

**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 2015.**

AUDITOR'S OBSERVATIONS	MANAGEMENT REPLY
REGIONAL OFFICE LUCKNOW	
<p>1. Rs 2,09,51,511.00 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 72,87,563.92 be also made as these are unrealized and unconfirmed by parties . Even no steps have been taken in current year either to confirm the balances from parties or for recovery of amount from parties outstanding for over three years .Had the amount been provided , the losses would have been higher by this amount .</p>	
<p>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.</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- Rs 1,04,114.16/- has been due as advances to parties/suppliers given many years back .No confirmation of parties is available and parties are also said to be untraceable which is also doubtful of recovery</p> <p>D- Branch has shown sales tax recoverable of Rs6,21,828.45 as Long Term Loans & Advances under Non–Current assets include sales tax recoverable of Rs6,21,828.45 for the period till F Y 2010-11 and prior to1989-90. No details of Sales Tax assessment and status of cases were available for the period upto FY 2007-08 nor records were available, the</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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<p>amount seems to be doubtful of recovery</p> <p>E-Rs9,45,701.52 has been provided against the above amounts in the earlier years. We are of the opinion that the provision for balance amount be also made . Had this amount been provided , the losses would have been higher by Rs 2,89,412.93</p>	
<p>3. Rs54,26,301/- is the amount received from many debtors during the year directly credited in the bank account of the branch, the identity of individual debtors as on 31st March 2015 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>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
GURGAON PLANT	
<p>(a) The Stock of stores and spares, stationery and gases and fuel has been valued at cost price. The management has not determined the non-moving/obsolete stocks. Since almost all the stores and spares items out of Total stores amounting to Rs59.91 Lacs are quite old and not moving, and thus may impact on profitability to the extent of its cost less realizable amount if any.</p>	<p>Valuation of inventory is being done as per the Past practice</p>
<p>(b) Stock of work in progress & Finished Goods has been valued at cost or market value whichever is lower. Cost of Goods is taken on the basis of Internal Cost Sheet instead of actual cost incurred during the year, which is contrary to the Accounting Standards-2 (revised) on valuation of inventories issued by the Chartered Accountants of India. Impact on</p>	

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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 are pending since long time, thereby decreasing losses by Rs. 73870.	
(d) The Fixed Assets have not been reconciled with the assets register. Impact on Profitability if any could not be ascertained.	
(e) Details are not available for material received on loan of Rs.14,150.97 (credit balance).	Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.
(f) The balances of sundry debtors, suppliers and all other personal accounts whether in debit or in credit are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Impact on loss, if any could not be ascertained	
(g) There is a provision of Salary Payable of Rs 2,47,73,654.00 to CISF and for unpaid wages of Rs. 1,33,298.35, which has not been paid for many years	
(h) Provision of Rs.5322723 (P/Y Rs 5322723/-) has been made in earlier years for write off of debtors. The same is pending for approval.	
(i) Share of C.O Expenses Rs 202.22 lacs and Marketing Div. expenses Rs. 292.69 Lacs has been charged on the basis of transfer memo received from Head office. We are unable to comment on the correctness of expenses claimed by the plant as no	Allocation of expenses is done on the basis of total production in IDPL plants.

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supporting vouchers produced to us.	
(j) 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.
(k) The Plant has valued the Raw material & Packing Material inclusive of excise duty (amount not ascertainable) which is contrary to the Accounting Standard 2 issued by The Institute of Chartered Accountants of India. Also the Plant is not including value of excise duty payable on finished goods in the valuation of opening and closing inventory of finished goods, which is contrary to the Guidance note on accounting treatment of excise duty issued by The Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.	Valuation of inventory is being done as per the Past practice
(l) No Provision has been made for doubtful amount of Rs.5210106 (P.Y 4966816) shown as recoverable from ex- employees for rent and other expenses which is pending and thereby understating losses by Rs. 5210106.	Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.
(m) 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.	
(n) 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	This will be looked into in subsequent year for needful action.

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<p>paid, which is contrary to Accounting Standard 2 on valuation of inventory and Accounting Standard 10 on Accounting For Fixed Assets issued by The Institute of Chartered Accountants of India. The Impact on Profitability if any could not be ascertained.</p>	
<p>(o) The Plant has made the provision of Gratuity of Rs.269263 and Leave Encashment of Rs.430270 on actual basis instead of Actuarial Valuation, which is contrary to the Accounting Standard 15 (Revised 2005) on Employee benefit. The impact of Profitability if any could not be ascertained.</p>	<p>Due to very low staff strength, provision for leave encashment and gratuity has been accounted for on the basis of amount calculated by the company and no actuarial valuation has been conducted in the company</p>
<p>(p) The Stock of Packing & filling Material of Rs. 82.59 Lacs includes the obsolete / non moving item of Rs 15.18 Lacs. The Impact on Profitability shall be Rs.15.18 Lacs.</p>	<p>Valuation of inventory is being done as per the Past practice</p>
<p>(q) No provision has been made for amount of Rs. 88,667 shown in Capital Expenditure in Progress which is pending for adjustments since long time thereby understating losses by Rs. 88,667.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>(r) No provision has been made for amount of Rs. 2,83,764 shown in advance to Contractors accounts which is pending since long time and thereby decreasing losses by Rs. 2,83,764.</p>	
<p>KOLKATA, PATNA ,CUTTACK & GUWAHATI REGIONS (CONSOLIDATED)</p>	
<p>(1) Following balances have not been confirmed by Head Office and as such the effect of the same on any revenue or capital item cannot be ascertained. (a) Marketing Division Adjustment A/c : Rs. 3, 97, 15,011.51 Cr.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of</p>

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<p>(b) Marketing Division Collection A/c : Rs. 5,53,00,000.00 Dr.</p> <p>(c) Marketing Division Imprest A/c : Rs. 71, 47,963.00 Cr.</p>	<p>staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>(2) Aggregate of Claims recoverable, Advance Recoverable, Advance to other than Employees and Advance to Railways/Transport amounting to Rs 40,88,175.82 are doubtful advances and not recoverable. Therefore, provision has to be made for the entire amount. The Company has made the provision of Rs 40, 58,470.47 as on 31st March, 2015. Had the provision been made for the entire amount of Rs. 40, 88,175.82, the loss would have increased by Rs.29,705.35 and current asset decreased by Rs. 29,705.35.</p>	
<p>(3) Provision for Gratuity and Leave Encashment has not been made as these are dealt with at Head Office.</p>	<p>Due to very low staff strength, provision for leave encashment and gratuity has been accounted for on the basis of amount calculated by the company and no actuarial valuation has been conducted in the company</p>
<p>(4) The balances of Trade Payables, Trade Receivables and Advances have remain unconfirmed.</p>	
<p>(5) (a) The balance of Trade Receivables of RO Patna as at 31.03.15 was Rs. 1,86,81,053.18. Out of the total trade receivables, Rs. 54,93,302.21 is unreconciled i.e. to whom the sales were made are not traceable. Therefore, provision has to be made for the entire amount.</p> <p>(b) The balance of Advance from Customers of RO Patna as at 31.03.15 was Rs. 3, 14,260.60. The parties from whom the amounts have been received as advance are not traceable.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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<p>(c) a. Since 31st March,2012 the C & F Agent, Ranchi is not providing the closing stock statement and value and no transaction is being made since that date. Whereas, the Company is considering the value of closing stock as per the Books which is amounting to Rs. 1,04,36,531.75. In absence of Statement of Stock we are unable to ascertain the value of stock and its effect of the same on any revenue or capital item.</p> <p>b. C & F Agent, Patna has provided the stock statement as on 31.03.2015 on current year transactions showing the value of closing stock of Rs. 1,28,731.26 whereas, the Company has considered the closing stock value of Rs. 33,69,576.12 in books. It was observed that C & F Agent, Patna has not provided the stock details amounting to Rs.32, 40,844.86 which was the value of stock as at 31.03.2014.</p>	<p>These were frauds done on company's stock by C&F agent Patna.</p> <p>The case of C&F Ranchi is in the court and under police investigation for forgery and fraud.</p> <p>In the case of C&F Patna the company had checked and it was found that he had sold inventory worth Rs. 32.44 lacs and siphoned off the money. Efforts are being made by marketing team to recover the amount.</p>
REGIONAL SALES OFFICE MUMBAI	
<p>1. No provision has been made for sundry debtors and deposits account. Such account balances are outstanding for more than 10 years and without any recovery and/or any initiative to recover the same by the company. Thus provisioning is warranted, non provisioning is resulting into understatement of losses by Rs. 18,90,398/- Details of respective balances are detailed below: (a) Sundry Debtors amounting Rs. 9,29,392/- (b) Sundry Deposits amounting Rs. 9,61,006/-</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>2. The bank reconciliation statement as on 31/03/2014 has old difference of Rs. 54,438/-</p>	<p>This difference is very old and will be looked in subsequent years.</p>

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<p>3. Account balances in the ledger Marketing Division Collection A/c, Branches namely Gurgaon, Hyderabad, New Delhi, Jaipur, Kochi, Panckula, Rishikesh accounts are subject to confirmations and reconciliation adjustments for inter office transactions. There is an old difference in Marketing Division Adjustment A/c related to (financial year 2011-12) of Rs. 1,12,690.20/-</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>4. The Regional Sales Office's inventories are carried in the Balance Sheet at Rs. 64,76,016.63/-, out of which stock amounting to Rs. 13,10,786.00 has been expired and has not market value. This expired stock will be written off after getting approval from the Head Office and to that extent the loss is understated in profit and loss account. Management has not stated the inventories at the lower of cost and Net Realizable Value but has stated them at PPP Price less 20% which constitutes departure from the AS-2 (Revised) "Valuation of Inventories" issued by the Institute of Chartered Accountants of India, the result of which is not quantifiable.</p>	<p>Valuation of inventory is being done as per the Past practice</p>
RISHIKESH PLANT	
<p>1. Closing stock is valued at Cost or NRV whichever is lower; cost of closing stock of raw materials is calculated using computerized Price store ledger. It was noticed that costs of goods purchased consist of purchase price paid to suppliers and duties and taxes (whether subsequently recoverable or not), hence cost of closing stock of raw materials is inclusive of duties and taxes which are subsequently to be recovered in contravention of AS – 2 on " Valuation of Inventories" issued by the Institute of Chartered Accountants of India, As software cannot segregate the duties taxes from total</p>	<p>Valuation of inventory is being done as per the Past practice</p>

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<p>cost, impact on profitability could not be ascertained. Closing stock of finished & semi finished goods are valued at weighted average price as computed by the software used by the company while scrap is valued at cost which is not consistent with AS – 2 and should be valued at cost or Net Realizable Value.</p>	
<p>2. Depreciation as per Schedule II of the Companies Act, 2013 has not been taken into consideration.</p>	<p>This will be looked into subsequent years for needful action.</p>
<p>3. In the following cases accounts are prepared on cash basis of accounting: (a) As per Company Policy 50% of terminal gratuity and leave encashment benefit of retiring employee is withheld a security against non vacation of residence accommodation at Rishikesh Township. (b) Company is not charging any interest on non-payment or delayed receipt of rent for accommodation.</p>	<p>This is done as per Accounting policy of the company.</p>
<p>4. Grant received amounting Rs. 2.06 Crores out of 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 verifies as no documents were available with the company for the same.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>5. We were not provided with the balance confirmation of debtors and creditors so we are unable to express opinion on same.</p>	
<p>6. As explained to us, Liabilities and assets are classified on the basis of Commitment made by the company, hence in the absence of any commitment, all liabilities and payables have been classifies as Current Liabilities and all Loan & advances have also been classifies as Short Term Loan & advances.</p>	

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<p>7. Unit is carrying very old sundry debtors, advances and creditors for which provisions is made in the books of account but neither these were written off nor is any evidence of their collection/payment available with the unit . As a result, Gross value n the balance sheet are overburdened/overstated.</p>	
CORPORATE OFFICE	
<p>1. The books of accounts at Corporate Office have been maintained on mercantile basis except in case of VRS expense and C & F agent and Service agent Commission which is accounted for on cash basis and any other obligations arising on account of subsequent entitlements is also accounted for as expenditure in the year in which the claim is settled.</p>	<p>This is done as per the Accounting Policy of the company.</p>
<p>2. The inter unit Debit balance reflected under" Other Current Assets" (Inter unit) in Financial statements at Corporate Office Rs.54,64,93,92,249 (Pr. Yr 54,47,45,23,209) 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 inter unit adjustment account has been squared up by "Suspense Account" during 2014-15 Rs. NIL (Pr. Yr. Rs. 3,05,49,782) for which no explanation has been provided to us. The impact on Loss and Assets & Liabilities due to non-reconciliation of inter-unit balances is unascertainable.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>3. The Financial Statements of Corporate Office comprising of Balance Sheet as at 31.03.2015</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its</p>

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<p>& the Statement of Profit and Loss account for the year then ended along with Notes and other information have not been prepared as per the "Act" as under:</p> <p>(1) 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.</p> <p>(2) Under Short Term Borrowings from banks the Nature of Security & other terms and conditions etc has not been disclosed in each case.</p> <p>(3) Interest accrued and due on borrowings" has not been classified under "Other Current liabilities".</p> <p>(4) 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>	<p>Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>4. Unsecured Loan from Others (PSU's) Rs.43,00,00,000 (Pr. Yr. Rs.43,00,00,000) and interest accrued and due thereon Rs.2,51,66,54,027(Pr. Yr. Rs.2,51,66,54,027) have been disclosed Under Long term Borrowings. The terms of repayment, rate of Interest and other disclosures as per" Schedule III" to the Companies Act, 2013 have not been made. Also Interest has not been provided for the current year. This has resulted in short provision of liability towards interest and consequential understatement of Loss for current year by the same amount which is unascertained.</p>	<p>Terms of repayment and rate of interest are subject to the approval of revival plan, which is still in process.</p>

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<p>5. The amount disclosed under "Other Long Term Liabilities Rs.90,03,91,673 (Pr. Yr. Rs 86,58,24,421) 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.</p> <p>(a) Included in above "Other Long Term Liabilities" is amount of advance for customer Rs.14,17,52,529 (Pr. Yr. Rs14,17,52,529) which is in the nature of a short term Liability. Further under the head " Advance from Customers (M)" which relates to liability of NAMPM an amount of Rs. 3,19,00,000 (Pr. Yr. Rs. 3,19,00,000) has been claimed by NAMP as interest in the books of accounts. Due to this loss is understated by Rs. 3,19,00,000 and also liabilities understated by the same amount.</p> <p>(b) Included in above "Other Long Term Liabilities" is amount of Government Guarantee Fee Rs. 70,07,48,658 (Pr. Yr. Rs 66,63,88,658). 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. 70,07,48,658 (Pr. Yr. Rs 66,63,88,658) are also over state to that extent.</p> <p>(c) Included in above "Other Long Term Liabilities" is an amount of Rs.80,11,83,510 (Pr. Yr. Rs80,11,83,510) includes an amount of Rs. 71,55,49,617 (Pr. Yr. Rs 71,55,49,617)</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p> <p>The bar is only on the payment of guarantee fee to government so long as money remains due by the company to the participants. There is no bar on provision of accrued guarantee fee. The govt is not being paid any guarantee fee in violation of guarantee agreement.</p>

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<p>has been deducted on account of VRS Expenditure. Also an amount of Rs. 3,38,50,659(Pr. Yr. Rs. 3,38,50,659) has been deducted on account of "Amount transferred to Sub. Companies". The amount of VRS Expenditure and amount transferred to subsidiary Companies are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>6. Long Term Provisions" of Rs.75,91,686 (Pr. Yr. 1,31,41,943) includes Provision made in current year for Gratuity (Rs.1,66,071)(Pr. Yr. 2,95,711) and leave encashment of Rs NIL(Pr. Yr. Rs. 2,92,448). These provisions have been made on the basis of calculation made by the Company. Accordingly Provisions made for employees benefits are not in accordance with Accounting Standard-15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India. Also no provision of interest payable on Gratuity, Leave encashment and for any amounts payable to employees who have opted for V.R.S old scheme has been made. The impact on loss/liabilities is unascertainable.</p>	<p>Due to very low staff strength, provision for leave encashment and gratuity has been accounted for on the basis of amount calculated by the company and no actuarial valuation has been conducted in the company</p>
<p>7. Short Term borrowings "Cash Credit accounts" with Banks "of Rs. 94,02,20,440(Pr. Yr. Rs. 87,34,42,368) 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.</p>	<p>The borrowings from the banks have since been reconciled and confirmed by the banks. Banks have agreed to IDBI, the operating agency of IDPL that they are willing to accept interest on their outstanding @5% w.e.f 01.04.1992, till the date of payment. Company has already provided more than this in the previous years, hence no provision has been</p>

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<p>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.</p>	<p>made during the year.</p>
<p>8. Trade payables of Rs. 7,49,69,118 (Pr. Yr Rs 7,30,25,072) include balances transferred from Various R.O's to Corporate office. These amounts are pending for payment and outstanding for many years. The amount Payable is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts, Consequential impact on loss and liabilities of the company due to adjustment is unascertained.</p>	
<p>9. "Other Liabilities" amount of Rs.6,24,31,852 (Pr. Yr. Rs 7,69,30,246) includes various amounts which are pending for payment and outstanding for more than three years. The amount payable is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.</p> <p>a. Included in above " Other Current liabilities"</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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<p>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>b. 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>c. Included in above "Other Current liabilities" are amount payable to ECPF Trust Rs. 4,53,08,352 (Pr. Yr. Rs. 4,53,21,434) 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>d. Included in above " Other Current liabilities" is an amount of Rs. Debit Rs. 87,29,061 (Pr. Yr. Rs5,09,151) being amount received from Ministry of Family & Welfare against sales made by Plants (bills raised in Corporate office). The amount is n the nature of advance against sales and should have been disclosed accordingly under Advance from Customers. Further the account of ministry is subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.</p> <p>e. Included in above "other current liabilities" are amounts payable on account of TDS, Service Tax payable, Service Tax IBS which are</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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<p>outstanding. Further disputed statutory liabilities are unascertained.</p>	
<p>10. The Corporate office has neither maintained proper records of fixed assets nor carried any physical verification of fixed assets. No reconciliation has been between fixed assets register and the financial accounts; Impact on loss and assets due to non reconciliation is not ascertainable.</p>	<p>This will be looked into subsequent years for needful action.</p>
<p>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</p> <p>a. Investment made in 6,74,000 Unquoted Equity Shares of its subsidiary Company "Orissa Drugs & Chemical Limited" and 40,00,00,000 Unquoted Equity Shares Of "IDPL(TN) LTD" and 3 Shares of "BODCL Ltd" total investment of Rs.4, 67,40,030 (Pr. Yr. Rs.4, 67,40,060). are being carried at Cost, no provision for diminution in value of these investments in loss making subsidiaries has been made. Decline in Non Current Investments , other than temporary diminution in the value of long term investments has not been disclosed as required by Accounting Standard" Accounting for Investments"(AS-13) issued by the ICAI. The loss in our opinion is of a permanent nature.</p> <p>b. 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</p>	<p>Share certificate is available with the company. Accounts of subsidiaries in which investment has been made are still not updated hence loss is unascertainable and hence not provided for.</p>

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<p>has been given, we are unable to comment on recoverability of the money. The Corporate Office has not provided for any loss on this account.</p>	
<p>12. Long Term Loans and advances of Rs.1,27,92,79,338(Pr Yr .Rs. 1,21,48,67,128)against with provision of Rs.8,79,918(Pr. Yr. Rs. 8,79,918) Nett Rs. 1,27,83,99,420 (Pr.Yr. Rs. 1,21,39,87,211) 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>a. 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>b. Under "Long term Loans & Advances", Advances made to Subsidiary companies Rs. 69,73,04,453 (Previous Year Rs. 63,28,92,244) 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>c. 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</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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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. 6,78,92,128 (Pr. Yr. 7,03,46,660) includes long trade receivables at various regional offices, now transferred to Corporate office. Against the said trade receivables a provision of Rs.20,69,982 (Pr. Yr. Rs. 20,69,982) has been made in books of account. These trade receivables are long outstanding, without any confirmation and are subject to reconciliation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.	Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.
14. Short Term Loans and advances of Rs.7,05,64,649 (Pr.Yr. 6,52,73,647) against which provision for doubtful fringe benefit tax Rs. 15,68,107 and for doubtful advances Rs. 1,52,11,819 (Pr.Yr. 1,52,11,819) includes various loans and advances of Long term nature, hence disclosure has not been made as required under the Act..Also most of the said advances are long and overdue/disputed amounts outstanding for more than three years. In our opinion provision against the Unsecured advances in books of account against doubtful advance is not adequate. These advances are subject to confirmation, reconciliation and adjustment, in the books of accounts. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.	Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.
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.	Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.

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Emphasis of Matters	
REGIONAL OFFICE LUCKNOW	
<p>1. As stated above there are unverified balance received from parties aggregating to Rs 54,26,301/- as on 31st March 2015. 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 18 may also change .</p>	<p>This will be looked into in subsequent year for needful action.</p>
<p>2. The financial statement does not reflect any contingent liability as on 31st March 2015. As stated in Para 2D of Basis of Qualified opinion and as per known demand raised by Sales Tax /Vat Department for the financial years from 2007-08 to FY 2010-11 aggregating to Rs 18,32, 878/-, neither the amount have been provided in accounts nor shown as contingent liability. We have been that all the demands are under appeal. In our opinion the amount should be shown as Contingent liability not considered as debt. Further we have come across few payments made against above demand to the department aggregating to Rs4, 23,629/- have not been considered in accounts. We have been told that the amount has been paid by C& F agent on behalf of branch and have not been claimed by them. Since the payments have been made on behalf and name of the branch, amount should have been considered as current liability.</p>	<p>This will be looked into in subsequent year for needful action.</p>
<p>3. Though the company is following mercantile system of accounting , the commission payable to Sale agents and C & F agent are provided on cash basis. No computation of commission payable on sales for the year has been prepared . No Head office circular for change in system of accounting or its disclosure in accounting policies was available</p>	<p>This is done as per the accounting policy of the company.</p>

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<p>4. <u>SUNDRY CREDITORS AND LIABILITIES:</u></p> <p>A- It includes Rs 9,43,100.76 outstanding and shown payable to Ministry of Health & FW. The amount is outstanding from past years.</p> <p>B- Rs 14,82,361.21 is outstanding to parties shown as Current Liability a per Note 12 for past many years . We have been told that parties are not claiming these amounts and pending in accounts.</p> <p>C- Rs7,13,017.81 is the amount of deposits received from dealers on which interest at various rates is also being provided .There is no dealing with many parties and amount is also increasing . The reason of non refunding of amount was explained as amounts not claimed by parties, Interest payable on these amount is Rs 14,65,105.80. The amount of interest payable is much higher than the amount of deposits.</p> <p>D- Rs 31,65,012.68 is outstanding as advance from customers 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 he amount is not claimed by parties , hence outstanding.</p> <p>E- Rs 5,01,159.36 is claim payable .There is no details available of the parties to whom this amount are payable.</p> <p>F- Rs 29,55,012.41 is the advance received from parties. No reason has been explained for its non adjustment which we have been informed will be done at Head Office level.</p> <p>G- The liability towards salary payable is Rs67939/- where as per financial statement, the liability is shown of Rs11913.22 ie short</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>

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<p>shown by Rs 56,025.78 which is not reconciled for past many years.</p> <p>H- There is variance of Rs3,93,612.82 in sundry debtors between balance as per General Ledger of Rs4,20,13,749/- and aggregate of sub-ledgers of Rs4,24,07,361/- which is yet to be reconciled .</p> <p>I- The depreciation is continued to be provided on written down value as per Companies Act,1956 instead of on the basis of life of fixed (Tangible) assets as required under Companies Act 2013. No estimate of life of assets has been made . Since the fixed assets base is very small of Rs 53,600.62 and considering the size of branch , the effect will not be major on the profits /losses of the branch</p>	
RISHIKESH PLANT	
<p>1. VAT recoverable by Roorkee depot claimed by IDPL, Rishikesh in their VAT returns have not been passed at the time of assessment by VAT authorities hence such figures should be adjusted by Roorkee depot in their books as per information provided to us assessment till the year 2012-13 has been completed so necessary adjustments should be made by Roorkee depot.</p>	<p>This will be looked into in subsequent year for needful action.</p>
<p>2. Share in Central Office and marketing division expenses amounting of Rs 8,88,29,000 shown as expenditure is on the basis of advice from corporate office, for which we are not in position to comments upon.</p>	<p>Allocation of expenses is done on the basis of total production in IDPL plants.</p>

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CORPORATE OFFICE	
<p>1. The company has not filed Income Tax Returns from Assessment year 2004-2005 to 2010-11 which may attract penalty U/S 271B and 271 F of I.T. Act, 1961, amount is unascertained and consequential impact on loss / liabilities can't be ascertained.</p> <p>2. The company has utilized Rs.22,46,00,000(Pr. Yr. 22,46,00,000) from VRS funds for the purposes other than for payment against VRS. The company has approached the Govt. for permission of the fund utilization against which the Govt. of India has sought details of VRS fund utilization and the matter is still pending.</p>	<p>Due to bulk VRS of almost all employees of IDPL in 2003, the accounts of IDPL and its Subsidiaries got into arrears for the year 2002-03 onwards. The accounts of IDPL are still being updated. Due to back log of finalization of Accounts and non availability of staff and records the balances are not reconciled/adjusted/squared up.</p>
<p>3. During the year Marketing expenses have been allocated to Gurgoan Plant Rs.4,94,91,000 (Pr.Yr.2,26,19,993),Rishikesh Plant Rs.8,88,29,000 (Pr.Yr.Rs. 10,04,68,600) and Hyderabad Plant Rs.20,13,000 (Pr.Yr.Rs.24,06,758) total Rs.14,03,33,000(Pr.Yr.Rs.12,54,95,351) without any basis, hence we are unable to verify the accuracy of expenses allocated to these plants.</p>	<p>Allocation of expenses is done on the basis of total production in IDPL plants.</p>
HYDERABAD UNIT	
<p>b) The company is providing Depreciation on the Plant & Machinery under Straight line method at rates specified by the Companies Act, 2013 even though the Plant & Machinery were not in working condition. Hence we are unable to comment on the net block of Plant & Machinery.</p>	<p>This is as per the policy of the company, however will be looked into in subsequent years for needful action.</p>
<p>e) Interest on belated payments of surcharge to APSEB for the April 1987 to March 1992 amounting to Rs.52 lakhs and additional charges over and above normal</p>	<p>Efforts are on, at Government Level to make the APSEB to agree on the waiver of surcharge and additional charges on account of penalty etc. imposed by them on unpaid/delayed bills</p>

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tariff for the same period amounting to Rs.1,403.13 lakhs hasn't been provided in the books of accounts.	on account of non availability of funds with the company because it was sick during 1987 to 1992 later.
f) We are unable to comment on the closing gbalances as we were not provided with confirmation letters from Creditors, depositors.	This will be looked into in subsequent years for needful action.
g) There is no valuation of inventories.	