

ANNUAL ACCOUNTS
OF
INDIAN DRUGS & PHARMACEUTICALS LIMITED
FOR
FINANCIAL YEAR 2013-14

Independent Auditor's Report

To
The Members of
Indian Drugs & Pharmaceuticals Limited
Gurgaon, Haryana

1. Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Indian Drugs & Pharmaceuticals Limited, Gurgaon, which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit of Corporate Office and reports received from other auditors. We conducted Audit of Corporate Office of the Company only and did not conduct the audit of financial statements of Regional offices, Regional sales office, Zonal offices or any of the Plants of the Company. The reports on the accounts of the Regional offices, Regional Sales Offices, Zonal Offices and Plants audited under Section 228 of the Companies Act, 1956 by other auditors have been forwarded to us as required by Clause (c) of Subsection (3) of Section 228 and our opinion, in so far as it relates to the amounts reflected in consolidated financial statements of the Company is also based on reports of the other auditors. The Audit of Regional offices, Regional Sales office and various regions have been carried out by following firms of auditors:-

- I. Corporate Office, Gurgaon by M/S Gianender & Associates, Chartered Accountants, New Delhi.
- II. Regional Office Delhi, by M/S Sunil Vijay & Associates, Chartered Accountants, New Delhi.
- III. Regional Office Lucknow by M/S Krishna Sharma & Co; Chartered Accountants, Lucknow.
- IV. Regional sales office Mumbai by M/S Thakur Naik & Deo; Chartered Accountants, Thane (Maharashtra).
- V. Kolkata, Patna, Cuttack, & Guwahati Regions (Consolidated) by M/S Sumanta & Co., Chartered accountants, Kolkata, and
- VI. Zonal office Hyderabad by M/s. Agarwal and Ladda, Chartered Accountants, Hyderabad.
- VII. Gurgaon Plant, by M/s VAM & Associates, chartered accountants, Gurgaon (Haryana)
- VIII. Hyderabad unit by M/s MSPR & Co chartered accountants Hyderabad (A.P) and
- IX. Rishikesh plant by M/s Laxmi Tripti & Associates, chartered accountants, Rishikesh (UK).

We have conducted audit of Corporate office Gurgaon and the said Auditors have conducted audit of the Regional offices, Regional sales office, Zonal Offices and Plants in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that the Auditors 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the above Auditors is sufficient and appropriate to provide a basis for a qualified audit opinion.

Basis of Qualified Opinion:

- 1) *The books of accounts of the Company have been maintained on mercantile basis except in following cases in contravention to the provisions of Section 209(3) of the Companies Act, 1956. The impact on Loss, Assets and Liabilities due to accounting of these entries on Cash basis is unascertained.*
 - *In Corporate office, the VRS expense are 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.*
 - *In Corporate office, the Electricity Expenses are accounted for on Cash basis.*
 - *In Mumbai Regional Office, Commission payable to C&F agents, Service Agents and Audit Expenses have been accounted for on cash basis, such expenses relating to prior periods are not quantifiable.*
 - *In Lucknow Region, though the R.O 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. No Head office circular for change in system of accounting or its disclosure in accounting policies was available. Hence the liability on account of Commission payable remains unascertained.*
 - *In Delhi RSO, no interest has been provided during the year on Rs. 18,62,487 being the amount of Security Deposit from Stockiest, amount unascertained.*
 - *In Reshikesh Plant, in following cases, accounts are prepared on cash basis of accounting :*
 - i. *Payment to Employees under VRS, Rent from letting out building to Income Tax department, BSNL and Boarder Road Organization, Kendriya Vedhalaya, interest on non-payment or delayed receipt of rent for accommodation and In Roorkee depot of the unit, commission payable to C&F and Service Agents.*
- 2) *The inter unit adjustment account has been squared up by "Suspense Account" during 2013-14 on Consolidation of Financial Statements of Corporate Office, Reshikesh Plant, Hyderabad Plant, Gurgaon Plant and Marketing Division (Consolidated) accounts. The inter unit balances have not been reconciled / adjusted/ Squared up at Corporate office and are subject to reconciliation and adjustment with balances appearing in Audited Financial Statements of Marketing offices, Sub Regional Offices, Central Zone and Plants. The impact on Loss and Assets & Liabilities due to non-reconciliation of inter-unit balances is unascertainable. Further:*
 - *The inter unit Debit balance reflected under "Other Current Assets" (Inter unit) in Financial statements at Corporate Office Rs.54,47,45,23,209 (Pr. Yr 54,41,09,23,485) 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 2013-14 Rs. 3,05,49,782 (Pr.Yr. Rs. 3,05,98,051) for which no explanation has been provided to us.*
 - *In Kolkata region, 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:*
 - i. *Marketing Division Adjustment A/c :Rs. 41,580,235.50Cr.*
 - ii. *Marketing Division Collection A/c :Rs 56,490,000.00Dr.*



iii. Marketing Division Imprest A/c :Rs 3,723,103.00 Cr.

- In Mumbai Regional Sales Office, Account balances in the ledger Marketing division Collection Account, Branches namely Gurgoan, Hyderabad, New Delhi, Jaipur, Kochi, Panckula and Rishikesh accounts are subject to confirmations and reconciliation, adjustment for Inter office transactions. There is an Old difference in marketing division adjustment account related to FY 2011-12 of Rs.1,12,690.
- 3) The Financial Statements of the Company have not been prepared as per "Revised Schedule VI" to the Companies Act, 1956 and the Guidance Note issued by the Institute of Chartered Accountants of India on Revised Schedule VI to the Companies Act, 1956 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 instalments due, applicable rate of interest and other significant and relevant terms.
 - "Interest accrued and due on borrowings has not been classified under "Other Current liabilities".
 - Under "Other Long Term Liabilities" various accounts of the nature of Short Term Liabilities like "Advance from Customers", "interest payable", outstanding expenses", "Unpaid Bonus" Unpaid Salary" "TDS Payable" "Sales tax Local payable" "CST Payable" have been classified for which no explanation was provided.
 - In Reshikesh unit, Liabilities and Assets are Classified on the basis of Commitment made by the Company, hence in the absence of any commitment, all liabilities and payables have been classified as Current Liabilities and all Loans & advances have also been Classified as Short Term Loan & Advance.
- 4) Long Term Borrowings of Rs.49,21,37,84,027 (Pr. Yr. Rs. 47,50,27,76,027) includes 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). The terms of repayment, rate of Interest and other disclosures as per Revised Schedule VI to the Companies Act, 1956 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) Other Long Term Liabilities Rs. 94,47,45,347 (Pr. Yr. 90,46,40,766) includes liabilities of both Short Term as well as long term nature. Most of the balances are being carried forward from year to year without any adjustment. All these balance are un-reconciled and unconfirmed. The impact on Loss and Assets & Liabilities due to non- reconciliation and non-confirmation of these balance is unascertainable.
- Included in above Other Long Term Liabilities is Advance from Customer Rs.17,97,06,902 (Pr. Yr. Rs.17,97,75,729,) which is in the nature of a Short Term Liability. These balances 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 Government Guarantee Fee payable Rs. 66,63,88,658 (Pr. Yr. Rs 63,20,28,658). The provision for Government Guarantee fee amounting to Rs. 3,43,60,000 has been made in accounts for the 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. 63,20,28,658 (Pr. Yr. Rs 59,76,68,658) are also over state to that extent.
 - Included in above Other Long Term Liabilities is unlinked Credit of Rs. 1,69,570(Pr. Yr. Rs. 1,69,570) and Suspense Credit balance Rs.5138289 (Pr.Yr. 5738) which are pending for adjustment and

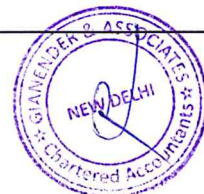


reconciliation. Consequential impact on loss and liabilities of the company due to adjustment is unascertained.

- Included in above Other Long Term Liabilities is an amount of Rs. 80,11,83,510 (Pr. Yr. Rs. 80,11,83,510) as Grant in Aid. 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 Subsidiary 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.
 - In Lucknow Regional Office, Long Term Liabilities include "Amount of deposit received from dealers". Rs.7,13,018; and "Interest payable on these deposits" is Rs. 13,85,706. "Advance from Customers" Cr. Rs. 31,65,013; "Claim Payable" Cr. Rs. 5,01,159 . All these balances are being carried forward without any adjustment.
 - In Lucknow Region Office Long Term Liabilities include an amount of Rs.28,04,207 is the advance received from parties which has remained un-adjusted for past many years.
 - In Lucknow Region, Long Term Liabilities include Rs 9,43,101 outstanding and shown payable to Ministry of Health &FW. The amount is outstanding from past years.
- 6) Long Term Provisions of Rs. 13,98,68,190 (Pr.Yr. Rs. 15,49,98,292) includes Provision for Gratuity of Rs. 6,73,77,619 (Pr.Yr.7,82,95,310) and leave encashment of Rs.3,68,95,843 (Pr. Yr .Rs. 4,24,25,493). The provision for Gratuity of Rs. 19,97,863 and for Leave encashment Rs.17,43,801 have been made as calculated by the Company as under .
- In Corporate Office, Long Term Provisions includes Provision for Gratuity of Rs. 2,95,711 and leave encashment of Rs.2,92,448. These provisions for the year have been made on the basis of calculation made by the Company.
 - In Gurgoan Plant the Provision of Gratuity of Rs.17,02,152 and Leave encashment of Rs.14,51,353 has been made on actual basis.
- Accordingly above 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 other amounts payable to employees who have opted for V.R.S schemes has been made. The impact on loss/ liabilities is unascertainable.
- 7) Short Term borrowings of Rs. 17,17,10,13,792 (Pr.Yr. Rs. 17,17,10,13,792) includes "Cash Credit account of various Banks "of Rs.87,37,31,360 (Pr. Yr. Rs. 87,37,31,360) and Interest accrued & due thereon Rs.15,38,56,23,842 (Pr. Yr. Rs. 15,38,56,23,842) at Corporate office and Cash credit- State Bank of Hyderabad Rs.14,54,13,573 (Pr.Yr.Rs. 14,54,13,573) and Interest accrued and due thereon of Rs. 76,62,45,017 (Pr.Yr. Rs.76,62,45,017) at Hyderabad plant. 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) .These short term Borrowings are not reconciled and remain 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.
- 8) In "Trade Payable" of Rs. 2,86,64,88,678 (Pr.Yr. 2,85,89,09,727) are included amounts outstanding for more than three years. These balances are being carried forward from year to year without any adjustment. Impact of any such adjustments in amounts payable and the loss of the Company is unascertained.

- In lucknow Regional Office, Balances outstanding in "Trade Payables" Rs.14,82,361 is being carried forward without any adjustment from the last so many years.
- 9) Other Current Liabilities of Rs.42,56,30,128 (Pr. Yr. Rs. 40,84,26,621) included are pending amounts for payment and outstanding for more than three years. These amounts 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 unascertainable.
- In Corporate office an amount of Rs.4,53,21,434 (Pr. Yr. Rs. 4,53,21,434) on account of amount payable to ECPF Trust is being carried forward without any adjustment.
 - In Corporate office an amount of Rs.5,09,151(Pr. Yr. Rs. 8,47,990)is amount received from Ministry of Family & Welfare against sales made by Plants (bills raised in Corporate office). The amount is in the nature of advance against sales and should have been disclosed accordingly under Advance from Customers. Further the account of ministry is subject to reconciliation, confirmation and adjustment, if any, in the books of account.
 - In Lucknow Regional Office there is difference of Rs.56,026 between Salary payable as per Control Ledger and Books of RO since previous year which is yet to be reconciled as disclosed in para 9.2 of Notes to accounts in financial Statements of the R.O.
 - In corporate office under the head "Advance from Customers (M)" which relates to liability of NAMP, an amount of Rs.3,19,00,000 (Pr. Yr. Rs.3,19,00,000) has been claimed by NAMP as interest but the company has not made any provision of 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.
 - In Hyderabad Plant Interest on belated payments of surcharge to APSEB for the April 1987 to March 1992 amounting to Rs. 52,00,000 and additional charges over and above normal tariff for the same period amounting to Rs. 14,03,13,000 has not been provided in the books of account.
 - In Gurgaon Plant, there is a provision of salary payable of Rs. 2,47,73,654 to CISF and for unpaid wages of Rs. 1,33,298, which has not been paid for many years.
 - In Gurgaon Plant, details are not available for material received on loan of Rs. 14,151 (credit Balance). Stale cheques of Rs. 2,93,902 (credit Balance) are pending for adjustment.
 - In Rishikesh Plant, Grant received from DBT amounting Rs.2,06,00,000 out of which DBT assets have been booked worth Rs.56,64,000 and net amount of Rs. 1,49,00,000 has been shown as Other current liability but same could not been verified as no documents were available.
 - In Lucknow Regional Office, no contingent liabilities have been disclosed under para3.03 of the Notes forming part of Financial Statements of the R.O, but in view of advances/deposits made for various Sales Tax/VAT cases pending at various stages, the Liabilities remain unascertained on this account.
 - In Lucknow Regional Office , in view of ongoing assessment of Sales Tax/VAT cases, the liability if any payable to department remains unascertained. The amounts deposited with the Department have been shown outstanding in advances/claim receivable from Sales Tax Department.
 - Further disputed statutory liabilities are unascertained.
- 10) The Company has neither maintained proper records of fixed assets nor carried any physical verification . No reconciliation has been made between fixed assets register and the financial accounts; Impact on loss and assets, due to non reconciliation is not ascertainable. The fixed assets disclosed in Consolidated financial statements are subject to further adjustments as under:
- The Corporate office has neither maintained proper records of fixed assets nor carried any physical verification of fixed assets.
 - In Mumbai Regional Sales Office, details regarding fixed assets are not being maintained and physical verification has also not been conducted.
 - In Gurgaon Plant, Fixed assets have not been reconciled with assets register.

- In Gurgaon Plant, Freight has been accounted for at the flat rate of 1% (PY 1%) of purchased price in the cost of Fixed Assets instead of actual freight paid, which is contrary to AS- 10 on "Accounting for Fixed Assets" issued by the Institute of Chartered Accountants of India.
 - In Gurgaon Plant, no provision has been made for an 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.
 - In Gurgaon Plant, Depreciation has been provided as per Accounting Policy 5 in schedule 12, which is in contravention of Accounting Standard 6 on "Depreciation Accounting" issued by The Institute of Chartered Accountants of India and Schedule XIV of Companies Act, 1956. Also the plant is not complying section 205(2)(b) of the Companies Act, 1956 regarding not depreciating assets for more than 95% of their value. Impact on profitability if any could not be ascertained.
 - In Hyderabad Plant, Depreciation on Plant & Machinery is provided on 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.
 - In Hyderabad Plant, Capital work in progress include Rs.4,00,39,000 (previous year Rs. 4,00,39,000) of disposable capital equipments, capital stores and spares identified by the company against which a provision of Rs.3,21,06,000 exist in the books. This being a technical matter we are unable to express our opinion as regards to the adequacy of the provision.
- 11) Non-Current Investments of Rs.30,72,39,000 (Pr.Yr.Rs. 30,72,39,000) include investments made in Subsidiary Companies unquoted 6,74,000 Equity Shares of "Orissa Drugs & Chemical Limited" ; 40,00,000 Equity Shares Of "IDPL(TN) LTD" and 3 Shares of "BODCL Ltd" total Rs.4, 67,40,030 (Pr. Yr. Rs. 4, 67,40,030). These investments 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 -13 "Accounting for Investments" issued by the ICAI. The loss in our opinion is of a permanent nature. The impact thereof on the value of investments and the loss of the company to the extent of diminution in value of investments is unascertainable.
- 12) The share application money of Rs. 25,11,14,970 (Previous Year Rs. 25,11,14,970) disclosed under "Non-Current Investments" has been given 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 Company has not provided for any loss on this account. The consequent impact on profitability and assets of the Company could not be ascertained.
- 13) Long Term Loans and advances of Rs.121,93,77,154 (Pr.Yr. Rs. 1,17,63,84,889) net of Provision of Rs. 80,03,763) (Pr. Yr. Rs. 80,03,763) include long and overdue/disputed amounts outstanding for more than three year of interest free unsecured loans to Subsidiary Companies, deposit with Customs port trust, balances with Govt. authorities, other advances Security deposits, various advances 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 ascertained Rs. 5,97,582 and balance amount unascertained as detailed herein below.
- 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.

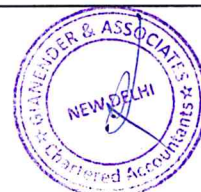
- Under "Long term Loans & Advances", Advances made to Subsidiary companies Rs.63,28,92,244 (Previous Year Rs. 59,03,31,969) are also subject to reconciliation, confirmation and adjustment, if any, in the books of accounts. Consequential impact on loss and assets of the company due to adjustment is unascertained.
- In Kolkata Region, aggregate of claims recoverable, Advance recoverable, advance to other than employees and advance to railways/transport amounting to Rs.40,88,176 are doubtful advances and not recoverable. Therefore, provision has to be made for the entire amount. The company has made provision of Rs. 40,58,470. Had the provision been made for the entire amount of Rs.40,88,176, the loss would have increased by Rs.29,706 and current assets decreased by Rs. 29,706.
- In Lucknow Region, Sales Tax recoverable of Rs.6,21,828, Recoverable from staff Rs. 4,320, Advance to parties/suppliers Rs.1,04,114 and Claim recoverable Rs.4,99,552 are being carried over from previous years. These amounts are long outstanding, unconfirmed and doubtful of recovery. A provision of Rs.9,45,702 has been made. Provision for balance amount of Rs. 2,84,112 be also made.
- In Gurgaon Plant, 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.

14) Under the head "Other Non Current assets", Rs.3,24,08,635 (Pr.Yr Rs 2,58,85,550) amounts of other advances Rs.28,10,18; interest accrued on deposits Rs.1,221, Deposits with Customs port Trust & Govt. Rs.8,64,93 and Security deposit Rs.52,868 are being carried forward from year to year without any recovery/adjustment. All these accounts are subject to reconciliation and confirmation. Consequential impact on loss and liabilities of the company due to adjustment is ascertained Rs.9,61,006 and balance amount unascertained as detailed herein below.

- In Mumbai Regional Office, no provision has been made for Sundry Deposit accounts. 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. 9,61,006/-

15) The Accounting policy Note-1 relating to Valuation of Inventory is not in conformity with the provisions of AS-2 on "Valuation of inventories. The inventories stated at Rs. 9,80,25,227 (Pr.Yr. Rs. 10,79,03,137) have been understated by an ascertained amount of Rs. 3,00,223 and losses overstated by same amount. The valuation of inventories is subject to further following adjustments amount not ascertained :

- In Mumbai Regional Office, the inventories are carried in the Balance Sheet at Rs. 30,21,217. Management has not stated the inventories at the lower of Cost and NRV 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.
- In Regional Office Delhi, the valuation of "In House" closing stock is made less than 20% of cost. This is contrary to Accounting Standard (AS-2) "Valuation of Inventories" issued by The Institute of Chartered Accountants of India. Accordingly, the closing stock understated by Rs.9,75,260 and losses overstated by same amount.
- Under Kolkata Region,
i.) 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 at Rs. 1,04,36,532. 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.

ii.) C & FA, Patna has not provided the stock statement as on 31st March 2014 whereas the Company has considered closing stock value as book value at Rs.32,40,845 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.

- In Gurgaon Plant:

- i. 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 most of stores and spares items are quite old and non moving, we are unable to comment upon the valuation of these items and impact on profitability if any could not be ascertained.
 - 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 Standard-2 (revised) on valuation of inventories issued by the Institute of Chartered Accountants of India. Impact on profitability if any could not be ascertained.
 - iii. No provision has been made for Aluminum foils sent for printing/processing valued at Rs. 3,785 stock of iron and steel valued at Rs. 74,326 and stock of raw material (FDRL) valued at Rs. 70,337, spare parts imported Rs. 5,26,589 as these stocks are expired & having no realizable value, thereby decreasing losses by Rs. 6,75,037
 - iv. The stock of lab chemical and misc. stores values at Rs. 8,37,639 are pending investigation. However the unit has made a full provision against these items.
 - v. Raw Material & Packing Material has been valued 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.
 - vi. The Stock of Packing and filling material of Rs.40,21,000 has been valued on the basis of Book Value.
 - vii. The Stock of Raw Materials of Rs.53,23,000 has been valued on the basis of Book Value. A provision of Rs.54,000 has been made for old & obsolete Stock.
 - viii. The Stock of Finished Goods and Work in Progress valued at Rs.97,79,000 against which a provision of Rs.15,83,000 has been made for Expired Goods.
 - ix. The stock of Printing and Stationery stores and spares including gases and fuel has been valued at Rs.55,25,000 on the basis of book value against which a provision of Rs. 15,50,000 has been made. In the absence of proper reconciliation the shortage (if any has not been determined).
 - x. Freight has been accounted for at the flat rate of 1% (PY 1%) of purchased price in the cost of raw material, packing material, stores & spares, gases & fuels, lab chemical, printing & stationary & miscellaneous stores instead of actual freight paid, which is contrary to AS- 2 on "Valuation of inventory" issued by the Institute of Chartered Accountants of India. Impact on profitability if any could not be ascertained.
- In Hyderabad Plant, Inventories include raw materials, stores, and spares, packing and filling materials etc. of Rs.4,13,24,000 (Pr. Yr. Rs. 4,13,24,000) against which a provision of Rs.3,97,71,000



(Pr. Yr. Rs. 3,97,71,000) has been made. This being a technical matter we are unable to express our opinion as regards adequacy of the provision.

- In Hyderabad Plant, there is no valuation for inventories.
- In Reshikesh Plant Closing Stock is valued at Cost or NRV whichever is lower; cost of closing stock of Raw Material is calculated using computerized Price Store ledger. It was observed that Cost of goods purchased consists of purchase price paid to suppliers and duties & 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 ICAI. As software cannot segregate the duties & taxes from total cost, impact on profitability could not be ascertained. Closing stock of Finished and Semi finished Goods are valued at weighted average price as computed by the software used by the plant while scrap is valued at cost which is not consistent with AS-2 and should be valued at Cost or Net releasable value.

16) Balances under "Trade Receivable" Rs. 23,63,13,129 (Pr. Yr. 28,80,25,624) includes trade receivables for period exceeding six months unsecured considered good Rs. 14,95,08,055 (Pr. Yr. 12,31,09,551) and Doubtful Rs. 3,58,06,522 (Pr. Yr. 3,34,35,465). A provision of Rs. 4,74,03,896 (Pr. Yr. Rs. 4,44,52,803) has been made in books of accounts. Trade receivables are 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. Further provision for ascertained amounts of Rs. 61,51,937 is to be made for Trade receivables doubtful of recovery as detailed below:

- In Corporate office balances under "Trade Receivable" outstanding for period exceeding six months is stated at Rs. 2,03,33,270 (Pr. Yr. 89,53,076) as the non recoverable trade receivables at regional offices have been transferred to Corporate office during the year. Against the said trade receivables a provision of Rs. 19,75,966 (Pr. Yr. Rs. 31,28,230) has been made in books of account. However, no confirmation from debtors for the balance amount of Rs. 1,82,63,288 is available and is 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.
- In Mumbai Regional Office, no provision has been made for sundry debtors. 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. 9,29,392.
- In Lucknow Region, Trade receivables outstanding for a period exceeding six months (unsecured but considered good) of Rs. 1,16,21,052 includes an unconfirmed amount of Rs. 52,22,545 outstanding over three years for which no provision has been made. Had the amount been provided, the loss would have been more by this amount.
- In Lucknow Region, there are unidentified balance of Rs 51,38,289 as on 31.03.2014 deposited in the bank. Since the name of parties from whom the payments have been received is not available and also the amount is not identifiable against bills, the effect on various assets and liabilities remains unascertained.
- In Lucknow Region, the Sundry Debtors General Ledger balance of Rs. 3,95,04,893 is not reconciled with Sub Ledger balance of Rs. 3,98,98,506 and there is variation of Rs. 3,93,613 between the General ledger and Sub-Ledger balances.
- In The Delhi RSO Provision for Doubtful Debts has been made amounting to Rs. 1,47,700 in Jaipur & Indore while merging the Balance Sheet relating to Financial Year 2004-05 but no adjustments are made till date.
- In Kolkata Region, Trade receivables of Rs. 21,16,000 is under CBI investigation.



17) "Cash and Bank balances " Rs. 34,5669,154 (Pr.Yr. Rs. 31,44,32,970) includes following unconfirmed balance:

- In Mumbai Regional Office, the bank reconciliation statement as on 31/03/2014 has old difference of Rs.54,438/-
- In Delhi RSO, balance confirmation certificate is not obtained and there is no transaction during the year with Cooperative Bank, Indore; Indian Bank and SBI collection account.

18) Short Term Loans and advances of Rs. 14,32,83,203 (Pr.Yr. 14,21,33,851) against which provision of Rs. 3,31,25,579 (Pr.Yr. 3,31,25,579) Net Rs. 110157624 (Pr.Yr. 10,90,08,272) includes various loans and advances of Long term nature, hence disclosure has not been made as required under Revised Schedule VI to the Companies Act,1956. Also most of the said advances are long and overdue/disputed amounts outstanding for more than three years. In our opinion provision made 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. Further provision for advances doubtful of recovery is required, amount unascertained asunder:.

- In Corporate Office Short Term Loans and advances of Rs.6,67,18,974 (Pr. Yr. 6,43,91,047) against which provision for doubtful fringe benefit tax Rs.15,68,107 and for doubtful advances Rs. 1,52,11,819 Net Rs. 4,99,39,048 (Pr.Yr. 4,76,11,121) includes various loans and advances long and overdue/disputed amounts outstanding for more than three years. In our opinion provision of Rs.1,52,11,819 against the Unsecured advances in books of account against doubtful advance is not adequate.
- In Corporate Office Included in Short term loans and advances are "Other advances of Rs. (Pr.Yr. Rs. 5,40,45,932)which includes "Advances- others" Rs. 92,46,392 (Pr.Yr. Rs. 93,68,030) advances to PSIDC Rs.3,117 Electricity & Water Charges Rs.2,75,501. Most of the balances under these accounts are being carried over from year to year without any recovery.
- In Corporate Office Included in "Advances- others" Rs. 92,46,392 (Pr.Yr. Rs. 93,68,030) are "Advances-others; Rs. 23,02,957, Directors imprest Rs.10,000, Expenses recoverable (M) Rs.35841 ;Rishikesh Debtors Rs. 68,83,095 and BPPI Rs.18000 and Mr. A.Sarth (Cr) Rs. 3,500 being carried forward without any recovery/adjustment.
- In Corporate Office Income tax deducted at source Rs.1,55,71,525 (Previous Year Rs.1,24,64,840) being carried forward without any adjustment, as the Company has not filed income Tax Return from Assessment year 2004-2005 to 2010-11 the recovery of the amount is doubtful. Consequential impact on loss and assets of the company due to adjustment is unascertained.
- In Corporate Office Other Deposits of Rs.14,45,327 (Previous Year 14,45,327) reflected as "Secured Advances" Security held by the Company against these advances is not available. Consequential impact on loss and assets of the company due to reconciliation and adjustment is unascertained
- In Corporate Office Under "Short term Loans & Advances", included in Other advance is an amount of Rs.3,05,49,782 (Pr.Yr.Rs. 3,05,98,051) as Suspense account. The said balance is net amount of various unlinked entries, inter unit difference among various regions, old outstanding RIT etc total Rs. 4,82,93,365 Debit and Rs. 17,43,583 Credit. These unlinked entries and inter unit differences are carried over without any adjustment. Consequential impact on loss and assets of the company due to non adjustment of "Suspense account" is unascertained.
- In Corporate Office Under "Short term Loans & Advances", includes an amount of Rs.1,46,50,997 being Claims recoverable Rs. 60,71,902; Duty Drawback on Export (M); Rs.102764; Recoverable from Frug Equasl(M) Rs.75,22,260; Recoverable from Ministry (M) Rs.89067 and SSCL Rs.8,65,004 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.

- In Corporate Office Advances to employee (net) Rs.11,53,884 (Previous Year Rs. 9,01,945) includes old contingent advance of Rs. 7,33,400 being carried forward without any recovery. These account of advances are 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.
 - In Gurgaon Plant, the correctness of provision for recovery of rent, electricity charges, water charges & maintenance charges from the employees having accommodation in the township of plant, could be verified in absence of any basis for such recovery.
 - In Gurgaon Plant, no provision has been made for amount of Rs 43,029 recoverable from IDPL- ECPF which is pending since 1992-93 and thereby decreasing losses by Rs 43,029
 - In Gurgaon Plant , 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.
 - In Reshikesh Plant, VAT receivable of Rs. 2,09,935 shown in VAT Return as on 31.03.2014 has not been reconciled in Books of Accounts . It has been explained that Unit is Claiming VAT receivables in VAT Return but utilization of VAT receivable by VAT department is not certain, it will be considered in Books of Accounts on actual receipt at the time of Assessment.
 - Included in Corporate office Secured Advances" of Rs.14,45,327 (Previous Year Rs11,90,327) but Security held by the Company against these advances is not available. Consequential impact on loss and assets of the company due to reconciliation and adjustment is unascertained.
 - Other Current Assets Rs. 82,37,145 (Pr.Yr 96,96,112) includes an amount of Rs. 47,22,572 (Pr.Yr. 43,72,130) recoverable from ex-employees for rent and other expenses which is pending since long time in Gurgaon Plant. No provision has been made for doubtful amount thus understanding losses by Rs. 47,22,572) and
 - "Other Current Assets" Rs. 82,37,145(Pr.Yr. Rs.96,96,112) includes amount Recoverable from Ex-Employees Rs.4722572 (Pr. Yr. 4372130) and amount Recoverable from Ex Employees ContractRs.244244(Pr. Yr. 233815). These accounts of advances are 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.
- 19) 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.
- 20) Commission and incentive to selling agents Rs.4,93,14,938 (Pr. Yr. Rs. 5,19,75,334) is understated by Rs. 6,60,688 ascertained and balance amount unascertained. Had it been considered in accounts, the Loss would have been more by this amount as under:
- In Delhi Region, Inter Zone Goods transfer of Rs.20,29,485 has been made on which commission due is Rs. 11,402 but only an amount of Rs.8,331 has been accounted for, thus profit has been understated by Rs.3,071.
 - Delhi Regional Office has not provided/accounted commission on sales and collection from Debtors to Service Agents and Carrying and Forwarding Agents on accrual basis. Hence, during the year, Delhi R.O has not provided commission on sales to C& F Agents amounting to Rs. 30,430.
 - In Delhi RSO, Service commission of Rs.14,073 is pending. Commission calculated an amount of Rs 281462 received from Jain Medical (Invoice dates not clear).
 - In Lucknow Region, no commission on sales payable to C&F Agents of Rs. 4,13,114 for the Month of March 2014 has been provided. Had it been considered in accounts, the Loss would have been more by this amount.



- In Lucknow Region, Rs. 51,38,289 received from many debtors during the year directly in the bank account of the branch resulting in non identification of individual debtor as on 31.03.2014. As per accounting policy, 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. Had commission been accounted, the losses would have been higher by the amount of commission if any payable on trade receivable included in above amount directly deposited in Bank.

21) In Rishikesh Plant, amount of accumulated losses is under stated by Rs.8,37,940 due to losses brought forward from previous year was short, being loss of Roorkee unit transferred to marketing Division.

We have quantified the impact of a qualification on profitability/loss with the qualification itself wherever possible. As the quantification of impact on profitability in various qualifications could not be quantified, hence overall impact on profitability/ loss and Assets /Liabilities could not be arrived at.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to Basis for Qualified Opinion, the accompanying 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:

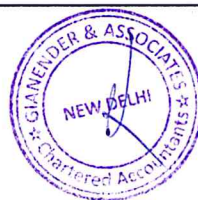
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date. and
- In cash of Cash Flow Statement of the Cash Flows of the Company for the year ended on that date.

Matter of Emphasis:

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 Lt; 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 31.03.2014	Interest accrued and due Un-reconciled	Total as at 31.03.2014
Govt. of India	1,64,02,00,000	12,09,39,25,000	34,17,32,05,000	46,26,71,30,000
P.S.U etc	54,28,00,000	43,00,00,000	2,51,66,54,027	2,94,66,54,027
Banks	100,00,00,000	1,01,91,44,933	16,15,18,68,859	17,17,10,13,792

4. 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.

5. 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.
6. The amount payable to Small & Medium Enterprises is not ascertainable.
7. 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.
8. During the year corporate office expenses have been allocated to Gurgaon Plant Rs.2,26,19,993 (Pr.Yr. 2,15,42,850), Rishikesh Plant Rs.1,00,46,86,004 (Pr.Yr.Rs. 9,56,84,400) and Hyderabad Plant Rs. 24,06,758 (Pr.Yr.Rs. 22,92,150) total Rs. 12,54,95,351(Pr.Yr. Rs. 11,95,19,400) without any basis, hence we are unable to verify the accuracy of expenses allocated to these plants.
4. In Rishikesh Plant, 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 printout of trial balance, ledger and cash book for audit.
5. Rishikesh Plant is neither paying Service Tax nor making any provision in the books of account in respect of Service Tax Payable on Commercial Rent received from letting out of premises.
6. In Mumbai Regional Office VAT Audit has not been conducted for last 4 years, however penalty for non filing of VAT Returns has not been provided.
7. In Mumbai Regional Office, no details regarding the "F" Forms issued/received against inter Branch transfers of Stocks during the year have been maintained.
8. In Kolkata Region, the accounts of Patna & Cuttack region have been merged with Kolkata region as duly certified by the management.
9. The Delhi RSO has Debited "Prior period adjustment to Statement of Profit and Loss amounting to Rs.34,46,806. Most of the prior period adjustments are commission to Service agents & carrying and Forwarding agents which relate prior to financial year 2012-13.
10. In Delhi RSO, Suspense Account Rs.29,281 (CR.) in the books of accounts, relates to past years for which no clarification has been given by the management.
11. In Delhi RSO, in Sales Tax Returns of Jaipur and Raipur, details of Purchases have not been shown, hence purchase amount of these units could not be verified.
12. In Delhi RSO, Annual Return of Panchkula unit has been revised but payment of tax on local sales amounting to Rs.1,69,489 has not been reconciled.
13. In Delhi RSO, Late fine of Rs.14,000 paid in the financial year 2013-14 relates to the financial year 2012-13 should have been recognised as prior period expenses but the RSO has considered it as current year expenses and debited to Statement of Profit and Loss.
14. In Delhi RSO, there is mismatch of amount in sales and purchase accounts and sales tax returns filed for 2013-14.
15. The Mumbai RSO has not maintained quantitative details of stock, however it was informed that the quantitative records of stock have been maintained by the C&F Agent.
16. *In Lucknow Region, under para 3.03 of Notes Forming part of Financial Statements of the Lucknow region, there are no Contingent Liabilities as on 31.03.2014. But due to Advances/Deposits for various sales tax*



- /VAT cases pending at various stages, there could be demand by Sales Tax /VAT department, which in absence of case records for each year could not be quantified.*
17. *In Lucknow Region, Attention is drawn to para 9.2 of notes to accounts regarding liability towards salary payable being short shown by Rs 56,025.78*
 18. *In Lucknow Region, Attention is drawn to para 7 to Notes to accounts regarding variance of Rs 3,93,612.82 in sundry debtors for the reason of variance between balance as per General Ledger of Rs 3,95,04,892.74 and aggregate of sub-ledgers of Rs 3,98,98,505.56 which is yet to be reconciled.*
 19. In Gurgaon Plant, provisions of Rs. 53,22,723 (Pr. Yr. Rs. 24,65,646) has been made in earlier years for write off of debtors. The same is pending for approval.
 20. In Hyderabad Unit, the accounts have been drawn on "ongoing concern" basis. However, during the year the Company has got approval from GOI to restart the production.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure-C a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination and from Reports of other Auditors;
- c. the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account maintained at respective Regional offices, Central zone, Regional sales office and various regions, except as reported above;
- d. in our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 except ; "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies"(AS-5), AS-6 "Depreciation Accounting", AS-2 " Valuation of Inventories", AS-9 "Revenue recognition" , AS-10 "Accounting for Fixed Assets" AS-15 "Employee Benefits" Accounting for Investments"(AS-13) and non compliance of Section 209(3) of the Companies Act, 1956. And
- e. the disqualification of any person from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 could be commented in absence of any representation by the Board in this regard.

For Gianender & Associates
Chartered Accountants
Firm Reg. No. 004661N



(Signature)
(CA. Ramesh Koul)
Partner
M.No. 077804

Place: New Delhi
Dated: 01/09/2015

Annexure to Independent Auditor's Report referred to in paragraph 1 on Other Legal and Regulatory matters of our report to the Members of Indian Drugs & Pharmaceuticals Limited, on consolidated accounts of the Company for the financial year ended on 31st March 2014.

- I. a) The Company has not maintained proper records showing full particulars including quantitative details of fixed assets, further:
- Corporate office has not maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - The Mumbai Regional Sales Office has not maintained proper record showing full particulars, including quantitative details and situation of its fixed assets.
 - Hyderabad Plant has not updated the records of fixed assets.

As per information and explanation given to us, none of the fixed assets have been revalued during the year.

- (b) The fixed assets have been physically verified by the management during the year except:
- In Mumbai Regional Sales Office, management has not carried out the physical verification of the fixed assets.
 - In Zonal Office Hyderabad, all fixed assets have not been physically verified by the management during the year.
 - In Lucknow R.O, there is no information available if any physical verification has been conducted by the management during the year.
 - In Rishikesh Plant fixed Assets were physically verified by the management but the assets under verification have not been reconciled with financial books and records.
 - In Hyderabad Plant, fixed assets have not been physically verified by the management during the year hence unable to comment regarding discrepancies in physical stock and actual stock of fixed assets.
 - In Corporate Office neither any physical verification of Fixed Assets was carried out during the year nor was reconciled with financial records .Discrepancies if any between physical stock of fixed assets and book balances are unascertained.

The physical verification of fixed assets carried, in our opinion is not reasonable having regard to the size of the Company and nature of its business. No material discrepancies have been reported by the management where such verification has been carried out.

- c) In our opinion and according to the information and explanations given to us, during the year, no substantial disposal of fixed assets has taken place which would have affected its going concern status. Further
- In Rishikesh Plant land measuring 0.9 hectares has been given to Gas Authority of India Ltd.(GAIL) by the State Government.

- II. (a) The inventories have been physically verified by the management at reasonable intervals except that:



- i. In Regional Office Delhi, the inventories have not been physically verified by the management; hence inventories have been taken as per books of accounts without verification.
 - ii. In Rishikesh Plant there is no system of monthly physical verification of stock. Only stock lying at production site is physically verified on 31st March of every year and there is no mechanism for physical verification of inventories lying at Central stores.
- b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business except:
- i. In Delhi Regional office, the inventories have not been physically verified by the management , hence inventories have been taken as per books of account and not verified.
 - ii. In Hyderabad Plant, physical verification of inventory has not been conducted at reasonable intervals by the management
 - iii. In Reshikesh Plant old and unsalable items were not physically verified by the management.
- c) The company is maintaining proper records of inventory and any material discrepancies noticed on physical verification as compared to book records have been properly dealt with in the books of accounts except that:
- i. In Hyderabad Plant, in absence physical verification of inventory by the management, the discrepancies if any between physical stocks as compared to book records could not be ascertained and unable to express opinion as to whether or not the discrepancies have been properly dealt with in the books of accounts.
- III.
- a) According to the information and explanations given to us, the Company has granted interest free unsecured loan of Rs.58,08,30,809 to two of its Subsidiary Companies covered in the register maintained under Section 301 of the Companies Act, 1956 in consideration of transfer of assets.
 - b) In absence of any agreement, we are unable to comment whether, the terms and conditions, on which these loans were given by the Company are *prima facie* prejudicial to the interest of the company or not.
 - c) In absence of any agreement, we are unable to comment whether the amount is due or not.
 - d) In absence of any agreement stipulating the manner of repayment, we are unable to comment whether there is any overdue amount or not.
 - e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from any Corporate , firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of Paragraph 4 (iii) (f) and Paragraph 4 (iii) (g) of the Order are not applicable.

IV

In our opinion and according to the Branch Auditors Reports, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the



purchase of inventory and fixed assets and for the sale of goods. No instance of any continuing failure to correct major weaknesses in internal control system has been observed except:

- i. In Regional Sales Office Mumbai, the internal control procedure (purchase of inventory and fixed assets and sale of goods) is not commensurate with size of the Regional Sales Office.

V. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.

(b) The prices at which these transactions have been made are reasonable having regard to the prevailing market prices at the relevant time.

VI According to the information and explanations given to us the Company has not accepted any deposits from the public. Therefore, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.

VII. The Company has no internal audit system. The internal audit system, reporting and follow up procedures are not adequate and need improvement and strengthening in order to be commensurate with the size, nature and level of commercial activities undertaken.

VIII. The Central Government has prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for manufacture of Bulk Drugs under any system of medicine including Ayurvedic, Homeopathic, Siddha and Unani systems of medicine and Intermediates thereof vide GSR NO 130(E) dt. 14.3.1974. Since major manufacturing activities have been suspended, the Company has discontinued maintenance of cost records at manufacturing plants.

IX. (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Excise duty Service tax and other statutory dues with appropriate authorities except in following cases:

- i) In Regional Sales Office Mumbai, Statutory dues outstanding for previous year cannot be quantified.
- ii) In Regional office Delhi, following undisputed amounts of (VAT) Sales Tax have not been deposited:

Particulars	Opening Bal as on 01/04/2013	Payment during the year 2013-14	Outstanding Balance
Pkula	1,044,284	1,028,905	15,379
Indore	87,134	-	87,134
Raipur	107,148	-	107,148
Delhi	983,193	545,373	437,820
Jaipur	29,063	-	29,063
Total	2,250,822	1,574,278	676,544

iii) In Lucknow R.O, records pertaining to Trade tax/Vat were not available for any year, hence comments on outstanding undisputed demands cannot be made.

iv) In Hyderabad Plant, the following undisputed amounts are outstanding for a period of more than six months from the date they became payable:



APGST	Rs 24.55 lakhs
CST	Rs 132.75 lakhs

v) In Rishikesh Plant an amount of Rs. 63,899.85 due to CEGAT against demand No. 1238/90-c dated 26/11/1990 to Custom Authorities Mumbai has not been paid.

(b) According to the information and explanations given to us, the following amounts have not been deposited on account of dispute:

i. In Regional Office Kolkata, Sales Tax dues which have not been deposited are detailed below:

Year	Particulars	Amount Involved (Rs.)	Forum where dispute is pending
2008-09	Central Sales Tax Act	24,359/-	Add. Commissioner (A)
2008-09	West Bengal Value Added Tax Act	42,003/-	Add. Commissioner (A)

ii In Regional Office Delhi, Forums where such disputes are pending are mentioned below :

Year	Particulars	Amount	Forum where dispute is pending
1988-89 & 1991-92	--	3,61,805/-	D.C. Appeal

iii) In Lucknow R.O, records pertaining to Trade tax/Vat were not available for any year, hence comments on outstanding undisputed demands cannot be made. Also dues/claims by commercial Tax Department has not not been computed year wise.

iv. Provident Fund dues transferred to Corporate Office from Plants, Regional Offices, and Central Zone are regularly depositing with appropriate authority. However there are various outstanding and un reconciled entries which are pending at Corporate Office as detailed below:

From where pending	Amount Rs.In Lacs	Pending since
State bank of hyderabad	9116.59	1992
P.F (Gurgoan Plant)	0.26	N.A
F.P.P (Gurgoan Plant)	0.04	N.A
EDLI (Rishakesh Plant)	4.52	April'83 to Oct.84
TDS (Rishikesh Plant)	24.61	1997-98
WBST	10.84	1999
C.S.T	6.33	1999
F T Assam	44.09	2000
Sales Tax	3.62	1998-99
U/S 271(1) (C) & 271 B penalty	Not Ascertained	2002-03
U/S 271(1) (C) penalty	Not Ascertained	2003-04

- v. Apart from the above a sub-judice case is pending with Members Tribunal Dehradun amounting to Rs. 9.84 lacs which relates to the utilization of 3(KHA) relating to year 1992-93.
- vi. In case of Rishikesh Plant, following Statutory dues not claimed by relevant authorities for which provision has been made in the book at estimated basis.

S.N	Nature of Dues	Tentative Amount (Rs)
1	U.P. Power Pollution Control Board	50,23,966/-
2	Uttarakhan Environment & Pollution Control	2,40,400/-

- vii. Further liabilities on account of disputed statutory liabilities are unascertained.

X. The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses during the financial year and in the financial year immediately preceding the financial year.

XI. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of Principal and Interest to banks. as detailed below:-

Name of Bank	Principal Rs.
Indian Bank CC Hyderabad	8062105
Indian Bank (Delhi CC)	477447
Indian Bank Gurgaon C/A 310	845,134
Indian Bank (Gurgaon CC)	360134
Indian Bank(M) 309	488737
Indian Bank NDSE-CC	25207178
PNB CC Rishikesh	3894483
PNB Sansad Marg ND-CC	108525089
SBBJ BK Road ND CC	234200000
SBI CC Rishikesh	14700078
SBI-IFB ND CC	294632026
STATE BANK OF HYDERABAD KG MARG ND CC	39817331
STATE BANK OF PATIALA SHASTRI BHAWAN ND CC	142521617
STATE BANK OF HYDERABAD	145413573
TOTAL	1019144933

Overdue principal default is Rs 1,01,91,44,933 and interest up to 31.03.2014 is Rs. 16,15,18,68,859. Further, Interest payable to the said Banks has not been provided in current year accounts. As the company is in BIFR, the amount of interest, Liquidated damages and other charges payable to the banks is unascertained.

XII. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- XIII. The Company is not a chit fund Company or Nidhi /mutual benefit fund/society. Therefore, the provisions of Paragraph 4 (xiii), first part and second part, sub clauses (a) to (d) of the said Order are not applicable.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of paragraph 4(xiv) of the said Order are not applicable.
- XV. According to the information and explanations given to us, 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 company has since been transferred and ceased to be subsidiary of IDPL, the security is yet to be released.
- XVI. According to the information and explanations given to us and on the basis of the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the Company has not raised any term loans during the year under Audit.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and Companies covered in register maintained under Section 301 of the Companies Act, 1956.
- XIX. According to the information and explanations given to us the Company has not issued any debentures during the year.
- XX. According to the information and explanations given to us, the Company has not raised any money by public issue during the year. Therefore, the provisions of paragraph 4 (xx) of the said Order are not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year except that:
- In Case of Kolkata Region, 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 at Rs. 1,04,36,532.
 - In Case of Kolkata Region, C &FA, Patna has not provided the stock statement as on 31st March 2014 whereas the Company has considered closing stock value as book value at Rs.32,40,845.

Place: New Delhi
Dated: 01/09/2015

For Gianender & Associates
Chartered Accountants
Firm Reg. No. 004661N



(CA. R Koul)
Partner
M.No. 077804

INDIAN DRUGS & PHARMACEUTICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rs.)

Particulars		Note	As at March 31, 2014	As at March 31, 2013
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	(69,324,086,343)	(67,577,741,626)
2	Non-current liabilities			
	(a) Long-term borrowings	5	49,213,784,027	47,502,776,027
	(b) Deferred tax liability	6	-	-
	(c) Other long term liabilities	7	944,745,347	904,640,766
	(d) Long term provision	8	139,868,190	154,998,292
3	Current liabilities			
	(a) Short term borrowings	9	17,171,013,792	17,171,013,792
	(b) Trade payables	10	2,866,488,678	2,858,909,727
	(c) Other current liabilities	11	425,630,128	408,426,621
	(d) Short-term provisions	12	17,217,176	7,268,689
	TOTAL		2,623,493,995	2,599,125,289
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	13	197,224,261	198,371,635
	(ii) Capital WIP		68,842,665	62,178,100
	(b) Non current investments	14	307,239,000	307,239,000
	(c) Long term loan and advances	15	1,219,377,154	1,176,384,889
	(d) Other non current assets	16	32,408,635	25,885,550
2	Current assets			
	(a) Current Investment	17	-	-
	(b) Inventories	18	98,025,227	107,903,137
	(c) Trade receivables	19	236,313,129	288,025,624
	(d) Cash and Bank Balances	20	345,669,154	314,432,970
	(e) Short-term loans and advances	21	110,157,624	109,008,272
	(f) Other current assets	22	8,237,145	9,696,112
	TOTAL		2,623,493,995	2,599,125,289

As per our report of even date

For
GIANENDER & ASSOCIATES
Chartered Accountants
Firm Regd No.: 004661N

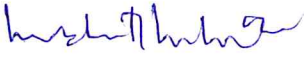

CA Ramesh Koul
Partner
Membership No. 077804



For and on behalf of
Indian Drugs & Pharmaceuticals Limited


PRAVEEN KUMAR
CMD


Sudhanshu Pant
Director


SUSHIL KUMAR
GM (F)

Place : Gurgaon
Date : 11/09/15

INDIAN DRUGS & PHARMACEUTICALS LIMITED
Statement of Profit and Loss for the year ended March 31, 2014

(Amount in Rs.)

Particulars		Note	For the year ended March 31, 2014	For the year ended March 31, 2013
I	Revenue from operations	23	569,818,766	582,704,686
II	Other income	24	194,827,850	153,798,947
III	Total revenue (I+II)		764,646,616	736,503,634
IV	Expenses			
	Cost of materials Consumed	25a	230,196,192	187,550,836
	Purchase of Stock in Trade	25b	199,022,900	235,048,181
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25c	238,082	(968,802)
	Employee Benefits expenses	26	106,601,720	109,718,561
	Finance Cost	27	1,682,723,024	1,680,424,229
	Depreciation and amortization expenses	28	12,623,448	12,313,841
	Other expenses	29	271,661,307	255,754,662
V	Total Expenses		2,503,066,673	2,479,841,509
VI	Profit Before Prior Period Items		(1,738,420,057)	(1,743,337,875)
VII	Prior Period Items		7,830,645	7,658,717
VIII	Profit before exceptional and extraordinary items and tax (VI-VII)		(1,746,250,702)	(1,750,996,592)
IX	Exceptional Items	30	94,016	(1,152,265)
X	Profit before extraordinary items and tax (VII-IX)		(1,746,344,717)	(1,749,844,327)
XI	Extraordinary items		-	-
XII	Profit before tax (X-XI)		(1,746,344,717)	(1,749,844,327)
XIII	Tax expenses: (1) Current Tax (2) Deferred Tax		-	-
XIV	Profit after tax (XI-XII)		(1,746,344,717)	(1,749,844,327)
	Basic and Diluted earning per share (Rs.) (face value Rs. 10 each)			-
	See accompanying notes forming part of the financial statement	1 & 2		


As per our report of even date

For
GIANENDER & ASSOCIATES
Chartered Accountants
Firm Regd No.: 004661N

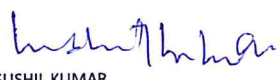

CA Ramesh Koul
Partner
Membership No. 077804



For and on behalf of
Indian Drugs & Pharmaceuticals Limited


PRAVEEN KUMAR
CMD


Sudhaush Pant
Director


SUSHIL KUMAR
GM (F)

Place : Gurgaon

Date : 1/09/15

INDIAN DRUGS AND PHARMACEUTICALS LTD.
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST March 2014

PARTICULARS	(Rs. In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
A Cash Flow From Operating Activities:		
Net Profit before tax	(17,463.45)	(17,498.44)
<u>Adjustment For:</u>		
Depreciation	126.23	123.14
Profit/Loss on sale of Assets	-	-
Reversal of Depreciation	3.62	-
Written off losses	-	-
Interest Received	(289.80)	(251.24)
Rent	(1,373.90)	(1,138.30)
Dividend received	-	-
Interest Expenses	16,827.23	16,804.24
Gross Margin	(2,170.06)	(1,960.60)
Operating Profit before working capital changes		
<u>Adjustment For:</u>		
Inventories	98.78	(48.45)
Trade Receivable	517.12	(295.81)
Trade Payable	75.79	399.23
Work in Progress	(66.65)	64.70
Short term Loans And Advance	(11.49)	158.51
Other assets	(50.64)	362.66
Current Liability	573.08	839.70
Provision	(51.82)	52.06
Miscellaneous Expenditure	-	-
	1,084.18	1,532.61
Cash Generated from Operations	(1,085.88)	(427.99)
Less: Direct Taxes Paid	-	-
Net Cash from Operating Activities (A)	(1,085.88)	(427.99)
B Cash Flow from Investing Activities:		
Purchased of Fixed Assets	(118.38)	(59.20)
Sale of Fixed Assets	-	-
Interest Received	289.80	251.24
Rent	1,373.90	1,138.30
Long Term Loan and advances	(429.92)	(139.29)
Dividend Received	-	-
Investment	-	-
Cash Flow from Investing Activities (B)	1,115.39	1,191.05
C Cash Flow From Financing Activities:		
Proceeds from issue of equity shares	-	-
Redemption of preference shares	-	-
Increase/(repayment) of Loan	17,110.08	17,018.46
Interest Paid	(16,827.23)	(16,804.24)
Net Cash from Financing activities (C)	282.85	214.22
Net Increase in Cash & Cash Equivalents [A+B+C]	312.36	977.27
Cash & Cash Equivalents- opening	3,144.33	2,167.06
Cash & Cash Equivalents- closing	3,456.69	3,144.33
Cash and Cash Equivalents year end		
Balance With Bank	3,433.83	3,135.49
Cheques/Drafts in Hand & Remittance in Transits	18.97	3.62
Cash in Hand	3.90	5.21
	3,456.69	3,144.33

As per our report of even date

For
GIANENDER & ASSOCIATES
Chartered Accountants
Firm Regd No.: 004661N

CA Ramesh Koul
Partner
Membership No. 077804



Place : Gurgaon

Date : 1/09/15

For and on behalf of
Indian Drugs & Pharmaceuticals Limited

PRAVEEN KUMAR
CMD

Director

SUSHIL KUMAR
GM (F)

Ramesh Koul *Sudhanshu Paul* *Sushil Kumar*

INDIAN DRUGS & PHARMACEUTICALS LIMITED

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS (2013-14)

NOTE 1: ACCOUNTING POLICIES

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENT

The financial statement have been prepared under the historical cost convention, in accordance with generally accepted accounting principles, Accounting Standards issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 1956 as adopted consistently by the company. All income and expenditure having a material bearing on the financial statement as recognized on accrual basis.

2. USE OF ACCOUNTING ESTIMATES

The preparation of financial statement in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of Financial Statement and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known and materialized.

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. VALUATION

1. Stock in trade

i) Formulations

- a) Formulation for sale in the country: The closing stock of formulation in the plant is valued at cost or lowest selling price whichever is lower. In Marketing Division(RSO Delhi, RSO Hydrabad, RSO Mumabi) closing stock transferred from Plants is valued at transfer price less 20% less in case 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) Formulations Earmarked for exports:

Such Stock is Valued at export price or cost whichever is lower.

d) Physician samples:

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

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

f) Stocks of bonus scheme are valued at NIL Value.

ii) Semi- Finished Stocks and jobs in progress :

The Semi- Finished stocks and jobs –in- progress are valued at cost or adjusted market value whichever is lower.

iii) Finished goods/ semi finished goods at pilot plants valued on Technical evaluation basis.

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

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

vi) The value of closing stock of finished goods and saleable semi finished goods in the plants includes Excise duty payable on such stock.

vii) Inter unit transfers:

Inter unit transfers for internal use are valued at selling price.

Inter unit transfers for internal uses are valued at transfer price. (Delhi & Lucknow)

viii) Cost of Manufactured Goods:

The cost price of manufactured goods comprises all items of expenses including interest and administrative overheads on absorption costing method but does not include marketing expenses.



5. 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 RO Lucknow Items relating to previous years not exceeding Rs. 1,00,000/- are treated as current.

6. PREPAID EXPENSES

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

7. DEPRECIATION AND FIXED ASSETS

- i. Fixed Assets installed and commissioned are depreciated on straight line method in accordance with schedule XIV to the companies Act, 1956.
- ii. For Fixed Assets installed and commissioned, purchased, acquired, sold, discarded, dismantled or destroyed from 02.04.1987 and onwards, depreciation has been charged on pro-rate basis at the rates as applicable to the respectively assets.
- iii. Fixed Assets existing as on 31.03.1983 have been depreciated on straight line method derived from the rates, and then in force, under the income tax Act, 1961 read with the provisions of the Companies Act, 1956. Fixed assets acquired between 1.4.1983 and 31.3.1987 have been depreciated on straight line method, derived from the rates provided under the Income Tax Act, 1961 as amended by the Finance Act, 1982 which became effective from 2.4.1983. However, on plant and machinery of highly/moderately corrosive nature acquired in Hyderabad plant up to 31.3.1987, depreciation has been charged at rates higher than those prescribed under the Income Tax Act, 1961.
- iv. Fixed asset acquired, purchased from 16.12.1993 and onwards are depreciated on straight line method derived from the rates as per prescribed under the Companies Act.
- v. Asset costing Rs.5000/- or less purchased w.e.f. 16.12.1993 are charged to revenue.
- vi. Individual asset costing less than Rs. 5000/- are depreciated @95% in the year of acquisition retaining 5% value of asset in conformity with other assets. (RO Hydrabad)
- vii. Fixed assets have been shown at historical cost less Depreciation.



- viii. No Intangible asset in the Company.
- ix. Expenditure incurred on preliminary works on the Re start of formulation division, amounting to Rs. 79.77 lacs has been kept under Works in progress.

8. 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.

9. 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. Sale 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 significant 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 sales 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.

10. INTEREST ON DELAYED PAYMENTS: The interest on delayed payments to suppliers is accounted for on cash basis from 01.04.1993

11. Provisions for Gratuity and Leave encashment are 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.

12. Payment to employees under VRS is accounted for on cash basis.



13. Contingent Liability

Following items of Contingent Liability is not provided in the Financial Statement of Accounts:

- Penalty for non-conducting of VAT audit for last 4 year. (RO Mumbai)

14. RELATED PARTY DISCLOSURES (AS-18) (RSO Mumbai)

Name of Related Party	Nature Relationship	Nature Transactions	Amount
Tamilnadu Drugs & Pharmaceuticals Limited	Sister Concern	Purchases	1,34,35,601.20
Orissa Drugs & Chemical Limited	Sister Concern	Purchases	2,20,67,561.30

NOTE 2: NOTES TO THE ACCOUNTS

1. The Company is a government company engaged in pharmaceutical business.
2. Guarantees given by bank on behalf of the company are Rs.56.26lakhs (Corporate office).
3. Guarantees by the Govt. of India on behalf of the company are Rs. 17,505.00 Lakhs (Corporate office).
4. Provision for loss of subsidiary of Rs. 954,421,497 has been created in last years and still exists in books of accounts. (Corporate Office)
5. Account of subsidiary are yet to be finalised for financial year 2013-14 Hence amount of loss of investment in subsidiary is not known. (Corporate Office)
6. Contingent Liabilities:
 - a. Estimated value of contracts remaining to be executed on Capital Account and not provided for is Rs. 3.62 Lacs (previous year Rs. 33.59 Lacs). (Rishikesh Plant).
 - b. Liability, if any, for sales tax on account of non receipt of C,D,E & F forms from some parties and interest on the delayed payments of sales tax has not been ascertained. and liability for non submission of sales tax returns late filling of returns late deposit of sales tax have not been ascertained. (Delhi)
 - c. Sales Tax demand amounting to Rs. 3.62 Lakhs (Mkt division) for the assessment year 1988-89 & 1991-92 not acknowledges liability of company. Further appeal is pending with the deputy commissioner of sales tax.



- d. 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 for belated payment of surcharge. Against the claims the company has paid the sum of Rs 60.52 lakhs to the Electricity board. Liability for Rs 52 lakhs has not been provided in the accounts for the interest on belated payment of surcharge as the company has sought waiver of the same from APSEB in the rehabilitation package submitted to the govt. of India on 1.6.1998. However, In the respect of balance of Rs.14.03crores 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 December, 1991 has ordered that the matter may be decided amicably between APSEB and IDPL. As such the liability has not been provided as the matter yet to be settled with the APSEB as the concession sought for AP Govt. is pending for the want of clearances from BIFR. The Govt. A.P. has assured to consider favorably the concessions sought for by the plant in the meeting of Chief Secretary of A.P.dt.11.05.2007 (Hyderabad Plant).
- e. Other claims against the company not acknowledged as debts Rs.119.41 lakhs (Rs.130.65 lakhs Rishikesh, Rs.8423.52 lakhs Hyderabad, Rs.11.43 lakhs Gurgaon & Rs.7.20 Lakhs Lucknow).
- f. Tariff on electricity consumption had been revised by UPSEB in Oct.1989/ April1990 and again in Jan.1992. However, IDPL went into appeal against these increase Tariffs and obtained orders from the court allowing IDPL to pay UPSEB at 1986 tariff upto December 1991 and from January 1992 onwards at 1986 tariff plus 15% and the expenditure has been accounted for on this basis in respect of plant consumption, where as in respect of township consumption expenditure has been accounted for on current tariff upto 02/97. There after same has been accounted for at 1986 tariff plus 15%. The Supreme Court vide its orders dated 13.09.1994 allowed I.D.P.L. to make a representation to the UPSEB for consideration of a special tariff wef 17.10.1989. The Company had accordingly submitted its representation to the UPSEB which was rejected by the UPSEB. The order of the UPSEB has been quashed by the Allahabad High Court on the basis of a writ petition filed by the company. Vide order dated 31.1.95. High court had also directed the UPSEB to comply with judgement and order of the Supreme Court in letter & spirit. Further vide order dated 1.11.95 of High Court at Allahabad, IDPL was directed to continue to pay the electricity charged at the original rate as per 1986 tariff plus 15%. The collection of amount over and above this rate remained stayed till further order. On creation of Uttarakhand State case was transferred to High court at Nainital but order for the payment at the rate of 1986 tariff + 15% continued till & including order dated 28.10.2005. Finally vide order dated 15.9.2008 in WP No. 1369 & 1370 of 2008 High Court at Nainital dismissed the case for fixation of special tariff. However IDPL has filed special appeal No. 203 & 204 of 2008 in High Court at Nainital against its order dated 15.9.2008. There is no stay on recovery of huge outstanding amount, which has accumulated against IDPL in the books of UPCL which is difference of bills raised at per prevailing tariff and paid as per prevailing Court Order. The difference between the amount claimed by the UPSEB and paid/provided in the accounts is Rs. 13344.30 Lacs (Previous year Rs.12785.31 Lacs).



- g. Bank Guarantee of Rs 1,00,000.00 has been given to the Sales Tax Department, Haryana. (Gurgaon Plant)
- h. The following one cases are also pending decision of the court for which amount of liability could not be ascertained: (Gurgaon Plant)
- a) Madan Lal v/s IDPL (Reg. Reinstatement after termination) with Chandigarh High Court

7. FIXED ASSETS

- I. The building valued at Rs. 38.60 lakh of RSO Delhi has been purchased under power of attorney.
- II. For want of proper documentation certain equipments, plant and machinery dismantled/replaced/scraped at Hyderabad and Rishikesh plant 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. (Rishikesh Plant)
- III. Physical verification of assets has been done except at Corporate Office and Mumbai RO. However reconciliation with accounting record is in progress.
- IV. Even though production activities were stopped from March 2003 on a/c of VRS, depreciation as done in earlier years charged as realizable intrinsic value of net fixed assets is not less than net book value.(Hyd. Plant)
- V. Land includes 4500 sq.yds of plot leased out to SBH in August, 1967. (Hyd. Plant)
- VI. Some of the fixed assets of the company including Trg. Hostel, Fire Station ,admin, Block, welfare canteen ,refgn, statopm Ammonia Refg./ Stn, Etc. have not been insured against the damages on account of fire etc. (Rishikesh Plant)
- VII. 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. (Rishikesh Plant)
- VIII. 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. (Hyd Plant)



8. INVESTMENTS

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. (Corporate Office)

9. INVENTORIES .:

- a) A provision of surplus/obsolete stores of raw material Rs. 0.54 Lakhs, Packing material Rs. 3.02 lakhs and spares Rs. 4.12 lakhs (Total value of such stores is Rs. 7.68 Lakhs) exists against possible loss. No provision has been made during the year (Gurgaon Plant)
- b) 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. (Hyd Plant)
- c) The Scrap is Valued at Rs. 7.00 Lakhs (Previous Year Rs 7.00 Lakhs) on estimated realizable Value.(Hyderabad Plant))
- d) As per Tech. Committee of plant to show realistic value provisions are made for inventories for the reasons like aging storage of stores for longtime, lack of demand for such items etc. As follows:
 - i. Inventory (R.M. & P.M.) of Rs.349.40 lakhs held for which Rs. 349.40 lakhs Provision exist based on the Tech. Estimation. (Hyd Plant)
 - ii. Value of Stores & Spares/Plant & Machinery plant/equipment/spares held Rs.457.23 Lakhs for which provision of Rs.369.37 Lakhs exist based on Tech. Estimation.(Hyderabad Plant)
- e) Pending investigation of difference between physical and book balance of inventories, the balance have been adopted as per control account. (Gurgaon Plant)
- f) Shortages amounting to Rs 8.37 lacs (previous year Rs 8.37 lacs) 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 lacs (previous year Rs. 8.37 lacs) exists for shortages. (Gurgaon Plant)
- g) Misc. Stores (Stores & Spares) has not been physically verified and reconciled by the management and the balance has been adopted as per control accounts. (Gurgaon Plant)



10. **DEBTORS:-**

- i. It includes Rs. 8115.29 due from M/s UPDPL a subsidiary of IDPL against which provision has been made. (Gurgoan Plant)
- 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 suppliers account to be paid to Nestor pharmaceuticals. (Gurgoan Plant)
- iii. A provision of Rs. 53,22,723 (Previous Year Rs. 24,65,646) already exists for writing off debtors and the same is pending for approval. (Gurgoan Plant)
- iv. Sundry debtors include Rs 4.31 Lakhs due to from M/s Cebon India Limited and M/s Rajasthan antibiotics limited for which company has filed a legal suits and necessary provisions has been made for the same(Rishikesh Plant)
- v. There exists a difference between S. Debtors Control Account and Debtors Account Ledger to the extent of Rs. 393612.82 as at 31.03.2014 (Previous year Rs. 363612.82). The same is pending for reconciliation till the date of Audit. (Lucknow)
- vi. Sundry Debtors amounting to Rs. 46,89,375.06 as on 31.3.2014, out of this, being outstanding for more than 3 Years, provision for Rs. 11,35,492.36 has already been made on account of Doubtful Debts.(RSO Lucknow)
- vii. Bad and doubtful loans advances and deposits (other than employee) ascertained by the management amounting to Rs. 13,67,112.87 as on 31.03.2014 out of this provision for Bad & doubtful loans & Advances Rs. 9,45,701.52 (RSO Lucknow)
- viii. In Mumbai, 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/-

Further the regional sales office has not made provision for Audit Fees, VAT Audit Penalty, Service Tax, Account Writing Charges and VAT.



11. LOANS & ADVANCES

Loans and advances include:

- i. Items against which supplies are rejected or which are pending recoveries/adjustments and have not been linked with liabilities created at the time of receipts of the material. The linking / adjustments are in progress. The values of such items have not so far been ascertained. (Rishikesh Plant, Gurgaon Plant)
- ii. Balance in advance and deposits are subject to confirmation and reconciliation. (Gurgaon Plant)
- iii. Rs23.95 lakhs outstanding against M/s OTA (India) Pvt. Ltd pertaining to earlier years against which company lodged a claim of Rs 31.53 lakhs and interest thereon amounting to Rs.132.91 lakhs upto 31.08.93. As the case is under Arbitration no provision for doubtful advances has been made. (Rishikesh Plant)
- iv. Loans and advances includes Rs 733.54 Lakhs (Previous year Rs. 541.90 Lakhs) outstanding against Joint venture (ODCL) which have been referred to BIFR for revival and Rs. 12,137.23 Lakhs (Previous Year Rs. 11711.63 Lakhs) against wholly owned subsidiaries. (Corporate Office)
- v. 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 31.3.2014 to Rs. 1209.24 lakhs. However, the Belated Charges provided for the period upto 31.03.2010. (Hyd Plant)
- vi. Interest on Water Bill arrears, being claimed by HMWS &SB with effect from September 2010 amounting to Rs.2502.68 Lakhs as on 31.03.2014 (Previous year Rs.1781.29 lakhs), not provided. (Hyd Plant)
- vii. As per decision by the Corporate Management Interest Rs. 2,43,69,018/- on C.C.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 31.03.2014 to Rs. 8,97,98,147/-. However, the provision of interest for the period upto 31.03.2010 amounting to Rs, 76.62 Crore.(Hydrabad Plant)
- viii. The Company being a share holder of APGPCL has entered into agreement with HFL on sharing of surplus power of AP GAS and APREC raised objection on such transfer of surplus power. Against above all share holders of AP GAS obtained stay from AP High Court. Liability on this account from 23.10.2000 not accounted as it is not considered due. (Hyd Plant)



- ix. Against the IDPL School Building leased out to Sri sankalpam w.e.f. 01-04-2012, the company received rent for the month of April 2012 only. The rental due @ Rs. 2,50,000/- pm. Agreed to, but not received, has not been accounted for under Rent Recovery from May 2012 onwards since there is legal dispute regarding the same. As such, the same will be accounted for on Receipt Basis. (Hyd Plant)
- x. A sum of Rs.22.61 lac outstanding as on 31/03/2014 out of which the advance to contractors RS.2.84 lacs are old outstanding .(Gurgoan Plant)
- xi. The advance others are of Rs. 1,24,200.00 out of which Rs. 50,000 advance to insurance and Rs 15,170.00 has been shown as Election Duty TA recoverable from employees. It also includes a amount of Rs. 47,22,572.00 recoverable from Ex employees towards rent, electricity and water charges and maintenance of staff quarters. Recovery notices have already been issued to all concerned in this regard. (Gurgoan Plant)
- xii. A sum of Rs. 12,60,629/- 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. 46,604/- with Telephone Deptt., Rs. 10,000/- for Alcohol, Rs. 17,831.69 with STC, Rs. 48,383.31 with Chem & Pharma, Rs. 16,850 with Raghu Gas services, Rs. 2500/- with Pest Control, Rs. 12,500/- with Indian Oxygen, Rs. 3,000/- with Naveen Traders, Rs. 950/- with Gurgaon Gas Services, Rs. 7,500/- with Mufatlal & sons and Rs. 22,680/- with Haryana Roadways. Steps are being taken for recovery of the same. (Gurgoan Plant)
- xiii. It includes Rs.20293/- due from M/S Voltas Ltd which is pending since, 2000. (Gurgaon Plant)
- xiv. Un-availed credit under MODVAT to be availed in subsequent months as at 31st March,2014 is Rs. 4,53,313/- (previous year Rs. 308226.00) (Gurgaon Plant)
- xv. MODVAT receipt of Rs. 60,59,295/- during the F.Y.2012-2013 (Previous year Rs. 46,11,091/-). (Gurgaon Plant)
- xvi. Expenditure on research and development Rs. 10,32,108/- during the F.Y. 2013-2014 (Previous year Rs. 9,24,059/-) (Gurgaon Plant)



12. CURRENT LIABILITIES AND PROVISIONS :

- i. The Cumulative liability provided in the accounts towards CPF Trust as at 31.03.2014 is Rs 453.19 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. (Corporate office)
- ii. Other Liabilities includes Rs. 0.12 Lakhs (Previous year Rs 0.15 Lakhs) payable towards pension Fund. (Corporate office)
- iii. Balance confirmation letters were issued to most of the debtors/Creditors. However, in most of the cases, confirmation of balance is awaited. Balances of Advances and deposits are also not confirmed.
- iv. Previous year figures have been regrouped wherever practicable to correspond to current year figures.
- v. No provision for deferred tax liability provided during the year.
- vi. No Interest has been provided on non-rotating advances. This matter will be dealt with H.O level. (RO Lucknow, RO Delhi)
- vii. Commission payable to service agent are being provided as and when the claim of the same is submitted by agents, the branch is not having proper system of providing commission periodically on the basis of sales and amount realized. (RO Mumbai)
- viii. The bank reconciliation statement as on 31/03/2014 is prepared subject to old difference of Rs 54,438.00/- (RO Mumbai)
- ix. Stock in trade is being maintained by C&F Agents at their godown, the zonal office is not having any system keeping record of stock with C&F Agents, hence the year end product wise quantities of stocks as informed by C&F Agents has been taken as Stock in trade in the books of accounts. (Mumbai)
- x. The balances appearing under various accounts are subject to review, since no payment of provisions for expenses and claims receivable has taken place during last 30 years. (Mumbai)
- xi. The branch being zonal sales office of the company, the control of payments to small scale industrial undertakings is being at head office level. (Mumbai)



- xii. The company has a centralized Service Tax Registration No at H.O. and all the issues related to Service Tax of Regional Sales Office, Mumbai are taken care by Head Office. (Mumbai)
- xiii. Balance shown under Corporate Office A/c, Plant A/c and Marketing Division A/c are reconciled. (Delhi)
- xiv. Sundry creditors includes "Debtors having credit balances" amounting to Rs. 28,04,206.88 (previous year Rs. 28,73,033.10) awaiting adjustment. (RO Lucknow)
- xv. Commission to Selling Agent has been provided on cash basis in view of commission is payable on recovery from parties. Hence in the opinion of management same accrues as & when the recovery of payment is made from party and not at the time of sales. (RO Lucknow)
- xvi. Current liability includes Rs41.56 Lakhs outstanding against different parties for supply of medicines against non- Availability slips issued by the plant hospitals 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 (Rishikesh Plant)
- xvii. Credit balance of Sundry Suppliers Account of Rs 1,89,66,999.47 includes Rs.46,61,604.81 which is very old and unpaid. (Gurgaon Plant)
- xviii. Creditors others of Rs. 4,06,62,66,601/- includes net balance of Rs. 4,00,79,98,961/- Corporate Office. Also including salary payable to CISF for Rs. 2,47,73,654.00, unpaid wages for Rs.1,33,298.35 which is very old and unpaid. (Gurgoan Plant)
- xix. Sundry Creditors other liabilities, sundry debtors, claim recoverable, advance, material in transit/ lying with third parties and material issued on loan includes various large old unlinked balances pending reconciliation, confirmation/ adjustment . Efforts are being made for the reconciliation of such balances and resultant effects. if any will be accounted for in the year of such adjustments.
- xx. 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. (Corporate Office)



- xxi. Share Certificate from APGPCL for Rs. 2.73 MW (Equity Share 0.35 MW and Bonus Share 2.38MW) has been pledged with State Bank of India Commercial Branch, Palm Court Building, Gurgaon by Corporate Office for raising a loan for working capital in April 2008.(Hyderabad Plant)
- xxii. Even though almost all employees except 1 Officers on 31-3-2014 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. (Hyd Plant)
- xxiii. No provision has been made for wage revision of supervisors and workers from 92-93 pending settlement of wage agreement. The matter is to be dealt with H.O. level. (Delhi)
- xxiv. There is a difference of Rs. 56,025.78 (CR.) under the head salary payable (previous Rs.56,025.78 CR.) for which reconciliation is pending. (RSO Lucknow)
13. As per the agreement between IDPL and IDPL (Tamil Nadu) limited and between IDPL and BDOCL.
- i. Lease hold land at Muzaffarpur unit has been given by IDPL with effect from 01.04.1994 to BDOCL at the market values as on 01.04.1994 as certified by an approved value.
- ii. Land at Chennai unit has been given to IDPL (Tamil Nadu) limited with effect from 01.04.1994 at the market value as on 01.04.1994 as certified by an approved valuer.
- iii. Other fixed assets as on 01.04.1994 at Muzaffarpur and Chennai Units have been given by IDPL to BDOCL and IDPL (Tamil Naidu) limited respectively w.e.f 01.04.1994 at the original historical cost along with the provisions for depreciation.
- iv. Revaluation reserve of Rs62.77 crores has been created on the revaluation of land at Chennai and Muzaffarpur as on 01.04.1994.
14. IDPL filed Income Tax return of the A.Y year 2002-2003 declaring loss of Rs 193.60 Cr. which was assessed as Nil income by Asstt. Commissioner Income Tax (OSD) ward No. 11(3) New Delhi and ordered for initiating penalty proceedings u/s 271(1)(c) & 271 B. Against orders of Assistant Commissioner , an appeal was filed to commissioner of Income Tax. Commissioner dismissed the appeal, therefore 2nd appeal was filed in tribunal against the orders of Commissioner Income tax. Tribunal has recalled the order of A.O. and asked them for fresh assessments.



15. IDPL filled Income Tax return of the year A.Y.2003-2004 declaring loss of 258.24Cr. which was assessed as Nil income by Asstt. Commissioner of Income Tax 11(1) New Delhi. Against the orders of Asstt. Commissioner an appeal was filed with commissioner Income Tax appeal. Commissioner dismissed the appeal therefore 2nd appeal was filed in tribunal against the order of CIT (A) for recalling the orders of A.O. Tribunal has refer back the case to CIT(A) with direction that he would adjudicate the matter afresh.
16. As per M.O.U Dt. 18/12/2008 between IDPL and NIPER, 150 acres of Land is to be transferred to NIPER subject to approval from BIFR after getting waiver of 206.77 Crores payable to various departments. As agreed to by Chief Secretary, Govt of A.P in his meeting Dt. 11/05/2007. (Hyd Plant)
17. Commission payable to service agent are being provided as and when the claim of the same is submitted by agents, the branch is not having proper system of providing commission periodically on the basis of sales and amount realized. (RO Mumbai)
18. Although, the unit is branch of a Company which is a Sick Industrial Undertaking and the matter is pending with BIFR. However, in view of skeleton production and sales all the accounts of the unit are prepared by mgmt. on the assumption of it being a going concern. During the hearing on 28.03.06 after considering the submission made, The Bench of BIFR directed the company to submit its rehabilitation scheme to the O.A. and all other concerned after getting approval of G.O.I. (Rishikesh Plant)
19. The Government of India (Ministry of Heavy Industries and Public Enterprises) has introduced Revised Voluntary Retirement Scheme for Central Public Sector Undertakings which was also applicable on IDPL for a period of three months i.e. 01.10.2002 to 31.12.2002 for voluntary retirement/retrenchment. In response to the scheme all employees have opted for VRS. Under VRS no employee was relieved from the plant during 2013-14. (Gurgaon Plant)
20. The BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION has passed an Order for Winding-up the Company vide their communication No. 503/92 Dated 18.12.2003. It is further stated that the Ministry of Chemicals & Fertilizer, Govt. Of India has filled an appeal before the AAIFR against the order of BIFR and the AAIFR has set aside the BIFR's decision vide order dated 29.9.2005 and remanded the case back to BIFR for taking further action for rehabilitation of the company. The revival proposal duly approved by the BIFR & Ministry of Chemicals & Fertilizer is pending for approval with GOM. (Gurgaon Plant)
21. 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 DPL



and AAIFR then revoked BIFR's decision to close down IDPL and referred back to BIFR constituted by Govt., the Chemicals Ministry decided to revive all the five ailing units of IDPL. A detailed revival package has been finalised. At present the issue relating revival of IDPL has been referred by the cabinet to the Group of Ministers (GOM) appointed by the Govt. for this purpose. Further developments are awaited. (Hyd Plant)

22. Following accounts are unconfirmed (Gurgaon Plant)

(i) Corporate Office Adjustment Accounts Rs. 3995020087.44(Credit)

23. Expenditure on Township & other staff amenities Rs. 20,26,267/- during the F.Y.2013-2014(Previous year Rs.2120417/-). (Gurgaon Plant)

24. Quantitative and other information as required under part II of the Companies Act, 1956 is given in Schedule -21. (Hyderabad Plant)

25. Sales Tax demand amounting to Rs. 361805 for the assessment year 1988-89 & 1991-92 not acknowledge as liability of company. Further appeal is pending with the Deputy Commissioner of sales Tax (Appeal). (Delhi)

26. Doubtful Sundry Debtors as ascertained by the management amounting Rs. 1,74,202/- have been carried as provision for bad debts as in the year, no fresh provision for doubtful debts has been made for the current year. (RO Delhi)

27. No provisions have been made for Doubtful Debts /Advances and Sundry Debtors/Advances are shown at their original outstanding values. (Delhi)

Signatures to Notes


As per our report of even date attached

For Gianender & Associates
Chartered Accountants


For Indian Drugs and Pharmaceuticals Ltd.


CA RAMESH KOUL
Partner




PRAVEEN KUMAR
C.M.D


SUDHANSHU PANT
Director


SUSHIL KUMAR
G.M.(F)

Place: GURGAON

Date: 1/9/15

NOTE 3 : SHARE CAPITAL

(Amount in Rs.)

	As at March 31, 2014	As at March 31, 2013
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 fully paid-up	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 March 31, 2014	As at March 31, 2013
Capital Reserve	2	2
Revaluation Reserve	627,654,240	627,654,240
Accumulated loss of subsidiaries	(954,421,497)	(954,421,497)
Surplus/(Deficit) in Statement of Profit & Loss		
At commencement of the year	(67,250,974,371)	(65,497,696,394)
Less; 20% Stock Adjustment	-	(3,433,650)
Add/(Less): Profit/(Loss) for the year	(1,746,344,717.35)	(1,749,844,327)
Total	(69,324,086,343)	(67,577,741,626)

NOTE 5 : LONG TERM BORROWINGS

(Amount in Rs.)

	As at March 31, 2014	As at March 31, 2013
Unsecured Loan :-		
a) From Government of India	12,093,925,000	12,063,725,000
interest accrued and due on Govt Loan	34,173,205,000	32,492,397,000
b) From Others	430,000,000	430,000,000
Interest accrued and due on other loan	2,516,654,027	2,516,654,027
Total	49,213,784,027	47,502,776,027

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 March 31, 2014	As at March 31, 2013
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 March 31, 2014	As at March 31, 2013
Trade Payable:		
- Acceptance	-	-
- Other than Acceptance	372,000	372,000
Advance from Customers (NRA)	174,994,234	174,994,234
Advance from Customers (Sundry Dr Credit Bal)	4,712,668	4,781,495
Advance from Service Agent-APMHIDC	19,479	19,479
Security deposits	7,072,158	7,072,158
Interest payable	8,078,915	7,999,515
Claims Payable	4,500,988	4,500,988
Outstanding expenses	8,287,966	8,222,816
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	1,168,560	1,134,444
CST Payable	5,038,869	5,038,869
Unlinked Credit	169,570	169,570
Suspense Credit Balance	5,138,289	5,738
Deposits security by staff for retaining Qtr	3,031,001	480,392
Deposits security from contractors	2,680,771	3,149,795
Deposits Earnest Money	1,286,089	2,865,483
Government Guarantee Fees Payable	666,388,658	632,028,658
Other Liabilities	-	-
Grants In Aid	801,183,510	801,183,510
Less: VRS Expenditure	(715,549,617)	(715,549,617)
Less: Amt T/f to Subsidiary Companies	(33,850,659)	(33,850,659)
Services	-	-
Material Rcd on loan	-	-
Unpaid wages	-	-
Sundry Debtors	-	-
Total	944,745,347	904,640,766

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 March 31, 2014	As at March 31, 2013
Employee Benefits			
Prov for Gratuity		67,377,619	78,295,310
Prov for Leave Encashment		36,895,843	42,425,493
Total		104,273,462	120,720,803
Other Provisions			
Obsolete & surplus Finished Goods		1,582,685	265,446
Obsolete & packing material		301,822	301,822
Obsolete & Spares in store		264,006	264,006
Obsolete & Raw Material		54,130	54,130
Obsolete & Mech stores		99,416	99,416
Obsolete & Misc in stores		48,771	48,771
Pending reconciliation printing & stationery		299,922	299,922
Pending inventory to misc stores		765,696	765,696
Pending inventory to Lab Chem		71,943	71,943
Provision for loss on Obsolete Surplus Stores & Goods lost		32,106,337	32,106,337
Total		35,594,728	34,277,489
Total		139,868,190	154,998,292

Note:

The Company is under BIFR, the amount disclosed under Long Term Provision have been taken as such because

NOTE 9 : SHORT TERM BORROWINGS

(Amount in Rs.)

	As at March 31, 2014	As at March 31, 2013
Loan repayable on demand:		
From Banks:		
Secured Loans		
Cash Credit Account with bank	873,731,360	873,731,360
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 148 crores)		
Cash Credit - State Bank of Hyderabad	145,413,573	145,413,573
Interest due and accrued on above	766,245,017	766,245,017
(Working Capital Limit is secured against hypothecation of Raw Material, WIP, Finished Goods, Stores & Spares and Trade Reclevables of the company and personel guarantee of all the Directors.)		
Unsecured Loans	-	-
From Others:	-	-
Total	17,171,013,792	17,171,013,792

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 March 31, 2014	As at March 31, 2013
Trade Payable:			
Acceptance		6,038,501	6,038,501
Sundry Creditors Mkt		72,697,597	31,408,437
Marg Computech Pvt Ltd		327,475	-
Other than Acceptance		2,824,519	65,978,485
Suppliers		143,950,815	129,074,927
Others		71,749,631	70,806,614
Services		2,568,900,139	2,555,602,762
Coins b/f		2	1
Total		2,866,488,678	2,858,909,727

NOTE 11 : OTHER CURRENT LIABILITIES

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
Inter unit Account		(2,204,926)	1
Expenses Payable		167,145,195	163,118,282
Advance from Customers		60,213,220	54,210,925
Trade Security Deposit		12,972,647	13,678,156
Advance from Distributor		412,974	-
Liability DBT		14,935,787	14,935,787
Staff welfare liability		917,160	984,483
Misc Deposit		3,827,483	3,823,373
Deposits from Contractors & others		15,610,214	15,392,468
Other liabilities		88,008,674	85,205,587
Duties & Taxes		4,732,975	5,399,214
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:		-	-
Statutory remittances		1,385,350	1,265,741
Liability for salary & others		29,577,728	30,145,575
Electricity bill payable		380,606	257,036
Outstanding Liab (Excl Electricity Bill)		6,926,667	3,365,245
Sundry suppliers		18,966,999	14,823,672
Stale cheques		293,902	290,673
Company contribution to PF payable		5,859	8,789
Total		425,630,128	408,426,621

NOTE 12 : SHORT TERM PROVISION

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
Provision for Gratuity		11,212,237	4,648,206
Provision for Leave Encashment		5,923,778	2,551,471
Expenses Payable		81,161	69,012
Total		17,217,176	7,268,689



INDIAN DRUGS & PHARMACEUTICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

NOTE 13 : FIXED ASSETS

Description	Gross block (at cost)				Depreciation				Net block	
	As at April 1, 2013	Additions during the year	Deletions during the year	Impairment during the year	As at March 31, 2014	As at April 1, 2013	For the year	On deletions	As at March 31, 2014	As at March 31, 2013
Tangible assets										
(A) FACTORY										
Freehold Land Inc Dev Exp (F)	9,829,307	-	-	-	9,829,307	-	-	-	-	9,829,307
Leasehold Land Inc Dev Exp (F)	1	-	-	-	1	-	-	-	-	1
Buildings Inc Boundary wall	174,926,895	3,303,879	-	-	178,230,774	122,736,872	4,459,939	-	127,196,811	51,033,963
Roads Bridges & Culverts	9,244,431	-	-	-	9,244,431	3,053,173	121,519	-	3,174,692	6,065,739
Drainage Sewerage & water Supply	38,752,930	-	-	-	38,752,930	31,347,795	1,189,022	-	37,563,817	6,216,113
Electric Installations	82,570,794	-	-	-	82,570,794	78,876,273	263,414	-	79,139,686	3,431,108
Plant & Machinery	846,909,570	7,049,609	-	-	853,959,179	808,288,686	3,047,940	322,424	811,659,050	42,300,129
Plant & Mach returned to stores	62,360	-	-	-	62,360	62,359	-	-	1	1
Equipment & appliances	81,397,199	618,644	-	-	82,015,843	63,191,058	2,045,582	-	65,236,640	18,206,141
Vehicles	4,892,518	-	-	-	4,892,518	4,355,337	104,874	-	4,460,212	537,181
Furniture & Fixtures	13,969,402	-	-	-	13,969,402	11,579,474	275,237	-	11,854,712	2,389,928
Misc Assets	4,263,064	198,338	-	-	4,461,402	4,084,720	70,691	56,695	4,212,106	178,344
Railway Sidings	1,828,184	-	-	-	1,828,184	1,821,674	-	-	1,821,674	6,510
Plant & Mach returned to Central Stores A/c 137	3,459,456	-	-	-	3,439,456	2,905,753	-	-	2,905,753	533,703
Plant & Mach returned to Central Stores and re	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
	1,289,126,999	11,170,470	-	-	1,300,297,469	1,149,332,258	11,578,218	378,119	1,161,289,596	139,007,873
(B) TOWNSHIP										
Freehold Land Inc Dev Exp (T.S)	6,269,505	-	-	-	6,269,505	3,768,067	-	-	3,665,464	6,269,505
Drainage waire Sew.EFFL treatment	5,971,792	-	-	-	5,971,792	23,559,814	97,397	-	24,398,365	2,203,725
Buildings	68,551,981	-	-	-	68,551,981	376,569	738,552	-	44,253,616	44,592,167
Misc Assets	329,225	-	-	-	329,225	92,315	-	(1,891)	4,547	2,656
Electrical Fans	92,821	-	-	-	92,821	92,315	-	-	92,315	506
Electrical Installations	9,552,794	-	-	-	9,552,794	9,297,083	(17,668)	-	9,264,133	255,711
Roads & Culverts	2,217,187	-	-	-	2,217,187	872,689	24,730	(15,282)	847,419	1,394,498
Equipment & appliances	632,425	33,500	-	-	665,925	469,584	9,713	-	503,297	162,628
Vehicles	1,864,421	-	-	-	1,864,421	1,831,735	-	-	1,821,735	42,686
Furniture & Fixtures	864,778	-	-	-	864,778	843,470	-	-	843,470	21,308
	96,346,929	33,500	-	-	96,380,429	41,925,325	852,724	(17,123)	41,860,876	55,321,604
(C) OTHERS										
Office Building	3,860,353	-	-	-	3,860,353	1,461,951	62,924	-	1,524,875	2,398,401
Computers	766,071	631,450	-	-	1,397,521	615,024	105,377	-	720,401	151,947
Office equipments	438,527	2,600	-	-	441,127	343,364	12,551	-	355,915	95,163
Furniture & Fixtures	516,811	-	-	-	516,811	488,399	3,474	-	491,873	24,938
Misc Assets	3,216	-	-	-	3,216	2,936	40	-	2,976	279
Tally 9 Accounting Software	13,500	-	-	-	13,500	9,665	2,188	-	1,884	3,835
Printer	6,000	-	-	-	6,000	5,892	65	-	5,957	108
Township Building	772,043	-	-	-	772,043	194,897	5,887	-	200,784	571,146
	6,377,421	634,050	-	-	7,011,471	3,122,130	192,506	-	3,314,636	3,255,291
TOTAL TANGIBLE ASSETS										
Previous year	1,391,851,349	11,838,020	-	-	1,403,689,369	1,193,479,713	12,623,448	361,946	1,206,465,108	197,224,461
	1,385,932,201	5,919,652	504	-	1,391,851,349	1,181,167,450	12,313,841	1,577	1,193,479,714	198,371,635
(D) CAPITAL WIP										
Previous year	70,155,048	1,312,383	-	-	71,467,431	-	-	-	-	62,178,100
	68,648,233	1,312,383	7,782,516	-	76,742,932	-	-	-	-	68,648,233



NOTE 14 : NON CURRENT INVESTMENT

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
A. Trade Investment		-	-
B . Other Investment			
In Subsidiary Companies (Unquoted)			
6,74,000 Equity shares of Rs 10 /- each fully paid up in Orissa Drugs & Chemical Ltd (PR. Yr. 6,74,000)		6,740,000	6,740,000
40,00,000 Equity Shares of Rs 10 /- each fully paid up in IDPL (TN) (wholly owned Subsidiary Co) (PR. Yr. 40,000,000)		40,000,000	40,000,000
3 Equity share in Rs 10 /- each fully paidup in BDOCL (Wholly owned subsidiary company) (PR. Yr. 3)		30	30
Total (A)		46,740,030	46,740,030
B . Others (Unquoted)			
938000 Equity shares of Rs 10/- each fully paid up of Andhra Pradesh Gas Power CorporAation Ltd		9,380,000	9,380,000
150 Shares of Rs 10/- each fully paid up in antibiotics project employees Consumer Co-Operative Society		1,500	1,500
Pearl Co-op Hsg. Soc. Ltd.		750	750
Ashiana Co-op Hsg. Soc. Ltd.		750	750
Saurabh Co-op. Hsg. Soc. Ltd.		1,000	1,000
		-	-
Total(B)		9,384,000	9,384,000
C . Share application pending money allotment*			
i) Orissa Drugs & Chemicals Ltd		699000	699000
ii) IDPL (Tamilnadu) Ltd		172742000	172742000
iii) Bihar Drugs & Organic Chemicals Ltd		77673970	77673970
		251114970	251114970
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 March 31, 2014	As at March 31, 2013
Loans and Advances to Related Parties :		
IDPL SIP Chennai (renamed as IDPL (Tamil Nadu) Ltd Chennai)	1,697	1,697
Less : Provision for other doubtful loans & advances- Hyderabad	(1,697)	(1,697)
	-	-
Security Deposit	2,401,707	2,986,171
Advance to Contractors	2,260,764	1,760,764
Advance to Suppliers	1,224,891	708,436
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	621,828	621,828
Scooter advance	950	950
Advance Recoverable (contingent)	11,057	11,057
Unlinked Credit	-	-
Less : Provision for other doubtful loans & advances	(7,122,148)	(7,122,148)
	-	-
a. Loan to subsidiary companies		
b. Bridging loan recoverable from PSIDC	879,918	879,918
Less:- Provision for doubtful debts	(879,918)	(879,918)
	-	-
c. Loan to employee		
d. Interest free unsecured loan in consideration of transfer of assets to subsidiary	580,830,809	580,830,809
	-	-
Loans and Advances to Others		
Balance with Government Authorities	-	-
Advance to Contractors	-	-
Advance to Suppliers	-	-
Amount Recoverable	-	-
Deposits with Customers, Port Trust and other Govt Authority	264,158	264,158
Loan and advance to Employees	-	-
Others	-	-
Less: Provision for advance to Employees	-	-
	-	-
Unsecured Advances		
Port & demurrage Charges	-	-
Advances to Subsidiary companies	632,892,244	590,331,969
	-	-
Other Advances		
Election duty TA recoverable	-	-
Advance to insurance	-	-
Advance to state excise	-	-
Temporary Advance	-	-
Medical advance to CISF	-	-
	-	-
Total	1,219,377,154	1,176,384,889



NOTE 16 : OTHER NON CURRENT ASSETS

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
I) Balance with Revenue Authorities			
Deposits with ESIC		200,000	500,000
ii)Advances to Suppliers		-	-
iii)Others		281,018	281,018
iv)Interest accrued on deposits		1,221	1,221
v)Deposit with Customs,Port Trust & Govt.		864,931	864,931
vi)Security Deposit		52,868	52,868
Other Bank Balances (Refer Note No. 20)			
Term Deposits having maturity of more than 12 months		31,156,297	24,333,212
Less : Provision for other doubtful loans & advances		(147,700)	(147,700)
Total		32,408,635	25,885,550

NOTE 17 : CURRENT INVESTMENT

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
		-	-
Total		-	-

NOTE 18 : INVENTORIES

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
Raw Material		46,160,659	53,854,783
Packing Material		27,220,482	30,537,731
Stores & Spares		35,832,960	35,162,948
Stores & spares (Construction)		74,326	74,326
Stores & spares (Productions)		3,189,170	3,180,900
Stores & spares (Misc)		2,262,293	2,253,790
Material in Transit		2,742,961	882,481
Loose Tools		113,518	112,465
Stock Adjustment awaiting Investment		4,957,534	4,953,945
Stock in progress		16,167,001	17,192,823
Scrap (estimated realisable value)		700,768	700,768
Stock in trade (Physician samples)		-	-
Semi Finished drugs		1,323,783	5,025,388
Stock in Trade		8,455,433	4,846,037
Drugs/Intemediates inclusive expired material		37,899,905	39,509,253
Stock In Transit		233,125	747,354
-Adjustment for Expired material		-	-
Less: Stock Adjustment for 20% for Stock received from Plants		-	(1,777,020)
Less: Shortage/ Breakage/ Damage		(990,724)	(2,217,229)
Less : Provisions		(88,317,967)	(87,137,605)
Total		98,025,227	107,903,137.15



NOTE 19 : TRADE RECEIVABLES

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for period exceeding six months			
Secured Considered Goods		-	18,000
Unsecured Considered Goods		149,508,055	123,109,551
Doubtful		35,806,522	33,435,465
		-	-
Trade receivables outstanding for a period less than six months			
Secured Considered Goods		6,760,043	38,195,174
Unsecured Considered Goods		91,642,405	137,720,236
Doubtful		-	-
		-	-
		283,717,026	332,478,426
Less: Provision for doubtful trade receivable		47,395,781	44,444,688
Less: Provision for doubtful other debts		8,115	8,115
		236,313,129	288,025,624

NOTE 20 : CASH AND BANK BALANCES

(Amount in Rs.)

		As at March 31, 2014	As at March 31, 2013
A. Cash and cash equivalents			
Cash on hand			
Cash in hand		389,883	521,432
Cheques and Demand Drafts in hand		1,896,652	362,333
Current Account Balances			
Balance with Bank		14,433,399	9,658,654
Corp Bank (CCSDL) 80001		145,297	145,297
State Bank of India, Gurgaon CC A/c		233,056	52,578,936
Term Deposit with Bank		1,100,000	-
Current Account (Plants & Marketing)		2,759,570	1,637,786
Corporation Bank (Plants & Marketing)		(2,449,306)	2,163,289
Balances with other Banks		31,346,393	8,538,901
Current A/c VRS		53,327	53,327
Term Deposits having Maturity of three months or less		41,791,639	103,843,335
Others			
Margin money against guarantees & commitments		2,165,737	225,000
Short term call deposits		15,720,000	14,490,000
Remittance in Transit		-	-
B. Other Bank Balances			
Term Deposits having remaining maturity of 12 months or less		217,955,710	117,186,882
Fixed Deposit with Corporation Bank		18,127,798	3,027,798
Fixed Deposit with SBI		-	-
Fixed Deposit with SBT		-	-
Term Deposits having maturity of more than 12 months		31,156,297	24,333,212
		376,825,451	338,766,182
Less :			
Amount disclosed under Non Current Assets (Refer Note No. 16)		31,156,297	24,333,212
Total		345,669,154	314,432,970



NOTE 21 : SHORT-TERM LOAN AND ADVANCES

(Amount in Rs.)

	As at March 31, 2014	As at March 31, 2013
A) Loans & Advances to Related Parties:		
Secured , Considered Goods	-	-
Unsecured , Considered Goods	-	4,214.00
Doubtful	-	-
	-	4,214.00
Less : Provision for Doubtful Loans & advances	-	-
	-	4,214.00
B) Loans & Advances to Others:		
Secured Advances		
i) Secured advances to contractor	-	4,027,447
ii) Advance to employees	270,819	282,116
iii) Prepaid expenses	32,858	29,908
Advance to Contractors	-	-
Advance to Suppliers	-	-
Interest accrued on Loans & Advances and Deposits	3,601,868	3,139,877
Others	23,476,978	25,929,734
Security Deposit	155,748	150,000
Travelling Advances	6,901	1,901
Balance with Govt Authorities	9,894,730	4,475,321
Deposits with Customers, Port Trust and other Govt Authority	14,467,511	14,467,511
Duty & taxes	-	-
Unsecured Advances		
i) Advance to suppliers raw materials	9,887,753	11,652,789
ii) Security Deposits	5,207,713	4,871,179
iii) Loans & Advances to employees	2,026,672	1,774,733
iv) Other Advances	5,667,105	5,896,961
b. Other advances	46,980,131	48,010,828
c. Income tax deducted at sources	15,571,525	12,464,840
d. Fringe benefit tax	1,568,107	1,568,107
Balance with Govt Employees	23,464	21,858
Advance to Contractor	18,100	18,100
Port and demurrage charges	1,974,455	1,974,455
Advance to Supplier	662	662
Amounty recoverable from		
MODVAT	453,313	308,226
CPF Trust	43,029	43,029
Other advances		
Advance to central excise duty	48,743	38,390
Service Tax Input Credit	1,829,561	907,662
Advance Recoverable Contingent	-	-
Election Duty TA Recoverable	15,170	15,170
Advance to state excise	133	133
Temporary Advance	1,454	-
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	(31,557,472)	(31,557,472)
	110,157,624	109,004,058
	110,157,624	109,008,272



NOTE 22 : OTHER CURRENT ASSETS

(Amount in Rs.)

	As at March 31, 2014	As at March 31, 2013
Interest accrued but not recieved	799,857	952,782
Interest accrued (including but not due) on bank deposits	72,082	31,997
Recoverable from Ex employees	4,722,572	4,372,130
Recoverable expenses	88,959	85,684
Recoverable from Ex employees Contractor	244,244	233,815
Interest Accrued but not due on deposits with Banks	161,683	3,554,987
Rent Receivable	2,147,748	464,718
Total	8,237,145	9,696,112

NOTE 23 : REVENUE FROM OPERATIONS

(Amount in Rs.)

	For the period ending March 31, 2014	For the period ending March 31, 2013
Sale of product less return	575,268,609	586,685,440
Hospital Supply / free samples	-	14,570
Income from services - ETP Income	12,205,500	13,207,166
Gross sales	587,474,109	599,907,176
Less : Excise Duty	17,655,343	17,202,490
Total	569,818,766	582,704,686

NOTE 24 : OTHER INCOME

(Amount in Rs.)

	For the period ending March 31, 2014	For the period ending March 31, 2013
Interest on Term Deposits	28,979,854	25,123,795
Misc income	9,686,885	996,992
Sale of scraps	554,726	217,116
Recovered from rent, elec and water	137,389,805	113,829,513
MODVAT Claimed	16,833,882	12,410,641
Stock Issued for Bonus Offers	-	-
Rent Recieved	-	-
Shortages, breakages and date expired goods	-	-
Interest on staff loans /adv excess provision w/off	-	-
Interest on delayed lifting	-	-
Interest on others	-	-
Stock Issued for Sample	-	-
Claims Recovered	-	-
Frieght & Incidentals (Recouped)	-	52,540
Liabilities/Provision no longer required written back	-	1,168,350
Compensation against Township Flat	1,382,688	-
Other Revenue	10	-
Total	194,827,850	153,798,947

NOTE 25a : COST OF MATERIALS CONSUMED

(Amount in Rs.)

	For the period ending March 31, 2014	For the period ending March 31, 2013
Opening Stock of Raw Material	83,727,985	77,264,257
Purchase of Raw Material	219,859,656	194,014,564
	303,587,641	271,278,821
Less: Closing Stocks	73,391,449	83,727,985
Less: Expired Stock of Medicines (Contra)	-	-
Total	230,196,192	187,550,836



NOTE 25b : PURCHASE OF TRADED GOODS

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Purchase less purchase return		230,416,872	260,589,563
Adjustment for Inter unit transaction :-			
Stock received from Plants		269,157,091	262,918,714
Stock Transeferred to Marketing Division		(300,551,063)	(288,460,096)
Total		199,022,900	235,048,181

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

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
<u>Inventories at the end of the year:</u>			
Finished Goods		61,216,651.49	50,212,558
Less: Stock Adjustment for 20% for Stock received from Plants		-	(1,777,020)
Semi Finished goods		257,918.00	8,946,518
Empty hard Geletine Capsules		290,171.00	290,172
Scrap		700,768.00	1,329,758
Physician Sample C&F		-	-
Work in progress		1,323,783.00	5,025,388
Total A		63,789,291.49	64,027,373
<u>Inventories at the beginning of the year:</u>			
Finished Goods		50,212,557.82	59,656,599
Less: Stock Adjustment for 20% for Stock received from Plants		(1,777,020.33)	(3,433,653)
Semi Finished goods		8,946,518.00	3,860,368
Empty hard Geletine Capsules		290,172.00	290,172
Scrap		1,329,758.00	1,329,758
Physician Sample C&F		-	-
Work in progress		5,025,388.00	1,355,327
Total B		64,027,373.49	63,058,572
Net (Increase)/decrease (B-A)		238,082.00	(968,801.62)

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Salaries, Wages, Bonus, Allowances and other benefits		72,271,176	70,319,658
Contribution to Provident Fund & other Funds		7,434,651	6,250,874
Staff Welfare Expenses		10,134,233	10,221,707
Gratuity		14,317,573	18,139,187
Leave Encashment		1,743,801	3,656,485
Promotion Benefit Expenses		-	123,179
Contribution to group insurance scheme		204,448	-
Dispensary Exp		1,082	10,000
Canteen subsidy		14,400	19,561
Medical Reimbursement		218,801	714,396
Tution fees		540	540
ADM charges on dep link insurance		94	124
Washing Charges		145,096	48,000
VRS Expenditure (under VRS scheme)		115,825	214,850
VRS Expenditure transferred to grant in aid		-	-
Total		106,601,720.00	109,718,561



NOTE 25b : PURCHASE OF TRADED GOODS

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Purchase less purchase return		230,416,872	260,589,563
Adjustment for Inter unit transaction :-			
Stock received from Plants		269,157,091	262,918,714
Stock Transferred to Marketing Division		(300,551,063)	(288,460,096)
Total		199,022,900	235,048,181

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

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Inventories at the end of the year:			
Finished Goods		61,216,651	50,212,558
Less: Stock Adjustment for 20% for Stock received from Plants		-	(1,777,020)
Semi Finished goods		257,918	8,946,518
Empty hard Geletine Capsules		290,171	290,172
Scrap		700,768	1,329,758
Physician Sample C&F		-	-
Work in progress		1,323,783	5,025,388
Total A		63,789,291	64,027,373
Inventories at the beginning of the year:			
Finished Goods		50,212,558	59,656,599
Less: Stock Adjustment for 20% for Stock received from Plants		(1,777,020)	(3,433,653)
Semi Finished goods		8,946,518	3,860,368
Empty hard Geletine Capsules		290,172	290,172
Scrap		1,329,758	1,329,758
Physician Sample C&F		-	-
Work in progress		5,025,388	1,355,327
Total B		64,027,373	63,058,572
Net (increase)/decrease (B-A)		238,082	(968,802)

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Salaries, Wages, Bonus, Allowances and other benefits		72,271,176	70,319,658
Contribution to Provident Fund & other Funds		7,434,651	6,250,874
Staff Welfare Expenses		10,134,233	10,221,707
Gratuity		14,317,573	18,139,187
Leave Encashment		1,743,801	3,656,485
Promotion Benefit Expenses		-	123,179
Contribution to group insurance scheme		204,448	-
Dispensary Exp		1,082	10,000
Canteen subsidy		14,400	19,561
Medical Reimbursement		218,801	714,396
Tuition fees		540	540
ADM charges on dep link insurance		94	124
Washing Charges		145,096	48,000
VRS Expenditure (under VRS scheme)		115,825	214,850
VRS Expenditure transferred to grant in aid		-	-
Total		106,601,720	109,718,561



NOTE 27 : FINANCE COST

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Interest Paid		-	-
Other Borrowing Cost (Bank Charges)		34,038	106,017
Interest on delay payment of income tax		79,400	79,400
Govt Loan		1,680,808,000	1,676,528,000
Bank Borrowing		1,787,623	3,563,022
Interest on delay TDS Deposit		0	-
Interest on delay payment of Statutory Liab		13,963	147,790
Others		-	-
Total		1,682,723,024	1,680,424,229

NOTE 28 : DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Depreciation		12,623,448	12,313,841
TOTAL		12,623,448	12,313,841

NOTE 29 : OTHER EXPENSES

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Repair & Maintenance		15,346,148	10,401,977
Bank Charges		126,519	111,847
Printing & Stationery		1,260,156	1,012,107
Postage & Telecommunications		1,363,242	1,141,002
Travelling & Conveyance Expenses		4,592,876	5,282,095
Legal & Professional Charges		1,601,845	2,324,446
Sales tax borne by Co		8,764	-
Other Miscellaneous Expenses		3,221,929	2,115,924
Commission & Incentive to Selling Agents & Service Agent		49,314,938	51,975,334
Discount on Sales		9,797,376	14,212,175
Trade Discount		-	-
Freight & Forwarding Charges		7,882,241	7,132,308
Publicity & Public Relations		-	-
Late Delivery Charges		1,030,453	476,933
Medical Expenses		-	-
Entry Tax		34,582	22,190
Power & Fuel		39,746,044	40,649,541
Rates & taxes		3,250,914	109,527
Business Promotion		202,513	140,949
Sales Tax/ excise duty		469,698	177,024
Port & Demurrage Charges		81,584	-
VAT Audit Fees		-	25,787
Audit Fees		511,970	427,755
Tax Audit Fees		61,798	1,826
Out of Pocket Exp (Auditor)		23,116	23,597
CPF Audit Fees		-	-
Auditor Travelling Expenses		-	3,300
Bad Debts & Loss Due to shortage & Date Expire		1,358	822
Tender documents & participation Expenses		9,331	7,386
Bonus Offers & Qty discount		386,738	493,124
Physician Samples Contra		-	69,675
QC Sample Testing Charges		1,266,964	1,157,671
Penalties & Liquidated Damages		737,725	2,493,357
Rent including lease rentals		1,352,792	1,291,010
Insurance		476,881	457,405
Entertainment expenses		67,427	65,149
Guest house & Field hostel expenses		102,242	108,054
Payments to security agency		10,911,730	9,591,096



Recruitment exp/training exp	14,200	3,000
License fees	66,200	77,600
Samples	-	14,570
Public relations & promotional exp	167,069	107,787
Share of central office & marketing division expenses	-	-
Manufacturing exp on loan license	5,877,148	5,940,681
Increase/decrease of excise duty on inventory	472,507	135,907
Write off loss	11	15
Donations & contributions	-	-
Provisions others	1,180,361	726,193
Water Charges	18,187,446	16,263,855
Labour supply & contractual exp for production	13,631,389	9,222,353
Exp on maintenance staff	4,300,028	4,442,661
CISF - Salaries and Other Expenses/ Pvt. Security Expenses	6,532,444	6,572,017
Consumption of stores & spares	964,387	1,527,856
Electricity charges (Plant)	5,150,861	3,555,929
HSD consumed	2,263,666	2,261,092
Electricity charges (Township)	960,967	672,656
Electricals	27,815	11,824
Equipments & appliances	148,265	128,204
Buildings	83,364	46,005
Township	367,196	320,166
Maintenance of essential service charges	1,516,812	1,572,367
Service tax paid	3,512,092	3,718,009
Material handling charges	8,750	21,502
ADM charges (others)	1,235,072	1,240,492
Software development exp	-	-
Freight & incidentals (recouped)	(780,008)	(627,802)
Inspection charges	6,410	8,406
Testing charges paid to outside parties	164,657	166,448
Research & Development	5,862	563
Gift exp	17,475	8,000
Freight & Incidentals incurred	1,269,010	1,623,538
Hire Charges Plant & Machinery	249,736	297,818
Advertisement Exp	651,063	618,841
Liveries & Uniforms	-	3,225
Cash Discount	-	-
Contractual Wages	775,119	302,726
Interest paid on late CST	-	-
Office Cleaning Charges	-	-
Office Exp	8,852	10,916
Protection Service Charges	-	218,640
Staff Welfare Exp	15,245	19,473
Township Exp	-	103,892
Electricity Charges	5,980	5,340
Interest paid on late GVAT	8,535	6,017
Books, Journals & Periodicals	92,069	72,804
Coins B/f	34	(77)
Expenses on Directors	18,482	25,376
Govt Guarantee fees	34,360,000	34,360,000
Honorarium	10,000	7,500
Scope Exp Incurred	-	183,292
TDS Expenses	-	12,211
Penalty for Pre-Mature of FD	176,597	41,829
Hiring of vehicles	-	-
Provision for expired/Expiring stock	-	-
Branch Transfer Exp	14,705	8,980
I-Note Charges	-	3,500
Excess MVAT Paid	-	386
Excess GVAT Paid	-	175
Stamping Charges	1,991	2,766
Testing Charges	173,584	60,087
Demurrage Charges	19,884	-
Penalty Charges	146,398	-
Late Fees	2,800	-
Society Maintenance Charges	94,074	-
Rate Diff	3,637	-
Sundry Bal w/off	17,026	-
Prior Period Item (Net)	5,256,707	4,499,464
Deduction	253,454	-
Interest on delay TDS deposit	-	6,885
For Obsolete/ Surplus Finished Stock	1,317,239	-
Electricity Expenses	2,509,582	1,618,311
For Other Debtors	2,857,077	-
Accounting Charges	28,090	-
Total	271,661,307	255,754,662



NOTE 30: EXCEPTIONAL ITEMS

(Amount in Rs.)

		For the period ending March 31, 2014	For the period ending March 31, 2013
Reversal of Provision for doubtful debts		(94,016)	1,152,265
TOTAL		(94,016)	1,152,265

