,463,032	4,828,372
Plant & Machinery	854,672,451	245,148	-	854,917,599	820,359,193	2,460,423	-	822,819,616	34,313,258
Plant & Mach returned to stores	62,360	-	-	62,360	62,359	-	-	62,359	1
Equipment & appliances	83,052,254	8,750	-	83,061,004	68,408,526	3,323,627	-	11,328,851	14,643,730
Vehicles	4,892,518	-	-	4,892,518	4,773,410	-	-	4,773,410	119,108
Furniture & Fixtures	14,340,788	-	-	14,340,788	13,005,223	326,523	-	13,331,746	1,335,565
Misc Assets	3,523,247	-	-	3,523,247	3,451,983	-	-	3,451,983	71,259
Railway Sidings	1,828,184	-	-	1,828,184	1,821,674	-	-	1,821,674	6,509
Plant & Mach returned to Central Stores A/c 1371	3,439,456	-	-	3,439,456	2,905,753	-	-	2,905,753	533,703
Plant & Mach returned to Central Stores and reissued but not commissioned A/c 1372	146,163	-	-	146,163	134,361	-	-	134,361	11,802
Returned Equipment	16,894,725	-	-	16,894,725	16,894,723	-	-	16,894,723	2
	1,303,629,583	253,898	-	1,303,883,481	1,211,016,787	10,315,627	-	1,221,332,406	92,612,791
(B) TOWNSHIP									
Freehold land inc Dev Exp (T.S)	6,269,505	-	-	6,269,505	-	-	-	-	6,269,505
Drainage watre Sew.EFFL treatment	5,971,792	-	-	5,971,792	5,379,486	22,625	-	5,402,111	592,302
Buildings	68,551,981	-	-	68,551,981	55,437,364	342,481	-	55,779,845	13,114,617
Misc Assets	305,240	-	-	305,240	300,628	-	-	300,628	4,612
Electrical Fans	92,821	-	-	92,821	92,315	-	-	92,315	506
Electrical Installations	9,552,794	-	-	9,552,794	9,247,721	-	-	9,247,721	305,072
Roads & Culverts	2,217,187	-	-	2,217,187	1,743,235	13,451	-	1,756,686	473,952
Equipment & appliances	671,425	40,704	-	712,129	576,543	18,768	-	595,311	94,884
Vehicles	1,864,421	-	-	1,864,421	1,821,735	-	-	1,821,735	42,686
Furniture & Fixtures	864,778	-	-	864,778	843,470	-	-	843,470	21,308
	96,361,944	40,704	-	96,402,648	75,442,497	397,325	-	75,839,822	20,562,825
(C) OTHERS									
Office Building	3,860,353	-	-	3,860,353	1,770,781	49,770	-	1,820,551	2,089,572
Computers	3,779,423	91,200	-	3,870,623	3,476,562	113,962	-	3,589,361	281,261
Office equipments	11,253,372	15,200	-	11,268,572	10,559,947	70,743	-	10,630,690	637,882
Furniture & Fixtures	513,186	-	-	513,186	484,577	1,841	-	486,418	26,768
Misc Assets	3,216	-	-	3,216	3,097	8	-	3,105	111
Website	-	-	-	-	-	-	-	-	-
Tally 9 Accounting Software	13,500	-	-	13,500	12,825	-	-	12,825	675
Printer	32,750	-	-	32,750	10,471	8,471	-	18,942	13,808
Township Building	772,043	-	-	772,043	708,993	24,448	-	733,441	38,602
Block 42 Hyderabad	2	150,642,851	-	150,642,853	150,642,853	3,453,021	-	3,453,021	147,189,832
adjustment	20,227,845	150,749,251	-	170,977,095	167,670,106	3,722,264	-	20,748,354	150,228,741
TOTAL TANGIBLE ASSETS	1,420,219,371	151,043,853	-	1,571,263,224	1,454,129,390	14,435,215	-	1,317,920,582	116,722,170
Previous year	1,406,085,381	11,483,250	4,976	1,417,563,655	1,230,544,151	11,278,239	50,485,374	1,292,296,771	175,540,070
(D) CAPITAL WIP									
Previous year	221,703,845	1,458,535	-	78,141,014	-	-	-	78,141,014	221,703,845
	118,329,813	67,230,811	-	185,560,623	-	-	-	-	-



NOTE 14 : NON CURRENT INVESTMENT

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
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)		
938,000 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 allottment*		
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
	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.)

	As at 31-Mar-18	As at 31-Mar-17
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	3,785,941	2,318,355
Advance to Contractors	-	-
Advance to Suppliers	608,917	604,578
CAPITAL ADVANCE	-	-
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	1,178,731	825,428
Scooter advance	950	950
Advance Recoverable (contigent)	8,353	11,057
Unlinked Credit		
Less : Provision for other doubtful loans & advances	(7,122,149)	(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	872,916,792	809,826,217
Total	1,458,463,397	1,393,550,299



NOTE 16 : OTHER NON CURRENT ASSETS

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
i) Balance with Revenue Authorities		
Deposits with ESIC	230,000	230,000
ii) Others	2,804,974	2,841,877
iii) Interest accrued on deposits	1,221	1,221
iv) Deposit with Customs, Port Trust & Govt.	973,824	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	421,840,751	193,024,616
Less : Provision for other doubtful loans & advances	-	-
Total	425,903,638	197,015,513

NOTE 17 : CURRENT INVESTMENT

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Total	-	-

NOTE 18 : INVENTORIES

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Raw Material	48,521,976	56,109,729
Packing Material	50,615,881	57,236,773
Stores & Spares	36,216,426	36,307,576
Stores & spares (Construction)	74,326	74,326
Stores & spares (Productions)	3,250,472	3,237,401
Stores & spares (Misc)	2,392,274	2,295,790
Material in Transit	788,495	788,495
Loose Tools	109,086	109,089
Stock Adjustment awaiting Investment	5,102,126	5,102,126
Stock in progress	-	417,527
Scrap (realisable value)	996,727	996,727
Semi Finished drugs	1,027,590	508,520
Stock in Trade	19,534,480	22,829,484
Drugs/Intermediates inclusive expired material	22,432,380	28,513,527
Stock In Transit	2,235,297	638,205
Material for Block 42	1,750,426	-
-Adjustment for Expired material	-	-
Less: Stock Adjustment for 20% for Stock received from Plants	-	-
Less: Shortage/ Breakage/ Damage	(1,024,018)	(430,480)
Less : Provisions	(86,479,600)	(88,639,056)
Total	107,544,344	126,095,759



NOTE 19 : TRADE RECIEVABLES

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Trade receivables outstanding for period exceeding six months		
Secured Considered Goods		
Unsecured Considered Goods	253,175,189	
Add: Defalcation of Stock (Bansal Distributor & Associates/Sh. Balaji & Bansal Distributor)	10,436,532	
Unsecured Considered Goods	263,611,721	267,841,285
Doubtful	40,303,212	38,389,001
Trade receivables outstanding for a period less than six months		
Secured Considered Goods	-	-
Unsecured Considered Goods	75,425,056	49,968,918
Doubtful		
	379,339,989	356,199,203
Less: Provision for doubtful trade receivable	53,384,210	53,384,210
Less: Provision for doubtful other debts	8,115	8,115
Total	325,947,664	302,806,878

NOTE 20 : CASH AND BANK BALANCES

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
A. Cash and cash equivalents		
Cash on hand		
Cash in hand	896,453	618,068
Cheques and Demand Drafts in hand	-	965,628
Current Account Balances		
Balance with Bank	18,757,661	37,161,655
Corp Bank (CCSDL) 80001	145,297	145,297
State Bank of India, Gurgaon CC A/c	259,003	27,395
Term Deposit with Bank	1,521,000	1,521,000
Current Account (Plants & Marketing)	25,696,511	38,547,340
Corporation Bank (Plants & Marketing)	11,813,789	11,370,102
Balances with other Banks	20,936,337	130,831,106
Current A/c VRS	51,178	52,127
Term Deposits having Maturity of three months or less	-	42,638,340
Others		
Margin money against guarantees & commitments	100,000	100,000
Short term call deposits	-	-
Cheque in Hand	-	-
B. Other Bank Balances		
Term Deposits having remaining maturity of 12 months or less	-	156,790,894
Fixed Deposit	16,828,052	9,138,052
Term Deposits having maturity of more than 12 months	421,860,333	193,024,616
	518,865,615	622,931,620
Less :		
Amount disclosed under Non Current Assets	421,860,333	193,024,616
(Refer Note No. 16)		
Total	97,005,282	429,907,004



NOTE 21 : SHORT-TERM LOAN AND ADVANCES

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
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
ii) Advance to employees	25,485	62,333
iii) Prepaid expenses	31,932	32,568
Interest accrued on Loans & Advances and Deposits	3,519,975	3,182,286
Others	95,812,878	49,437,006
Travelling Advances	18,880	26,676
Balance with Govt Authorities	10,947,678	7,595,775
Deposits with Customers, Port Trust and other Govt Authority	15,070,207	14,667,511
Compensation against township flat receivable	40,000	360,000
Unsecured Advances		
i) Advance to suppliers raw materials	11,022,046	11,993,242
ii) Security Deposits	5,207,713	5,207,713
iii) Loans & Advances to employees	1,634,188	1,624,188
iv) Other Advances	8,434,683	8,341,387
b. Other advances	86,733,459	84,418,410
c. Income tax deducted at sources	-	-
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	2,636,822	72,372
CPF Trust	43,029	43,029
Other advances		
Advance to central excise duty	-	15,045
Service Tax Input Credit	197	3,556,210
Advance Recoverable Contingent	-	-
Election Duty TA Recoverable	15,170	15,170
Advance to state excise	133	133
LOANS & ADVANCES TO CONTRACTOR	283,764	283,765
Input GST	240,813	-
Medical advance to CISF	8,700	8,700
Advance to Insurance	50,000	50,000
Less : Provision for Fringe benefit tax	(1,568,107)	(1,568,107)
Less : Doubtful Provisions	(31,374,232)	(31,374,232)
Total	212,396,739	162,449,505



NOTE 22 : OTHER CURRENT ASSETS

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Interest accrued but not recieved	1,167,074	1,167,074
Interest accrued (including but not due) on bank deposits	298,874	184,897
Recoverable from Ex employees	6,796,654	6,329,797
RECOVERABLE FROM BPPI	888,810	-
Recoverable expenses	170,521	64,447
Recoverable from Ex employees Contractor	149,271	149,271
Interest Accrued but not due on deposits with Banks	21,126,859	19,752,706
Duties & Taxes Debit Balance	414,413	
Rent Receivable	4,161	116,586
Total	31,016,637	27,764,778

NOTE 23 : REVENUE FROM OPERATIONS

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Sale of product less return	390,720,899	760,686,128
Income from services - ETP Income	14,536,810	14,299,500
Gross sales	405,257,709	774,985,628
Less : Excise Duty	13,647,021	27,044,469
Total	391,610,688	747,941,159

NOTE 24 : OTHER INCOME

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Interest on Term Deposits	30,627,884	29,026,180
Misc income	6,185,559	1,390,453
Sale of scraps	73,223	874,048
Recovered from rent, elec and water	186,087,917	178,376,327
MODVAT Claimed	13,096,005	13,756,469
Rent Recieved	4,045,132	3,217,148
Interest on staff loans /adv excess provision w/off	-	-
Compensation against Township Flat	910,000	1,380,000
Other Revenue	-	21
Total	241,025,720	228,020,646



NOTE 25a : COST OF MATERIALS CONSUMED

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Opening Stock of Raw Material	113,971,608	111,835,490
Purchase of Raw Material	129,780,326	255,941,138
	243,751,934	367,776,628
Less: Closing Stocks	99,671,812	113,971,609
Less: Expired Stock of Medicines	-	-
Total	144,080,122	253,805,019

NOTE 25b : PURCHASE OF TRADED GOODS

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Purchase less purchase return	102,821,637	201,281,917
Adjustment for Inter unit transaction :-		
Purchase of C&F roorkee	(364,345)	118,917
Stock received from Plants	134,706,968	440,846,697
Stock Transeffered to Marketing Division	(116,136,439)	(460,772,514)
Total	121,027,821	181,475,016

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

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
<u>Inventories at the end of the year:</u>		
Finished Goods	43,178,139	51,968,262
Semi Finished goods	-	-
Empty hard Geletine Capsules	295,959	295,959
Scrap	700,768	700,768
Work in progress	1,027,590	508,520
Total A	45,202,457	53,473,509
<u>Inventories at the beginning of the year:</u>		
Finished Goods	51,919,209	63,958,964
Semi Finished goods	-	159,935
Empty hard Geletine Capsules	295,959	295,959
Scrap	700,768	700,768
Work in progress	508,520	1,605,238
Total B	53,424,456	66,720,864
Net (increase)/decrease (B-A)	8,221,999	13,247,355



NOTE 26 : EMPLOYEE BENEFITS EXPENSES

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Salaries, Wages, Bonus, Allowances and other benefits	47,762,968	59,919,995
Contribution to Provident Fund & other Funds	3,459,798	4,850,146
Staff Welfare Expenses	3,065,878	2,726,203
Gratuity	6,285,311	1,883,466
Leave Encashment	73,480	705,227
DA	-	12,858
Dispensary Exp	10,000	25,100
Canteen subsidy	1,900	5,300
Medical Reimbursement	15,200	97,683
Tuition fees	-	360
ADM charges on dep link insurance	2,200	2,600
Salary & Wages- Contract wages Under Direct Contract of Co	689,495	580,652
Salary & Wages- Contract wages Under Manpower Contract	58,690	97,787
Washing Charges	-	112,754
Total	61,424,920	71,020,131

NOTE 27 : FINANCE COST

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Other Borrowing Cost (Bank Charges)	9,642	41,620
Interest on delay payment of income tax	79,400	79,400
Govt Loan	1,699,499,000	1,698,757,000
Bank Borrowing	122,477	4,304,667
Interest on delay payment of Statutory Liab	-	-
Total	1,699,710,520	1,703,182,688

NOTE 28 : DEPRECIATION AND AMORTIZATION EXPENSES

	(Amount in Rs.)	
	As at 31-Mar-18	As at 31-Mar-17
Depreciation	14,435,215	11,204,605
TOTAL	14,435,215	11,204,605



NOTE 29 : OTHER EXPENSES

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Accounting Charges	90,000	90,000
ADM charges (others)	1,790,272	2,043,903
Advertisement Exp	202,197	457,210
Assessment amount paid for F.Y. 08-09(MVAT & CST)	90,642	83,365
Audit Fees	788,415	407,812
Bank Charges	151,647	248,957
Bonus Offers & Qty discount	-	75,969
Books, Journals & Priodicals	33,542	138,531
Business Promotion	15,810	28,386
Charges Paid for Defective Material	7,096	(11,505)
CISF - Salaries and Other Expenses/ Pvt. Security Expenses	7,482,791	7,283,133
Commission & Incentive to Selling Agents & Service Agent	8,834,068	46,257,312
Consultancy Charges	29,500	29,500
Consumption of stores & spares	1,111,577	2,597,325
Consumption of Stores and spare parts	5,416	7,510
Contractual Wages	1,246,599	1,172,059
Discount on Sales	9,365,654	13,909,664
Electricity Charges	8,890	7,460
Electricity charges (Plant)	4,743,867	6,650,713
Electricity charges (Township)	907,474	1,092,360
Electricity Expenses	2,560,820	632,212
Entertainment expenses	100,109	96,728
Entry Tax	30,448	166,978
Exp on maintenance staff	4,911,310	4,013,311
For Obsolete/ Surplus Finished Stock	2,179,503	-
Freight & Forwarding Charges	6,223,662	8,675,873
Gift exp	12,000	179,010
Govt Guarantee fees	34,360,000	34,360,000
Guest house & Field hostel expenses	77,275	77,458
Hire Charges Plant & Machinery and Vehicles	321,755	152,600
Honorarium	2,500	12,500
HSD consumed	1,414,781	2,515,256
Increase/decrease of excise duty on inventory	-	(303,796)
Inspection charges	30,590	61,943
Insurance	374,752	338,252
Interest on delay TDS deposit/Service Tax	-	2,000
Labour supply & contractual exp for production	9,403,557	12,399,062



NOTE 29 : OTHER EXPENSES

(Amount in Rs.)

	As at 31-Mar-18	As at 31-Mar-17
Late Delivery Charges	70,493	245,905
Legal & Professional Charges	2,303,750	1,414,847
License fees	124,585	115,650
Maintenance of essential service charges	2,504,101	2,923,650
Manufacturing exp on loan license	6,826,290	12,951,865
Office Exp	18,961	15,575
Other Miscellaneous Expenses	1,609,415	4,457,824
Operating Expense	866,051	-
Out of Pocket Exp (Auditor)	5,600	2,600
Payments to security agency	19,228,349	14,051,408
Penalties & Liquidated Damages	1,498,738	3,262,345
Penalty Charges	15,090	67,536
Postage & Telecommunications	1,356,686	1,782,641
Power & Fuel	46,547,183	43,464,284
Printing & Stationery	982,841	993,205
Provision for Bad and Doubtful Trade Receivable	-	6,177,393
Public relations & promotional exp	180,948	283,218
QC Sample Testing Charges	389,446	1,040,795
Rate Diff	8,490	5,500
Rates & taxes	3,141,740	2,925,347
Recruitment exp/training exp	8,000	631
Rent including lease rentals	312,094	325,516
Retaineer Ship Fee	298,000	-
Repair & Maintenance	15,608,973	17,279,741
Research & Development	2,000	6,265
Rso Expense	4,169,656	-
Sales tax borne by Co	-	18,121
Service tax paid	6,034,957	5,640,940
Society Maintenance Charges	118,800	115,200
Staff Welfare Exp	44,738	7,413
Stamping Charges	400	-
Tax Audit Fees	24,226	95,700
Tender documents & participation Expenses	500	-
Testing charges paid to outside parties	118,938	330,048
TDS Expense/Penalty	1,035	-
Travelling & Conveyance Expenses	3,064,028	3,534,307
Water Charges	9,307,077	8,404,050
Loss due to defalcation of stock	-	(10,436,532)
Total	225,700,697	267,452,039



INDIAN DRUGS AND PHARMACEUTICALS LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2018

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash Flow From Operating Activities:		
Net Profit before tax	(1,646,674,147)	(1,533,759,154)
Adjustment For:		
Depreciation	14,435,215	11,199,647
Interest Received	(30,627,882)	(29,026,180)
Rent	(186,087,917)	(178,376,327)
Interest Expenses	1,699,710,520	1,703,182,688
Gross Margin	(149,244,211)	(26,779,326)
Operating Profit before working capital changes		
Adjustment For:		
Inventories	18,551,415	13,679,615
Trade Receivable	(23,140,786)	37,507,389
Trade Payable	(25,021,187)	(9,244,520)
Short term Loans And Advance	(49,947,234)	(9,594,687)
Other assets	(232,139,984)	(70,600,350)
Current Liability	32,786,738	157,589,986
Provision	(4,036,469)	(25,781,699)
	(282,947,507)	93,555,733
Cash Generated from Operations	(432,191,717)	66,776,407
Less: Direct Taxes Paid	-	-
Net Cash from Operating Activities (A)	(432,191,717)	66,776,407
B Cash Flow from Investing Activities:		
Purchased of Fixed Assets	(151,043,853)	(2,666,760)
Work in Progress	143,619,856	(36,200,247)
Interest Received	30,627,882	29,026,180
Rent	186,087,917	178,376,327
Long Term Loan and advances	(64,913,098)	-101962962
Cash Flow from Investing Activities (B)	144,378,704	66,572,538
C Cash Flow From Financing Activities:		
Increase/(repayment) of Loan	1,654,621,809	1,675,120,700
Interest Paid	(1,699,710,520)	(1,703,182,688)
Net Cash from Financing activities (C)	(45,088,711)	(28,061,988)
Net Increase in Cash & Cash Equivalents [A+B+C]	(332,901,724)	105,286,957
Cash & Cash Equivalents- opening	429,907,004	324,620,047
Cash & Cash Equivalents- closing	97,005,280	429,907,004
Cash and Cash Equivalents year end		
Balance With Bank	96,108,828	428,323,308
Cheques/Drafts in Hand & Remittance in Transits	-	965,628
Cash in Hand	896,451	618,068
	97,005,280	429,907,004

As per our report of even date

For
MEGA & ASSOCIATES
Chartered Accountants
Firm Regd No.: 007841N

CA SANDEEP MANAKTALA
Partner
Membership No. 091408

For and on behalf of
Indian Drugs & Pharmaceuticals Limited

Rajneesh Tingal
CMD

Jitendra Trivedi
Director

D.P.Singh
GM (F)-Incharge

Place : Gurgaon

Date :

03 MAR 2020

INDIAN DRUGS & PHARMACEUTICALS LIMITED

ACCOUNTING POLICIES FORMING PART OF ACCOUNTS (2017-18)

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.



X

- 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 of STOCK IN TRADE

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 stocks transferred to plant are made at nil value.
- d) Finished goods at plants valued on Technical evaluation basis.
- e) Rejects are valued on the basis of average recovery as reduced by the standard cost of raw materials required for salvage.
- f) Scrap: Scrap is valued at estimated realizable value.
- g) The value of closing stock of finished goods in the plants includes Excise duty on such stock.
- h) Cost of Manufactured Goods: The cost price of manufactured goods comprises all items of expenses excluding selling & Distribution expenses.

FORMULATIONS EARMARKED FOR EXPORT

Such stock is valued at export price or cost whichever is less



PHYSICIAN SAMPLES

Physician samples are valued at cost or 80% of selling price whichever is lower.

SEMI- FINISHED AND WORK IN PROGRESS

The Semi-Finished stock and Work in Progress are valued at cost or adjusted market value whichever is lower

REJECTS

Rejects are valued on the basis of average recovery as reduced by the standard cost of material required for salvage.

COST OF MANUFACTURED GOODS

The cost price of manufactured goods is fixed by our Corporate Office and conveyed to Inter Unit Transfers are valued at selling price fixed by Pharmaceuticals Purchase Policy.

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 capitalized.
- 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 in Corporate office books is provided on WDV method and In case of Plants and RSOs, 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



12

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 the related 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 FOR FY 17-18

INDIAN DRUGS & PHARMACEUTICALS LIMITED

NOTES TO ACCOUNTS-

1. Union Cabinet has decided for closure of INDIAN DRUGS AND PHARMACEUTICALS LIMITED (IDPL) via letter no. 54014/1/2016-PSU in the meeting held on 28.12.2016. In this regard, all the closure proceedings are in process. Department of Public Enterprise (DPE) vide their OM dated 14-06-2018 has issued Revised Guidelines for closure of Public Sector Enterprise (PSE) and disposal of movable and immovable assets.
Actions are being taken by IDPL as per provisions of above referred OM under the guidance and supervision of our Administrative Ministry

2. CONTINGENT LIABILITIES

- 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.

- HYDERABAD PLANT

- A. Guarantees given by banks on behalf of the company are Nil. (Previous year Rs. Nil).
- B. 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
- C. 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. 1403.13 lakhs against which the company filed a writ petition in the High Court of Andhra Pradesh and the High Court in the interim order dated 12TH 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 Supreme Court thereon as the matter is yet to be settled with the APSEB as the concession sought for from Andhra Pradesh Government is pending for want of clearance from BIFR (Hyderabad Plant).The Government of Andhra Pradesh has assured to consider favorably the concessions sought for by us in the meeting of Chief Secretary of A.P. dated 11.05.2007

D. Other claims against the company not acknowledged as debts Rs. 15,272.06 lakhs (Previous year Rs. 14,017.76 lakhs) (Total of Contingent liability).

• **Regional Sales Office, MUMBAI**

In case of RSO Mumbai, An arbitrator is appointed by Bombay High Court vide arbitration application No 22 of 2018 dated 19th July 2018 in the matter of claim by one of super stockist M/s Rama Ark Medicine Distributors Pvt. Ltd. through its managing director, Mr.Arjan Atmaraman Changrani against Indian Drugs & Pharmaceuticals Limited. Super stockist M/s Rama Ark Medicine Distributors Pvt. Ltd. has claimed old outstanding advances along with cumulative interest of 2% P.M. totaling to 48,42,36,223.50. Final award from the learned Arbitrator is still pending. Pending outcome, no provision has been made in the accounts for the same.

• **RISHIKESH PLANT**

- A. Estimated value of contracts remaining to be executed on Capital Account and not provided for is Rs. 28.99 Lacs (previous year Rs. 30.94 Lacs).
- B. Claims against the company not acknowledged as debts are of Rs. 119.06 lacs (previous year Rs. 119.56 Lacs)

As per orders of IDBI, for preparation Draft Rehabilitation Scheme (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. 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 crore. As such the liability as on 31.03.2018 is Rs. 295.07 crore.

• **GURUGRAM PLANT:**



- A. 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 AY 12-13 with the liability. The same has been requested for rectification. Assessment for 2013-14 onwards is pending and liability if any cannot be ascertained.
- B. Dakshin Haryana Bijli Vitran Nigam raise arrear/outstanding dues in the bill month of January, 2018 for Rs. 27475606.41. The same have been disputed by the company. However, the current bill are being paid regularly and accepted by DHBVN.
- C. Claims against company not acknowledged as debts Rs. 32.82 lacs (previous year Rs. year Rs. 31.59 lac)
- D. 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. Plea dismissed. Pending PIL application for pre-admission for winding up sick industrial company (IDPL) last hearing was on 13.11.2017.
- E. Claim against company Canadian Speciality Vinyls v/s IDPL regarding payment of Rs. 12.38 lac plus interest against purchase of PVC Film Foil at Tishazari Court, Delhi.
- F. 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
- G. The following one cases is also pending decision of the court for which amount of liability could not be ascertained.
- H. Madan Lal v/s IDPL (Reg. Reinstatement after termination) with Chandigarh High Court.

- **Regional Sales Office, LUCKNOW**

There is no contingent liability in the company excepting for Sales Tax, Trade Tax demand under litigation.

- **Regional Sales Office, Hyderabad**

A contingent liability of Rs 50000 approximately, may arise on legal case by Mr.P.Lingaih a former employee of IDPL against IDPL marketing division –Hyderabad.

3. OTHER NOTES TO ACCOUNTS

A. CORPORATE OFFICE

- a) Provision for loss of subsidiary of Rs. 954,421,497 has been created in last years and still exist in books of accounts.
- b) Account of subsidiary are yet to be finalized for the FY 17-18. Hence amount of loss of investment in subsidiary is not known.



2

- c) An amount of Rs. 25.11 crores (Previous Year Rs.25.11 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.
- d) The Cumulative liability provided in the accounts towards CPF (Cumulated Provident Fund) Trust as at 31.03.2018 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.
- e) Other Liabilities includes Rs. 0.15 Lakhs (Previous year Rs 0.15 Lakhs) payable towards pension Fund.
- f) Loans and advances include Rs 1706.62Lakhs (Previous year Rs. 1495.20 Lakhs) outstanding against Joint venture (ODCLie. Orissa Drugs and Chemicals Limited) which have been referred to BIFR for revival and Rs. 7022.54 Lakhs(P.Y 6601.64 Lakhs) (against wholly owned subsidiaries).
- g) As per the agreement of IDPL with IDPL (Tamil Nadu) Ltd. And BDOCL(Bihar Drugs and Organic Chemicals Limited) – Muzaffarpur.
- h) 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.
- i) 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.
- j) 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.
- k) 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.
- l) 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 overprovided. In view of this interest to Banks/PSU has not been provided during the year as also in previous year.
- m) Interest provided on loans from Government of India is provided as per Certificate of Pay & Account Office.
- n) The accounts of IDPL were in arrear from 2002-03 to 2011-12, therefore, there are some unlinked and suspense entries from earlier years which cannot be reconciled and tallied.
- o) IDPL has filed Income Tax Return of AY 16-17 with a loss of Rs. 116.07 crores, for which the assessment proceedings were initiated u/s 143(3) and loss was reduced with a figure of Rs. 99.86 crores with an assessment order dated 14.12.2018.



✗

- p) Department has initiated the penalty proceedings for AY 17-18 against IDPL for default u/s 270A dated 29.11.2019 for which the assessment proceedings are in process..
- q) The Company have received Grant of 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 earlier 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 Lacs received from Govt. Of India is appearing Other Long Term Liabilities. It construes that though the Technical Division ,IDPL is maintaining proper records pertaining to utilisation of Grants received from Govt. Of India further required audited documents pertaining to utilisation of Govt.Grant from Plants concerned are not available at Corporate office taken and it remains unadjusted/refundable.
- r) During the year 2017-18, inadvertently the amount of Rs. 50 Lacs received on account of maturity of Fixed Deposit was credited to Grant a/c therefore, the Fixed Deposits appearing under notes is subject to confirmation and reconciliation. Necessary adjustments shall be carried out in the Financial Year 2018-19.
- s) There are legal cases (Criminal and Civil) for/against the Company, pending for many years. The present status of legal cases as provided by legal department of IDPL is attached at Annexure-a to notes of accounts.
- t) 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. Since the accounts of subsidiaries are in arrear, the consolidation of accounts cannot be done.
- u) The Present position of accounts of subsidiary and JV is as under:-
 ODCL(JV): The accounts are prepared till FY 11-12
 IDPL (TN) (Wholly owned Subsidiary): The accounts are prepared till 09-10 however audited till 2008-09
 BDOCL: The accounts are prepared till FY 17-18.
- v) The Comptroller and Auditor General Of India has decided not to review the accounts of the company for the FY 16-17 via their letter dated.12.10.2018 therefore no comments of CAG are answerable for the last year.



B HYDERABAD PLANT

a) Fixed Assets

- i. Land includes 4300 sq.yds of plot leased out to SBH in August, 1967
- ii. 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.
- iii. In the Financial Year 2017-18, on 09-10-2017 commercial production of New Formulation Block -42 started tablets and ointments sections. Expenditure incurred on the Re-start of formulation division, amounting to Rs. 1506.43 lacs has been Capitalized and allocated to assets on pro-rata basis. However, Purified Water System valued Rs. 46.51 Lakhs has not been capitalized and kept under Work In Progress due to the system being not ready and still the system validation work is under progress (Note -8)
- iv. . Even though the production activities were stopped from March 2003 on account of VRS, depreciation as done in earlier years charged as the realisable intrinsic value of net fixed assets is not less than net block value as shown in the accounts.

b) 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 (Note-10)
- 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 long time,



12

lack of demand for such items etc., as follows(Note-10=Rs.397.71; Note-8=Rs.321.06; Tot Rs.718.77 lacs)

- iv. Inventory (R.M & P.M) of Rs.349.40 lakhs held for which Rs. 349.40 lakhs provision exists based on the Tech. Estimation
 - v. Value of Stores & Spares / Plant & machinery, Plants / Equipments / Spares held Rs. 457.23 lakhs for which provision of Rs.369.37 lakhs exists based on Tech. Estimation
- c) Interest / Belated charges of Rs.302.31 lakhs on old dues of CPDCL towards current consumption charges not provided resulting in the cumulative amount of interest not provided from 1.4.2010 to 31.3.2018 to Rs. 2418.48 (Up to Previous year 31-03-2017 is Rs. 2116.17 lakhs). However, the Belated Charges provided for the period up to 31.03.2010 exist in Note-5(Contingent liability stmt)
- d) Interest on Water Bill arrears, being claimed by HMWS &SB with effect from September 2010 amounting to Rs. 5552.68 Lakhs as on 31-03-2018 (up to previous year 31-03-2017 is Rs. 4786.96 Lakhs), not provided. (Contingent liability stmt)
- e) As per decision by the Corporate Management, Interest for the year 2017-18 of Rs. 100.75 Lakhs on Cash Credit account with State Bank of Hyderabad , accrued for the year has not been provided. This has resulted in cumulative amount of interest not provided for the period 1.4.2010 to 31.3.2018 to Rs.1747.71 Lakhs. However the provision of interest for the period up to 31.03.2010 amounting to Rs. 7662.45 lakhs exists in Note-4 (Total interest Rs. 9410.16 Lakhs - in report)
- f) The Company being a share holder of APGPCL had 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
- g) 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 (only one month). From May 2012, the rental due @ Rs. 2, 50,000/- p.m. agreed to, but not paid by the agency, has not been accounted for under Rent Recovery from May 2012 onwards since there is a



2

legal dispute regarding the same. As such the same will be accounted for on receipt basis

- h) 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, and Gurgaon Branch Code: 4079, by our Corporate Office for raising Corporate Loan, for working capital.
- i) Quantitative and other information as required in the Companies Act is not applicable.
- j) Even though almost all employees were relieved under VRS in 2003 and production got stopped, some activities like E.T.P, rental / lease/maintenance 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 commercial production of New Formulation Block -42 started tablets and ointments sections on 09-10-2017.
- k) As per M.O.U. Dated: 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 Dated: 11.05.2007.
- l) Present position with regard to BIFR case:
 - i. The BIFR recommended for winding up of IDPL after hearing the matter on 4-12-2003 and the Ministry approached the AAIFR against recommendations for winding up of IDPL by BIFR On 13.9.05, the Ministry of Chemicals & Fertilizers 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 finalized.
 - ii. The Pending cases with BIFR have been transferred to National Company Law Appellate Tribunal (NCLAT)



c. **Regional Sales Office MUMBAI**

a) **PROVISIONS**

No provision has been made for sundry debtors and deposits account, which are outstanding since number of 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. 30,11,752/-

Details of respective balances are detailed below:

- i. Sundry Debtors amounting Rs. 20,20,106/-
- ii. Sundry Deposits amounting Rs.9,61,006/-
- iii. Advance to Employees/contractors and others 30,640/-

Sundry debtors, Sundry Creditors, Sundry Deposits, advances from customers, contractors and others are subject to their confirmation.

b) **INTANGIBLE ASSETS (AS-26)**

There are no Intangible Assets with Regional Sales Office.

c) **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 realizable 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 recognized during the year.

d) **PAYMENT TO RELATED PARTIES (AS-18):**

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount
Tamilnadu Drugs & Pharmaceuticals Ltd.	Sister Concern	Purchases	27,74,601
Orissa Drugs & Chemicals Ltd	Sister Concern	Purchases	70,13,333



20

e) **BANK RECONCILIATION:**

The bank reconciliation statement as on 31/03/2018 is prepared subject to old difference of Rs 54,348/- in case of corporation bank A/c. 017400201002202 Worli branch.

f) **BRANCH /DIVISION RECONCILIATION:**

Reconciliation of branch / division is being made and is subject to opening balance as branch / division has provided statement without incorporating opening balance of 1st April, 2017

g) **DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES:**

As the Company does not possess as to which of its suppliers are Micro, Small and Medium Enterprises, as defined under Micro, Small and Medium Enterprises Act, 2006, the liability, if any, of interest which would be payable under 'The Interest on delayed payments to Micro Small and Medium Enterprises, cannot be ascertained. However, the Company has not received any claims in respect of such interest. The auditors have relied on the management's information.

D. **GURUGRAM PLANT**

a) **FIXED ASSETS**

Physical verification of fixed Assets of Gurugram Plant been done. However, reconciliation except for Plant & Machinery and equipment is still pending.

b) **INVENTORIES**

- i. A provision of against surplus/obsolete stores including stationery items and stores under Investigation were Rs. 11.75 lacs as on 31.03.2018. Whereas the total old obsolete store are amounting of Rs. 65.18 lacs as on balance sheet date. Thus a short provision of Rs. 53.43 lacs. Misc. Stores (Stores & Spares) has not been physically verified and reconciled by the management.
- ii. Pending investigation of difference between physical and book balance of inventories, the balance have been adopted as per control account.
- iii. 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.



c) Advances:

- i. 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. It includes Rs.20293/- due from M/S Voltas Ltd which is pending since, 2000. Un-availed credit under GST to be availed in subsequent months as at 31st March, 2018 is nil (previous year Rs.72372.00 under MODVAT).
- ii. The amount payable as per GST return can be reconciled at Corporate Office since a consolidated return is file at is nil (previous year Rs.72372.00 under MODVAT). The amount payable as per GST return can be reconciled at Corporate Office since a consolidated return is file at Corporate Office. The net is GST payable of the plant is Rs. 163937.77 on 31.03.2018.

d) Sundry Debtor

- i. It includes Rs. 8115.29 due from M/s UPDPL a subsidiary of IDPL against which provision has been made.
- ii. It includes Rs. 759750.00 due from M/s Nestor Pharmaceuticals Ltd. which is pending since 2001. However, there is a credit balance of Rs. 1358991.97 in Sundry Supplier's a/c to be paid to Nestor Pharmaceuticals.
- iii. A provision of Rs. 5322723/- (Previous year Rs. 5322723/-) already exists for writing of debtors and the same is pending for approval.

e) Loans and Advances:-

- i. A Sum of Rs.2.84 lac outstanding as on 31-03-18. The advance to contractors is Rs.2.84 lacs which are old and still outstanding in the books of accounts. (Previous year Rs.2.84 lac).
- ii. The others advances are of Rs. 73,870/- out of which Rs. 50,000/- advance to Insurance and Rs. 15170/- as Travelling allowances to Employees for election duty. It also includes an amount of Rs.67,96,654/- (Previous year Rs.63,29,796/-) recoverable from Ex-employees Towards Rent, Electricity



2

Charges, Water Charges and Maintenance of staff quarters recovery notice have already been sent to all concerned in this regards.

- iii. - A sum of Rs. 12, 74,864/- has been deposited towards Security with outside authorities. It includes Rs. 10, 32,830/- deposited with HSEB. The other deposits are 39,000/- with Post Office, Rs. 52139/- with Telephone Department., Rs 10,000/- for Alcohol, Rs. 17,831.69 with STC, Rs. 48,383.31 with Chemical & Pharma, Rs. 16,850 with Raghu Gas services, Rs. 2500/- with Pest Control, Rs. 12500/- with Indian Oxygen, Rs. 3,000/- with Naveen Traders, Rs. 950/- with Gurgaon Gas Services, Rs. 7,500/- with Mufatlal & sons, Rs. 22,680/- with Haryana Roadways & Rs.8,700/- with Gujrat Enveroment. The Confirmations of the same are awaited.

f) Creditors:-

There is a credit balance of Rs. 36,393,272.04 in Sundry Suppliers a/c out of which a sum of Rs. 48,11,979.63 which is very old un-paid and unconfirmed.

- g) Expenditure on research and development Rs. 1,32,748/- during the F.Y. 2017-2018 (Previous year Rs.1,58,567/-)
- h) Expenditure on Township & other staff amenities Rs. 2035515/- during the F.Y.2017-2018 (Previous year Rs.26,16,451/-)
- i) Closing stocks of Finished Goods of Rs. 42,96,121.11 lying in Excise store as on 31.03.2018, has a GST liability of Rs. 4,53,433.86 is not including in balance of closing stocks.
- j) INTER UNIT RECONCILIATION

The Following accounts are unconfirmed and unreconciled:-

S. no	Name of C &F	Gurgaon Plant		C&F		Differences	
		Dr. (Rs.)	Cr. (Rs.)	Dr. (Rs.)	Cr. (Rs.)	Dr. (Rs.)	Cr. (Rs.)
1	Delhi	-	3910092.43	2883781.43	-	-	1026311.00



X

2	Yamuna Nagar	-	315815.00	83414.00	-	-	232401.00
---	--------------	---	-----------	----------	---	---	-----------

E. RISHIKESH PLANT

a) 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.

b) ADVANCES:

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

c) 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 dated. 01.07.1997

F. Regional Sales Office Delhi

a) Debtors outstanding for the year.

Particulars of Debtors	Closing Balance(Dr.) 31.03.2018	Opening Balance (Dr.) 31.03.2017
Delhi Old Debtors	22,79,708	22,80,575
PANCHKULA DEBTORS	1,38,43,714	2,33,29,678



8

RAIPUR DEBTORS	1,95,81,496	2,84,95,999
DELHI DEBTORS	1,91,75,397	2,11,45,545
INDORE DEBTORS	32,55,106	60,99,700
JAIPUR DEBTORS	60,16,464	63,59,354
JAN AUSHADHI	73,49,477	73,49,477
KHANA ENTERPRISES	4,06,808	4,06,808
MANDI DEBTORS	37,35,840	1,06,21,812
ZIRAKPUR DEBTORS	1,55,52,853	1,50,55,213
NC Traders (TDS)	NIL	2,865
PROVISION FOR DOUBTFUL DEBTS	NIL	NIL
OTHERS (Service Tax Recoverable)	19,04,830	23,58,315
Grand Total	9,31,01,693	12,35,05,342

b) Trade Payables

Particulars	Closing Balance(Cr.) 31.03.2018	Opening Balance (Cr.) 31.03.2017
ESI PONTA SAHIB	522	522
IDPL T. N. 2004-05	5,98,515	5,98,515
IDPL T.N. 2005-06	17,61,011	17,61,011
IDPL T.N. 2006-07	3,18,350	3,18,350
IDPL T.N. BEFORE 2004-05 O/S	17,40,118	17,40,118
JANAK MEDICOS	13,45,341	13,45,341
MAXMED LIFE SCIENCES PVT. LTD.	54,731	54,731
N.C. Traders	Nil	Nil
SEIMEN LABORATORIES INDIA	9,042	9,042
SUSPENSE A/C.	51016	1,34,654
TRIUMALLA AR KITS INDUSTRIES	87,272	87,272
UNICURE(INDIA) PVT. LTD.	28,382	28,382
PANCHDEEP MEDICARE CFA IDPL TN	25,899	25,899
Grand Total	60,20,202	61,03,840



Handwritten signature or mark.

c) Liabilities Long Term & Short Term

Particulars	Closing Balance(Cr.) 31.03.2018	Opening Balance (Cr.) 31.03.2017
EXPENSES PAYABLE	2,21,57,311	4,50,42,555
ADVANCE RECD FROM CUSTOMER	1,23,42,524	1,23,42,524
SECURITY DEPOSITS	17,19,663	17,19,663
DUTIES & TAXES	4,34,445	14,47,983
INTEREST PAYABLE	24,74,994	24,74,994
Grand Total	6,30,13,973	6,30,27,719

- d) Balances lying in various accounts with Debtors, Creditors, current liabilities & Sundry parties are subject to confirmation and reconciliation with them. No provisions have been made for Doubtful Debts/Advances and balances of Sundry Debtors/Advances are shown at their original outstanding values.
- e) Building shown under the head of Fixed Asset amounting to Rs. 38,60,353/- had been Purchased under the Power of Attorney.
- f) Sales tax demand amounting to Rs. 3,61,805/- for the assessment year 1988-89 & 1991-92 not acknowledged as liability of company. Further, appeal is pending with the Deputy Commissioner of Sales tax (Appeal).
- g) Liability for sales tax, if any on account of non receipt of statutory forms for some parties region and interest on delayed payment of sales tax has not been ascertained.
- h) 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.
- i) No provision has been made in accounts in respect of liability on account of Gratuity and Leave Encashment to employees as the same as dealt with Corporate Office.



- j) The following bank accounts are subject to reconciliation and confirmation and there are no transactions during the F.Y.2017-18.

Banks.	Opening Balances	Closing Balance
Corporation Bank (Indore)	9,619	9,619
Indian Bank Collection	124	124
S.B.I. Collection	785	785

- k) A case is pending before the Hon'ble High Court (Karnal) against company filed by M/S Kritika Remedies Pvt. Ltd for recoverable of amount paid as service tax in past previous year against the invoice of commission raised by them.

- l) No interest has been provided on non rotating advance.

- m) Unlinked credit Balances:- Shown under Expenses Payable

Particulars	Opening	Debit	Credit	Closing
Unlinked credit 15-16	80,05,778	6,15,431	-	73,90,347
Unlinked credit 16-17	3,60,28,037	2,98,49,559	-	61,78,478
Unlinked credit 17-18	-	-	56,25,655	56,25,655
Total	4,40,33,815	3,04,64,990	56,25,655	1,91,94,480

During the year 56,25,655/- has been credited to unlinked credit balance account. These credits are related to receipts/, deposited into bank account of the company and the company does not have any records from whom these amounts have been received, hence shown as unlinked credit balance. Further as on 31st March 2018 the Unlinked Credit Balance related to F.Y 2015-16 is Rs. 73,90,347/- and balance related to F.Y 2016-17 is Rs. 61,78,478/-. Hence total unlinked Credit Balance as on 31st March 2018 is RS. 1,91,94,480/-. As per information and explanation given to us the regional office is in process of determining the identity and nature of receipts of outstanding unlinked credit balances. Further the debit and credit made to unlinked credit balances during the year are subject to confirmation.



Unlinked credit 2017-18 amounting to Rs. 56,25,655/- includes Rs. 1,00,452/- on account of distribution of transitional CENVAT credit which is subject to reconciliation and confirmation.

- n) As per information and explanation given to us, Aging of debtors i.e less than 6 months and more than 6 months can't be work out due to complexity of working . The balance of trade receivable has been net off with balances of advance from customer due to which correct balance of sundry debtors cannot be known.

G.Regional Sales Office, Hyderabad

- a) Related Party Disclosure:-

S. No.	Name of Related Party	Relationship	Nature of Transaction	Amount
1)	Orissa Drugs & Chemicals Ltd Bhubaneswar Odisha	Subsidiary Unit	Purchase	70,61,762.00
2)	IDPL (Tamil Nadu) Ltd Chennai Tamil Nadu	Subsidiary Unit	Purchase	37,46,152.00

H.Regional Sales Office, Kolkata

- a) Aggregate Claims Recoverable, Advance Recoverable, Advance to other than Employees and Advance to railways/Transport amounting to Rs. 40,85,471.82 are doubtful advance 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, 2018. Had the provision been made for the entire amount of Rs.40,58,470.47, the loss would have increased by Rs.27,001.35 and current assets decreased by Rs.27,001.35.
- b) Provision for Gratuity and Leave encashment has not been made as these are dealt at Head office level.
- c) Trade receivable includes Rs.21.16 lacs. which under CBI investigation.
- d) The balances of Trade payable, Trade Receivables and Advances have remained unconfirmed.
- e) The Balances of Trade receivables of RO Patna as at 31/03/2018 were Rs.2,17,31,766.49. Out of the total Trade receivables of Rs.54,93,302.21 is unreconciled



X

ije to whom the sales were made are not traceable. Therefore, provision has to be made for the entire amount.

f) The balance of Advance from Customers of RO Patna as at 31/03/2018 was Rs.3,14,260.60. The parties from whom the amounts have been received as advance are not traceable.

g) Pending Litigations which would impact the financial position. The latest status of Court cases pending at Calcutta High Court & other court are given below:

i. **Appeal case No. -AP 296 of 2009 IDPL Vs. M/s. Manna Interstate Services, Kolkata.(Calcutta High Court) .** The Appeal Petition No. 296 of 2009 was filed in connection with A.P.No.274 of 2004 Mrs. Arundhuti Manna Vs. IDPL. Award published on 4.3.2009 by the Hon'ble Justice N.K.Batabyal as a sole Arbitrator to pay Rs. 31,29,060 plus 15% simple interest on & from 06.08.2004. IDPL appointed Advocate Mr.Tapas Kumar Dey. Present Status of this case - **pending.**

ii. Writ Petition No.31919(W) of 2009-Mrs. Dipti Banerjee Vs The Union of India & others.(Calcutta High Court) Affidavit-in-opposition on behalf of the Respondent No.2 to 4 submitted by the then Regional manager Mr.P.De. Fact : Mrs.Dipti Banerjee relieved under VRS on 12.11.2007 and received her all VRS dues. But she claimed VRS benefits from 1.11.1976 to 16.05.1979 that she had worked as a casual staff. Please refer H.O. letter no.IDP/2(1100)Estt./2008/572 dt.18.6.2008,589 dt.2.7.2008, 731 dt.24.7.2008 and G.O. F.No.6(1)/2004-PI-IV dt.15.6.2005 of Under Secretary to the Govt. of India, Ministry of Chemicals & Fertilizer. IDPL appointed Advocate Mr.Tapas Kumar De. Status - **pending.**

iii. Title Suit No.5421 of 2008-M/s.Nesadeka Overseas Vrs. The Union of India and others (In the court of 6th Bench, City Civil Court at Calcutta). It revealed from the letter no.IDP:KOL:09-10:880 dt.31.10.2009 of Mr.P.De, the then Regional Manager that he had submitted written statement on 16.03.2009 through Advocate Mr.Tapas Kumar De. The file is with the advocate. Current status - **pending.**



8

iv. Writ Petition No.7955(W) of 2006-Mr.D.K.Basu,Ex-employee Vrs. IDPL (Calcutta High Court). Superannuated during 2006. Sought for promotional benefits and retrial dues. As per Court order, he has received his retrial dues. He is one of the accused of CBI case No.2/87 in the 5th Bankshall Court, Kolkata now renumbered as 4/07 "State Vrs. S.R.Das & others" which is still going on. All the papers pertaining to Mr.D.K.Basu are with IDPL Advocate Mr.Tapas Kumar De. Current status - **pending**.

v. Case No.5147/13 -IDPL Vs. Jyoti Kumar Bansal and Parbati Bansal – M/s. Sri Bansal Distributors & associates, (In the Court of Chief Judicial Magistrate, Ranchi. The party defalcated Govt. money Rs.1,04,26,223.00(approx.) as on 31.03.2012. IDPL appointed Advocate Mr.S.Bhattachaejee, Ranchi. Staus – pending in the Hon'ble Court.

h) In our opinion and according to the information given to us, there were cases dispute dues of Sales tax, which have not been deposited. The details of the same given below:

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

I. Regional Sales Office Lucknow

- a) Advance for Customer & Others (Sundry credit balance) Rs. 31,65,012.88/- & Rs. 3042329.76/-
- b) Security deposit Rs. 7,13,017.81/-
- c) Claim payable (no detail available of the parties) Rs. 5,01,159.36/-



2

- d) Salary payable Rs.54483.22/- .Rs.56025.78 is not reconciled for past many years.&
Unpaid salary of Rs. 4,518/-
- e) Interest payable on this amount Rs. 1703305.80/-
- f) Outstanding Expenses of Rs. 20,01,706.21/-
- g) **Sundry Creditors for supplies includes -**
- i. Ministry of Health & F.W.) Rs. 9,43,100.76/-
 - ii. Shivalik Drugs, Kankhal, Haridwar) Rs. 5,39,260.45/-
 - iii. Provision for doubtful loans & advances Rs. 9,45,701.52/-



90

STATUS OF LEGAL CASES IDPL (Corporate Office)

Sr No	Name of Court/ Appellate Authority/Tribunal/ Quasi-Judicial Authority/ Arbitrator etc.	Suit/ Case Number.	Name of the parties		Brief Discription	Latet Position
			Applicant/ Appellant/ Claimant/Plaintiff etc.	Respondent/ Defendant/ Non-Applicant/ Opposite party		
1	Recovery Officer-I, Debts Recovery Tribunal-II, New Delhi.	RC No.54 of 2017	State Bank of India	Indian Drugs & Pharmaceuticals Ltd & Ors	SBI has filed the case against IDPL for the recovery of debt under Section 19(4) of Recovery of debts Rs.760,29,82,492/- + interest due to Banks & Financial Institutions Act,1993. Consequent upon the Judgment dated 20.02.2017, the DRT-II issued Recovery Certificate on 20.02.2017.	Pending
2	Debts Recovery Tribunal -II, New Delhi.	OA No.318 of 2014	Indian Bank	Indian Drugs & Pharmaceuticals Ltd & Ors	Indian Bank filed the case against IDPL for the recovery of debt under Section 19(4) of Recovery of debts Rs.203,53,63,714.80/- due to Banks & Financial Institutions Act,1993. On 18.04.2017 Our engaged counsel filed the written statement on behalf of IDPL before the Debts Recovery Tribunal - II.	Pending
3	Debts Recovery Tribunal- II, New Delhi	OA No. 274 of 2017	State Bank of Patiala	Indian Drugs & Pharmaceuticals Ltd & Ors	State Bank of Patiala filed Original Application U/Sec. 19 of the Recovery of Debts Rs.14,25,17,712 /- + interest due to Banks and Financial Institutions Act, 1993.	Dismissed



[Handwritten signature]

[Handwritten mark]

4	III Addl. Distt. & Session Judge, Rudrapur, U.S Nagar, Uttarakhand	Arbitration Execution No. 45 of 2017	Maxchem Pharmaceuticals Pvt. Ltd.	Indian Drugs & Pharmaceuticals Ltd	The Uttarakhand State Micro & Small Enterprises Facilitation Council, Dehradun vide award dated 11-07-2016 (in Dispute No. 120) directed IDPL to pay the total amount of Rs. 97,70,921/-. After that Maxchem filed the matter for Execution before the Honble District & Session Court at Rudrapur USN. Now this matter is Before Illrd Addl. Dist. & Session Judge, Rudrapur, U.S.Nagar.	Pending
5	District & Sessions Judge - 1, Udham Singh Nagar, UK	Arbitration Execution No. 32 of 2016	M/s Maxmed Life science Pvt.Ltd	Indian Drugs & Pharmaceuticals Ltd	The Uttarakhand State Micro & Small Enterprises Facilitation Council, Dehradun vide award dated 24-08-2015 published on 16-12-2015 directed IDPL to pay the total amount of Rs. 1,16,00,262/-. Now this matter is Before 1st Addl. Dist. & Session Judge, Rudrapur, U.S.Nagar, Uttarakhand for Execution for final order.	Pending
6	District and sessions court Karnal	EXE/1449/2018 EXE/1448/2018 ARB/26/2018 ARB/25/2018	M/s Kritika Remedies Pvt. Ltd. Indian Drugs & Pharmaceuticals Ltd	M/s Kritika Remedies Pvt. Ltd. Indian Drugs & Pharmaceuticals Ltd	The claim petitions filed by the Kartika Remedies before Chairman, Micro, & Small Enterprises Facilitation Council of Haryana, at Chandigarh recovery of their delayed payment beyond 45 days under Chapter-V of the MSMED Act, 2006 and claiming Rs. 51,40,589.89/- and Rs. 95,999/- from the IDPL and produced set of bills along with claim petition.	Pending



7	District & Sessions Court, Gorakhpur	Civil Appeal No. 5 of 2018	M/s Ambike Enterprises	Indian Drugs & Pharmaceuticals Ltd	As informed by RSM Lucknow, M/s Ambike Enterprises, Gorakhpur was appointed as special stockiest w.e.f. 21.05.1992 for 18 districts of U.P. This matter is again pertaining to NRA account where Rs.424.43 Lakhs (principle amount) all together collected from ex-super stockiest from all India including of M/s Ambike Enterprises.	Pending
8	Before District & Session Judge, Gurugram	Exe. Petition No. 2269/ 2019	M/s Siemen Laboratories India	Indian Drugs & Pharmaceuticals Ltd	IDPL and M/s Siemen Laboratories India entered into a Loan Licence (Turnkey) agreement on 24th August 2008 for manufacture & supply of Drugs / Medicines by Siemen on loan license basis. With respect to the agreement entered into between IDPL & Siemen certain disputes arose between parties relating to supply / payment Rs. 1,95,45,671/-, which were referred to Hon'ble Haryana Micro & Small Enterprises Facilitation Council, Chandigarh. On 05-05-2017 IDPL, Head Office received the Notice dated 27-04-2017 issued by Member Secretary of HMSEFC, Chandigarh for Conciliation Proceedings. After that This matter was for arbitration before the C. B. Judge at Gurgaon. Award pronounced by Arbitrator and received by us. As per approval of competent authority our engaged counsel was going to file the writ petition before the High Court. But our counsel advised us firstly to file a appeal before the District Court at Gurgaon against the award which is passed by the Arbitrator on 30.12.2018. In this award IDPL is directed to pay Rs. 1,80,42,168/- to the petitioner towards principal and interest due upto 31.03.2017. Now IDPL is going to file writ appeal against the award before Hon'ble High Court. However execution petition is also filed by the Sieman.	Pending

Dated 18.3.2020



(Sushma Singh)
Legal Consultant

X