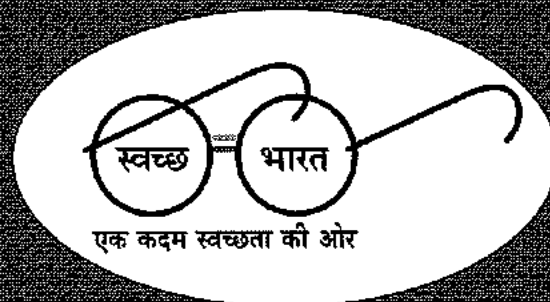


61 वाँ
वार्षिक प्रतिवेदन
2014-2015

CURE FOR
MILLIONS
- CARE FOR ALL



लाखों का इलाज - सभी की देखभाल।



हिंदुस्तान एंटीबायोटिक्स लिमिटेड
HINDUSTAN ANTIBIOTICS LIMITED

61th ANNUAL REPORT
2014-2015

BOARD OF DIRECTORS

SHRI SHAMBHU KALLOLIKAR, IAS

(Director, HAL),
Joint Secretary to the Govt. of India,
Ministry of Chemicals & Fertilizers
(ceased w.e.f. 28.01.2015)

MS. SUNANDA SHARMA

(Director, HAL),
Economic Advisor to the Govt. of India,
Ministry of Chemicals & Fertilizers,
(appointed w.e.f. 28.01.2015)

MS. MONIKA VERMA

Director (Co-ordination),
Ministry of Chemicals & Fertilizers,
(ceased w.e.f. 25.09.2014)

SHRI AJAI SINGH

Special Director Appointed by BIFR
B/79, G. Kailash-1,
NEW DELHI
(Appointed w.e.f. 20.9.2013)

SHRI K. V. VARKEY

Managing Director,
Hindustan Antibiotics Limited,
Pimpri, Pune 411 018.
(Appointed w.e.f. 02.11.2012)

SHRI A. S. VAIDYA

Director (Finance)
Hindustan Antibiotics Limited,
Pimpri, Pune 411 018.
(ceased w.e.f. 01.08.2015)

AUDITORS

M/s Gokhale, Tanksale & Ghatpande
102, R K Classic, New D. P. Road,
Opp. Ashish Garden,
Kothrud, Pune - 411 029.

BANKERS

Punjab National Bank
Bank of Maharashtra
Vijaya Bank
Oriental Bank of Commerce
Central Bank of India
United Commercial Bank

REGISTERED & CORPORATE OFFICE

HINDUSTAN ANTIBIOTICS LIMITED
PIMPRI, PUNE 411 018

Web Site: www.hindantibiotics.gov.in

Contents	
Particulars	Page No.
Notice	2 - 4
Director's Report	5 - 27
Independent Auditor's Report & Management Replies	28 - 31
Annexure To The Auditors' Report	32 - 39
Balance Sheet, Profit and Loss Account with notes there on	40 - 80
Comments of The Comptroller And Auditor General of India	81-82

**NOTICE****SIXTY FIRST ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Sixty First Annual General Meeting of the Company will be held on Wednesday 30th March, 2016 at 1.30 p.m. at Government Rest House No. 02, Queens Garden, Opposite to Residency Club, Pune - 411 001 to transact the following:-

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2015 and the Audited Profit and Loss Account for the year ended 31st March, 2015 along with the Reports of the Statutory Auditors and Comptroller and Auditor General of India thereon.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution, with or without modifications, as a special resolution:

"RESOLVED THAT the existing Article 70(2) be and is hereby replaced with the following:-

70(2) The Official Nominee Directors appointed by the Deptt. of Pharmaceuticals shall continue to hold the office of Nominee Directors till their retirement / transfer from the Deptt. of Pharmaceuticals or by an order specifically terminating their tenure issued by the Deptt. of Pharmaceuticals. The Managing Director or Functional Director shall retire on their ceasing to hold the office thereof. A retiring Director including the Chairman shall be eligible for re-appointment."

"RESOLVED FURTHER THAT the Company Secretary is hereby authorized to complete all other formalities as per the requirement of the Companies Act, 2013 for amending the Articles of Association of the Company."

By Order of the Board of Directors
of Hindustan Antibiotics Limited

(ASHOK B. GAWARI)
COMPANY SECRETARY

DATE : 08.03.2016

PLACE : PIMPRI, PUNE - 411018.

- 1) The Members of the Company
- 2) M/s Gokhale, Tanksale & Ghatpande.
Chartered Accountants,
102, R. K. Classic, New D. P. Road,
Opp. Ashish Garden,
Kothrud, PUNE - 411 029.

NOTES:

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- 2) An Explanatory statement pursuant to Section 102 (2) of the Companies Act, 2013 in respect of the Special Business is enclosed.
- 3) Consent of the members has been obtained for issue of a shorter notice.

NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2)
OF THE COMPANIES ACT, 2013**

As per the Article 70(2) of the Articles of Association of Hindustan Antibiotics Ltd. (HAL) at every Annual General Meeting of the Company all the Directors except the Managing Director and the Functional Directors shall retire from office.

Existing Article 70(2) of the Articles of Association of HAL read as under:-

"At every Annual General Meeting of the Company, all the Directors including the Chairman except the Managing Director and the Functional Directors shall retire from office. The Managing Director or the Functional Directors shall retire on their ceasing to hold the office thereof. A retiring Director including the Chairman shall be eligible for re-appointment."

The Deptt. of Pharmaceuticals, Ministry of Chemicals & Fertilizers vide their letter dated 27.4.2015 directed HAL to amend the Memorandum & Articles of Association to provide that Official Nominee Directors appointed by the Deptt. of Pharmaceuticals, shall continue to hold the office of Nominee Director till their retirement / transfer from the Deptt. of Pharmaceuticals or by an order specifically terminating their tenure issued by the Deptt. of Pharmaceuticals. In view of this it is proposed to amend the Article 70(2) of Memorandum and Articles of Association.

The Board of Directors, therefore, recommended the resolution set out in the notice convening the 61st Annual General Meeting to obtain the approval for amending the Article 70(2) of Memorandum & Articles of Association.

The Memorandum & Articles of Association and other related documents regarding amendment to the Article 70(2) of Memorandum and Articles of Association are available to the members for inspection during the working hours of the Company in the Registered Office.



NOTICE

Sub : ADJOURNED MEETING OF 61st ANNUAL GENERAL MEETING.

Ref. : Meeting notice dated 08.03.2016

NOTICE is hereby given that the Sixty first Annual General Meeting (adjourned) of the company will be held on Tuesday, 14th June, 2016 at 1.45 p.m. at HAL, Liaison Office, Scope Complex, First Floor, Core No. 06, Lodhi Road, New Delhi - 110003, to transact unfinished agenda of Annual General Meeting held on Wednesday, 30th March, 2016.

By Order of the Board of Directors
of Hindustan Antibiotics Limited

(ASHOK B. GAWARI)
COMPANY SECRETARY

DATE : 09.06.2016

PLACE : PIMPRI, PUNE - 411018.

DIRECTORS' REPORT

Gentlemen,

Your Directors have pleasure in presenting the 61st Annual Report of the working of the Company for the year ended 31st March 2015, together with the Audited Statements of Accounts, Auditors' Report and Comments of Comptroller and Auditor General of India.

2. PERFORMANCE HIGHLIGHTS :

2.1 The overall performance of the Company as compared to the previous year is summarized below:-

(Rs. in lakhs)

PARTICULARS	2014-15	2013-14
I. Sales	1854	3019
II. Value of Production	1728	2766
i. Bulk Drugs	—	—
ii. Formulations	1728	2766
Vials	527	1109
Tablets	34	182
Capsules	36	185
I.V. Fluid	77	232
Others	1054	1058
iii. Utilities	—	—
TOTAL	1728	2766
III. Operating Profit/(Loss)*	(4415)	(4720)
IV. Profit/(Loss) for the year	(7055)	(8423)
V. Net Profit/(Net Loss)	(7055)	(8423)

* Before interest, depreciation, DRE and provisions.

3. REHABILITATION SCHEME :

3.1 As per the direction of the Govt. in order to cover the deficiencies in the Rehabilitation Scheme sanctioned by BIFR, the Company submitted the 2nd Rehabilitation Plan envisaging infusion of Rs. 502.90 crores in June 2012, in which, it was proposed to fund the entire cost of the scheme through the funding from the Government of India. Subsequently, the scheme was revised several times and a final scheme was prepared envisaging infusion of Rs. 670.46 crores which will be generated by

sale of land and this proposal is under active consideration of the Govt. of India.

3.2 The process for sale of land is in process through the Asset Sale Committee (ASC) constituted by BIFR as per the Rehabilitation Scheme sanctioned by BIFR and the proposal is pending with Govt. of India.

4. JOINT VENTURE : HINDUSTAN MAX GB LTD. (HMGB) :

4.1 After termination of the Agreements with HMGB by the Company w.e.f. 21.6.2004, the possession of the Penicillin G Manufacturing Facilities has been taken over by the Company. HAL issued a notice to DAI India for breach of the Agreement and was constrained to initiate Arbitration proceedings against DAI India. HAL had filed its claim of Rs. 303.25 crores towards the losses and damages against DAI India. The arbitration proceedings are over and the arbitral tribunal has made following majority award:

A) The Respondent (DAI India) shall pay to the Claimant (HAL) a sum of Rs. 127,50,00,000 together with interest thereon at the rate of 12% per annum from the date of the claim till payment.

B) The Respondent (DAI India) is ordered and directed to transfer technical know-how together with strains made available during the currency of the JVA, if not done so already. It is declared that the said technology now vests with the claimant (HAL) and HAL is entitled to use the same.

C) The counterclaim of the Respondent (DAI India) is dismissed.

D) Looking to the number of meetings held and the documents filed, the Respondent (DAI India) shall pay to the Claimant (HAL) a sum of Rs.30 lakhs towards the costs of the claim as well as the counter claim.

5. SHARE CAPITAL :

5.1 The authorized share capital of the Company is Rs. 100 crores. As on 31st March, 2015, the subscribed and paid-up share capital is Rs.71.71 crores.

6. PRODUCTION:

6.1. The total value of production during the year 2014-15 is Rs. 17.28 crores as compared to Rs. 27.66 crores during the previous year.

6.2 In addition to Cephalosporin and Penicillin powder injectable, Tablets, IV Fluid and Agriculture product (Streptocycline) and Narcotic Detection Kit contributed to the production. Capacity utilization and the production of various products were affected due to non-availability of bulk and packing material as per the plan due to working capital shortage. In the total production of Rs. 17.28 crores, single product Streptocycline contributed Rs. 9.57 crore (55 % of total Production) and Narcotic detection kit Rs. 0.96 crores (5.5%).

A) Validation of Cephalosporin & Betalactum Plant:-

Equipments such as Bung Processor, Dry Heat Sterilizer and Tunnel were validated as per FDA requirements.

B) Media filling required for Cephalosporin Plant & Betalactum Plant were carried out successfully.

7. SALES:

7.1 During the year, the Company achieved sales turnover of Rs. 18.54 crores compared to Rs. 30.19 crores during the previous year.

Major Achievements during 2014-15 by Marketing Dept.

1. Successfully enrolled with Directorate General, Supplies and Disposal (DGS & D) for supply of major Antibiotics manufactured by H.A. Ltd. Expected business from DGS & D shall be to the tune of Rs. 40 to 50 crores.
2. Successfully enrolled with Employees State Insurance Corporation (ESIC) for supply of major Antibiotics manufactured by HAL. Expected business from All over India shall be around Rs. 50 crores.
3. Govt. of Maharashtra also issued GR favouring HAL to supply major products to Govt. of Maharashtra controlled Hospitals / Medical Institutions.
4. Successfully developed and manufactured products like Potassium Iodate 85 mg

Tablets to Institute of Nuclear Medicine & Allied Sciences, Delhi (INMAS), and products like Prussian Blue Tablets and Skin Decontamination kit are under development.

5. Supplies of Narcotic Drug Detection Kits (NDD Kits) to Narcotic Control Bureau, New Delhi, has been successfully completed within scheduled period.

8. A) ENGINEERING AND MAINTENANCE:

1. Engineering and Maintenance Department supported Production activities by effectively planning and implementing maintenance schedule, promptly attending break downs, carrying out necessary modifications wherever required. However maintenance activities hampered due to non-availability of spares due to shortage of funds.

2. Development Activity:-

The Company has developed washing machine part i.e. vial holder which was successfully put on machine. Also proprietary item such as Bung Processor, Silicon rubber door gasket and S.S. Blister pistons for powder filling machine were successfully developed.

B) ELECTRICAL DEPTT.

Supported Production activities by effectively planning and promptly attending break downs & carrying out necessary modifications wherever required. Also,

- a) Cooling Tower Pump motor 100 HP installed
- b) Cooling Tower Pump motor 35 HP installed
- c) Cooling Tower Pump motor 25 HP installed

9. MEASURES TAKEN FOR ENVIRONMENT PROTECTION:

1. Application submitted to MPCB to get consent to operate and accordingly got consent to operate for production of various products from MPCB for the period 01-01-2014 to 30-04-2016.
2. Environmental statement submitted to MPCB for the period April 14 to March 15.
3. WTP-Water Meters for Drinking line in Colony and MIDC Raw Water supply line in Factory has been calibrated and installed.
4. Agro-Chem Plant, AHU installation work completed.

5. Sanitation- Routine cleaning inside the Factory, Formulation Plants & Offices done by Sanitation Department.

10. MANAGEMENT AND TECHNICAL SERVICES :

10.1 The activities undertaken by the Management and Technical Services Section during the year include New Projects, various energy conservation activities, de-bottle-necking / troubleshooting in the plants, Production Planning & Control, preparation of various MIS reports to various Ministries and Production of Agro-Chem products. Major activities for the year 2014-15 are as under :-

- Providing data for preparation of Modified Draft Rehabilitation Scheme in Feb 2015.
- Following projects envisaged in the Rehabilitation Scheme:-
 - i) Upgradation of IV Fluid Facilities.
 - ii) New Utility set-up for Formulation Plants
 - a. Procurement and Installation of new cooling tower.
 - b. Procurement of Briquette based boiler.
 - iii) Upgradation and Enhancing capacity of Agro-Chem
- Enhancing capacity of Streptocycline from 72 lacs pouches / annum to 180 lacs pouches / annum.
- Production Planning and Monitoring of all the production activities.

11. QUALITY CONTROL AND QUALITY ASSURANCE :

11.1 Quality Control Laboratory maintains vigil on various products and process to ensure the highest quality and standard of drugs and pharmaceuticals that goes to patients. The Quality Control Laboratory conducts advanced training so that latest knowledge in the area of analytical techniques and methods is imparted to its staff. Further, the Quality Control has been a guiding force to materials, production and marketing and try to build in zero rejection system for finished products.

12. RESEARCH AND DEVELOPMENT :

12.1 During 2014-15 R & D dept. developed the following:-

- Newer Formulations which are under development which covers number of conventional dosage forms especially anti-inflammatory, anti-histaminic and anti-infective drugs under BPPI scheme.
- Development of various Decorporating Drugs for Institute of Nuclear Medicines and Allied Sciences (INMAS), DRDO, New Delhi.
- Improvement and manufacturing of Standard size Narcotic Drugs Detection Kits, Precursor Chemicals Detection Kits and Ketamine Detection Kits to make them more user friendly as per the requirements of Narcotic Control Bureau, Govt. of India, New Delhi.
- Improvement and cost saving in various drug formulations.
- Production of Non sterile Penicillinase.
- Preparation of Potash Solubilizing bacteria and NPK Formulation which are ready for commercialization.

13. SUBSIDIARIES :

13.1 Maharashtra Antibiotics & Pharmaceuticals Ltd. (MAPL) has been ordered for winding up by BIFR and the said order has been confirmed by AAIFR. The winding up order has been stayed by the Hon'ble High Court at Bombay, Nagpur Bench on the Writ Petition filed by the Group of Employees of MAPL. As per the order of the Hon'ble High Court at Bombay, Nagpur Bench, the Voluntary Separation Scheme (VSS) in MAPL has been implemented and all the employees have been relieved under the VSS with the help of the funds released by the Govt. of India. Additionally, the Govt. of India has also released non-plan loan amounting to Rs. 8.5 crores for payment of outstanding dues of the employees of MAPL through your Company and the amount has been disbursed to the employees of MAPL.

A revival plan of Rs. 100 crores is submitted to the Deptt. of Pharmaceuticals on 28/01/2015, which is under consideration of the Govt. of India.

13.2 The operations of Manipur State Drugs & Pharmaceuticals Ltd. (MSDPL) have been closed as per the decision made by its Board of Directors and necessary compensation on closure of MSDPL has been paid to the employees of MSDPL through the funds released by the Govt. of Manipur.

13.3 Due to the aforesaid problems being faced by MSDPL the accounts for the years 1998-99 to 2014-2015 could not be attached to the Balance Sheet of the Company. Accounts of MAPL for the years 2010-11 to 2014-15 could not be attached to the Balance Sheet of the Company because of non constitution of Board of MAPL.

14. INDUSTRIAL RELATIONS :

14.1 The Management has successfully maintained cordial and harmonious Industrial Relations even in the present scenario of financial crisis faced by the company. The management has done this with active co-operation from recognized Union Hindustan Antibiotics Mazdoor Sangh (HAMS) and Hindustan Antibiotics Officers Association (HAOA) and with the effective working of Participative Forums in this acute financial crunch.

15. RESERVATION FOR SC/ST/OBC :

15.1 The directives of the Government with regard to reservation of posts for SC/ST/OBC were followed. The detailed statistics regarding employment and shortfall in the strength of SC/ST/OBC categories during the year is given below:

MANPOWER STATUS OF SC/ST EMPLOYEES AS ON 31.03.2015

Category	Total No. of Employees	No. of Employees Belonging to		Shortfall	
		SC	ST	SC	ST
'A'	132	20	08	00	02
'B'	98	08	00	07	07
'C'	509	69	19	00	27
'D'	310	67	15	00	13
'D' (Sweeper)	02	02	—	—	—
TOTAL	1051	166	42	07	49

RECRUITMENT MADE IN THE CATEGORY OF OBC AS ON 31.3.2015

Group	Total No. of vacancies filled	No of vacancies filled by OBC
'A'	NIL	NIL
'B'	NIL	NIL
'C'	NIL	NIL
'D'	NIL	NIL
TOTAL	NIL	NIL

16. TRAINING PROGRAMMES :

16.1 Company believes in enhancing overall efficiency, productivity and turnover of the Organization by taking constant efforts to upgrade the workforce by exposing its human resource to aptly designed and need based training courses. Accordingly training courses were conducted.

16.2 Training Centre could not arrange enough training programmes due to unavailability of funds during the year 2014-15. Only 6 programmes were conducted wherein about 75 officers and 115 non-officers participated. The programmes were arranged on the topics like Inter-personal Skills, Stress Management, Fire and Safety Aspects, Work Culture and Work ethics etc.

16.3 During the year, 4 Apprentices were undergoing Apprenticeship Training under the Apprentices Act.

16.4 About 35 trainees carried out their Internship/ Project Training during the year 2014-15 and an income of Rs. 95,000/- was generated through this scheme.

17. COMPUTERISATION :

17.1 An Internet based software for managing finished product activities is running successfully at Head Office and all sale points (branches and C&F/C&S Agents) throughout India and is being fine tuned to meet the requirements of the Management and users with new useful reports. The said Stock-and-Sale accounting system is a very powerful tool for the Management to know the Inventory, Sales, Collections, Outstanding Amounts etc. and generates a useful on-line MIS to help the Management to take right decisions.

17.2 Similarly, the software for Payroll-cum-allied applications and Financial-cum-Material Accounting is also running fine and any updations as suggested by user departments /Management are being incorporated regularly.

17.3 Stand-alone software modules written for departments like QCL, IVF/Time Office etc. are also running well and modified/tuned to exact requirements of users from time to time.

17.4 Training programmes are being arranged to

educate related staff on technology used.

18. FIRE AND SAFETY:

18.1 Fire and Safety Department has fulfilled the statutory requirements of the Company at possible extent under the Factory Act 1948. The Company operations were carried out with utmost safety. There were only two reportable accidents during the year.

19. ENERGY CONSERVATION :

19.1 During the year the Company has taken various Energy Conservation measures to reduce the generation and distribution cost of various utilities. Some of the measures undertaken are:-

- a) Rationalization of steam distribution & cooling tower water network.
- b) Good Housekeeping measures
 - Prompt rectification of leakages in the network of steam, chilled water, compressed air etc.
 - Regular maintenance of steam traps
 - Regular rectification of Insulation of steam headers, chilled water lines etc.
 - Monitoring pumping pressures for chilled water and tower water in the range of 2.5 to 3.5 kg/cm²(g).
 - Monitoring chilled water temperature in the range of 9°C to 10°C
- c) Monitoring / analysis of utilities generation vis-à-vis Energy Consumption in Production Plans by daily and monthly Energy Audit and taking corrective measures.
- d) Procurement of Briquette based Boiler for achieving saving of around Rs. 3.85 Cr per Annum.
- e) Procurement of 2 cell pultruded FRP Cooling towers.

20. EMPLOYEES REMUNERATION :

None of the employees is in receipt of remuneration in excess of limits prescribed under the Companies Act, 2013 during the year under review.

21. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 134 of

the Companies Act, 2013 with respect to Directors' Financial Statements it is hereby confirmed:-

- 1) That in the preparation of Annual Accounts for the year ended 31st March, 2015 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 2) That such accounting policies as mentioned in the Annual Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2015.
- 3) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Annual Accounts for the year ended 31st March, 2015 have been prepared on a going concern basis.

22. VIGILANCE ACTIVITIES :

- 22.1 The Vigilance department continued to keep vigil on various activities of the company during the year and preventive and punitive actions were taken by the Department in order to ensure that proper procedures, as per the various directives issued by the Central Vigilance Commission and other agencies are duly followed.
- 22.2 The Vigilance wing handled complaints as per the prescribed guidelines / procedures and co-ordinated with CBI, CVC and other Government agencies. The focus of the Vigilance wing is on the preventive vigilance and accordingly emphasis is given to the streamlining / updating of the rules and manuals.
- 22.3 During the year "Vigilance Awareness Week" was observed from 27th October 2014 to 1st November, 2014 in which various seminars and competitions were organized. The theme selected by Central Vigilance Commission was "Combating Corruption – Technology as an Enabler" in which

views were expressed on Good Governance by strengthening transparency and leveraging technology by incorporating various changes in the business environment.

23. MATERIALS MANAGEMENT:

23.1 Bulk Drugs, Raw Material, Packaging Material, Excipients etc. were procured as per the production plan during the year 2014-15.

23.2 The material was procured within the stipulated time with lowest possible rates & also by following the tender procedures. Efforts are continuously being made for developing new parties to have competition and also to get the material at the most competitive rate. The limited tender enquiries are displayed on the Company Website as well as sent through courier to get quotations.

24. FOREIGN EXCHANGE EARNING AND OUTGO AND EXPORTS:

24.1 Since all our plants were under the up-gradation/renewal of WHO-GMP facility, we could export our Pharmaceutical products worth Rs. 2.22 lakhs only to Dubai (Global Pharma).

24.2 We are making efforts for getting our products registered in various countries, for which we have sent product dossiers for Cephalosporin Injectables to Uganda, Tanzania, Kenya, Malawi, Mozambique, Philippines, Sri Lanka and Nepal in 2012-13 for which evaluation reports from Drug Authorities of respective countries are awaited.

24.3 After getting WHO-GMP certification for Betalactum and I.V.F products and registration of above products, export activities will be started.

25. OFFICIAL LANGUAGE IMPLEMENTATION:

25.1 The Company continued to follow various directives and implemented various programmes for progressive use of Hindi in official work as stipulated by the Government of India. "Hindi Fortnight" was celebrated during the year. The Company has organized advanced computer software Unicode training for officers and employees of the Personnel Department with the help of Company Training Center.

26. PUBLICITY AND PUBLIC RELATIONS:

26.1 The Public Relations Department carried out corporate image building and corporate

communications exercises through the media channels. In order to create a positive impact about the Organization in the public mind, factory visits were encouraged and visits were conducted covering people of diverse interests, academicians and professionals.

27. HOSPITAL:

27.1 Medical department continued to provide medical facilities to the employees and their dependents residing in the township and outside through your well equipped and well organized hospital. Periodic medical check-up of the employees was conducted. Family Planning clinic was running well. As per MPCB norms Hospital Biomedical Waste is disposed off properly. Anti-Natal clinic was running well. It has also actively implemented Vaccination Programme of the Government of India.

28. RIGHT TO INFORMATION:

28.1 The right to information cell has been formed since 2005 for implementation of the RTI Act 2005. The citizens can obtain information regarding the matters connected with Company by making application in writing to Shri Trilochan Das, Manager (Personnel) and Public Information Officer and the citizen can appeal against the order of the Public Information Officer to First Appellate Authority by making the application to Shri K. V. VARKEY, Managing Director & 1st Appellate Authority. The citizens can obtain information about RTI operations/contacts on website www.hindantibiotics.gov.in or e-mail addresses

i) hal_das@rediffmail.com &

ii) md.hapune@vsnl.net

28.2 During 2014-15 under RTI Act 22 requests were received out of which 21 were accepted and 1 was rejected.

29. IMPLEMENTATION OF "THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

29.1 Women employees constituted over 12 percent of your Company's Work-force. Your Company scrupulously complies with the Sexual Harassment of Women at the Workplace

(Prevention, Prohibition and Redressal) Act, 2013. The women employees (permanent, contractual, temporary, trainees) are covered under this Act. The Internal Complaint Committee was reconstituted in January, 2015. Reported cases of Sexual Harassment during the year 2014-15 were nil.

30. BOARD MEETINGS :

30.1 During the year 2014-15, three (3) meetings of the Board of Directors were held.

31. BOARD OF DIRECTORS :

31.1 Ms. Sunanda Sharma appointed as part-time Director by the Govt. of India after the 60th Annual General Meeting of the Company.

31.2 Shri K. V. Varkey continues to be Managing Director of our Company.

31.3 Shri A. S. Vaidya ceased to be Director (Finance) w.e.f. 01.08.2015.

31.4 Shri Ajai Singh, BIFR Special Director continues to be Director of our Company in place of Shri Om Kumar.

32. AUDITORS :

32.1 M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants, Pune were appointed as Statutory Auditors of the Company for the year 2014-15.

33. AUDIT COMMITTEE :

33.1 The Audit Committee has been constituted as per

the provisions of Section 177 of the Companies Act, 2013.

33.2 The Audit Committee has been functioning as per the requirement of the Companies Act, 2013 and during the year two meetings of the Audit Committee were held.

34. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES :

34.1 During the year, the Company has not entered into any Contract / arrangement / transaction with the related parties.

35. RISK MANAGEMENT POLICIES :

35.1 Being a sick unit registered with the BIFR, the Company faces various risks - Operational, Financial, Market share etc. A proper assessment can be possible only on approval of the Revival Scheme. Your Directors are vigorously pursuing the BIFR Proceedings.

36. ACKNOWLEDGEMENT :

36.1 The Directors wish to acknowledge continued support and guidance received from the different wings of Government of India, IDBI, Local Statutory Authorities, I.F.C.I., Statutory Auditors, Member, Commercial Audit Board and the Company's Bankers. The Directors extend thanks to HA Mazdoor Sangh, HA Officers' Association and other organizations of the employees for their co-operation.

For and on behalf of Board of Directors

Place : New Delhi
Date : 22nd December, 2015

(AJAI SINGH)
DIRECTOR

(K. V. VARKEY)
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, lenders and the Government. The Company is committed to achieve and maintain good standards of corporate governance.

2. BOARD OF DIRECTORS :

- As on 31st March, 2015, the Board consisted of 4 Directors including Whole Time Directors.
- During the year 2014-15, three Board Meetings were held.
- Constitution of Board of Directors and related information:

Name of the Director	Category	No. of Board Meetings with Attendance	Attendance at last AGM	No. of outside Directorships as on 31.3.2015	No. of outside Board Committee Membership/ Chairmanship as on 31.3.2015
Shri. Shambhu Kallolikar, IAS (appointed w.e.f. 13.11.2013) Ceased w.e.f. 28-01-2015	Non-Executive Director	1/3	No	NIL	NIL
Ms. Sunanda Sharma (appointed w.e.f. 28.01.2015)	Non-Executive Director	1/3	No	NIL	NIL
Ms. Monika Verma (appointed w.e.f. 13.11.2013) Ceased w.e.f.25-09-2014	Non-Executive Director	1/3	Yes	02	NIL
Shri. Ajai Singh (appointed w.e.f. 20.9.2013)	Non-Executive Director	2/3	No	NIL	NIL
Shri. K. V. Varkey (appointed w.e.f. 02.11.2012)	Managing Director	3/3	Yes	01	NIL
Shri. A. S. Vaidya Ceased w.e.f. 01-08-2015.	Director (Finance)	3/3	Yes	01	NIL

Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company and its management. They do not receive any remuneration from the Company.

3. AUDIT COMMITTEE :

The Audit Committee has been constituted as per the provisions of Section 177 of the Companies Act, 2013. The Audit Committee has been

functioning as per the requirement of the Companies Act, 2013 and during the year two meetings of the Audit Committee were held.

4. DISCLOSURES :**1. REMUNERATION OF DIRECTORS**

The remuneration payable to Whole time Managing Director and Director (Finance) and their terms of service are fixed by the Government of India. The remuneration paid to them for the financial year 2014-15 was as follows:-

Sr. No.	Particulars	2014-15 (Rs.)
(a)	Salary including contribution to Provident Fund	26,64,361.00
(b)	Reimbursement of Medical Expenses	52,559.00
(c)	Personal Accident Insurance Premium	NIL
(d)	Perquisites*	4,56,000.00
TOTAL:		31,72,920.00

*In addition, both the Directors, each, have been allowed to use company's chauffeur driven car for official journey & for private journey up to 750 kms for a month or 9000 kms p.a. on payment of Rs. 780/-p.m.

Part Time Directors are not paid any remuneration / commission except sitting fees paid to the Special Directors appointed by BIFR for attending the Board Meetings which are as under:-

Sr. No.	Name of the Director	Sitting Fee paid (Rs.)
01	Shri Ajai Singh, Special Director	Rs. 5000/- per meeting

5. ANNUAL GENERAL MEETINGS :

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

Financial Year	Date	Time	Venue
2013-14	25.9.2014	3.00 p.m.	Shastri Bhavan, New Delhi
2012-13	30.9.2013	12.00 p.m.	Regd. Office, Pimpri
2011-12	21.2.2013	12.30 p.m.	Regd. Office, Pimpri

b) No resolutions were put through postal ballot last year and no Postal ballot is contemplated this year also.

6. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report Form No. MR-3 obtained from Practicing Company Secretary has been annexed to the report as Annexure - A.

7. EXTRACT OF ANNUAL RETURN :

The extract of Annual Return is enclosed as Annexure - B (Form No. MGT-9).

8. MEANS OF COMMUNICATION :

a) Annual financial results are displayed on the Company's Website www.hindantibiotics.gov.in

b) **PLANT LOCATION:**
Mumbai-Pune Highway,
Pimpri, Pune - 411018.

c) ADDRESS FOR CORRESPONDENCE:

The address of the Registered Office of the Company is

**Mumbai-Pune Highway,
Pimpri, Pune - 411018.**

The Shareholders may send correspondence to the above address.

For and on behalf of Board of Directors

Place : New Delhi

Date : 22nd December 2015

(AJAI SINGH)

DIRECTOR

(K. V. VARKEY)

MANAGING DIRECTOR

ANNEXURE - I

FORM - A (See Rule - 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY
A) POWER AND FUEL CONSUMPTION

	Current Year 2014-15	Previous Year 2013-14
1) ELECTRICITY:		
a) Purchased (Factory) Unit LKWH	18.16	39.75
Total Amount (Rs. in lakhs)	181.59	356.56
Rate / Unit (Rs. / KWH)	7.87	8.97
b) Own Generation		
i) Through Diesel Generator	N.A.	N.A.
Units		
Units per Ltr. of Diesel Oil		
Cost / Unit		
ii) Through Steam Turbine /Generator	N.A.	N.A.
Units		
Units per Ltr. of Fuel Oil/Gas		
Cost/ Unit		
2) Coal (Specify Quality and where used)	N.A.	N.A.
Quantity (Tonnes)		
Total Cost		
Avg. Rate (Rs.)		
3) Furnace Oil		
Quantity (K.Litrs)	118.6916	466.5128
Total amount (Rs.lakhs)	60.94	237.13
Avg. Rate (Rs./KL)	51346.83	50829.54
4) Others / Internal generation	N.A.	N.A.
Quantity		
Total Cost		
Rate/ Unit		

B) CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Product	Unit	Production		Specific Power consumption			Specific Furnace Oil consumption			
			2014 - 15	2013 - 14	Standard Normative	2014 - 15	2013 - 14	Unit	Standard Normative	2014 - 15	2013 - 14
1	Tablet (Non Pen)	KWH/ Lakh Tablet	37.986	129.187	106	250	492	MT/ Lakh Tablet	0.021	0.072	0.12
1.1	Tablet (Pen)	KWH/ Lakh Tablet	0	16.857	99	0	1416	MT/ Lakh Tablet	0.011	0	0.025
2	Capsule (Pen)	KWH/ Lakh Capsule	34.081	127.404	120	1540	766	MT/ Lakh Cap	0	0	0
3	I V Fluid (500 ml)	KWH/ Lakh bottle	1.778	5.148	13960	20658	23273	MT/ Lakh bottle	3.4	5.8	6.3
3.1	I V Fluid (100 ml)	KWH/ Lakh bottle	3.695	8.466	11950	20668	38273	MT/ Lakh bottle	1.3	2.3	3.3
4	Dry Powder Injectable (Betalactam)	KWH/ Lakh vial	0.713	36.997	3359	175877	13123	MT/ Lakh vial	1.5	2.1	2.2
4.1	Dry Powder Injectable (Cephalosporin)	KWH/ Lakh vial	39.026	89.735	3359	5018	8453	MT/ Lakh vial	1.5	1.6	1.6

- Note:- 1. Operations were on low scale due to shortage of working capital leading to rise in Utility cost / Unit of Production.
2. For formulation products utilities are utilized for preparation processes viz equipment validation, media preparation etc. therefore part utilities were used for non production purpose hence specific consumption per unit production are indicative.

C) IMPACT OF ENERGY CONSERVATION MEASURES ON THE COST OF PRODUCTION OF GOODS FOR THE YEAR 2014-15

The impact of energy conservation measures taken on the cost of production of bulks as well as formulations during 2014-2015 can be seen by comparing utilities cost as a percentage of total value of production (VOP) for the previous years:-

Sr. No.	PARTICULARS	2014-15	2013-14
1)	TOTAL VOP (Rs. Lacs)	1728.25	2766.13
2)	UTILITY COST		
	2.1) F.O. Quantity (KL)	118.6916	466.5128
	2.2) Electricity (Lacs KWH)	18.16	39.75
	2.3) Utility Cost (Rs.Lac)	203.92	593.69
3)	UTILITY COST as % of Total VOP	11.79	21.46

Note: In total VOP, contribution of Streptocycline production is 55.44% & Narcotic detection kit is 5.55% and for production of Streptocycline & Narcotic detection kit no furnace oil is required & minor consumption of power is required. Therefore, utility cost as percentage of total VOP is less in 2014-15 as compared to 2013-14.

FORM B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT.****RESEARCH AND DEVELOPMENT**

- 1) Specific areas in which R&D carried out by the Company.
- 2) Benefits derived as a result of the above R&D.

The R & D activities are carried out in various areas like Pharmaceuticals, Agricultural and Veterinary products.

- Developed new drug dosage of products viz, Potassium Iodate tablets 85 mg /170 mg, NS with Glycerin Injection, RL with Glycerol and Ethanol and AKG Injection.
- Synthesis of Insoluble Prussian Blue and its tablets.
- Production and improvement of Narcotic Drug Detection Kits, Precursor Chemical Detection Kits and Ketamine Detection Kits.
- Improvement and increased production of Aureofungin, Hamycin, Azotomeal, Phosphomeal and Humaur.
- Development of Potash solubilising bacteria and its formulation.
- Development of newer Antibacterial, Anti-inflammatory, Antidiabetic & Development of new products with collaboration of INMAS Ministry of Defence, India, is underway.
- Development of new high value IVF products.
- Production of antifungal, antibiotics and biofertilizers.
- Production of industrial enzymes and biotechnological products.
- Improvement of Antifungal antibiotic producing strains by natural selection. Increase the production of Azotomeal and Phosphomeal.
- Development and formulation of Potash degrading bacteria and Biopesticide *verticillium lecanii*. Field trial to be taken and implement it to large scale production.
- In keeping view with its national commitment, the company is identifying and developing new products for the treatment of various human diseases with unmet medical needs under JAN-AUSHADHI scheme.

4) Expenditure of R&D.

a) Capital	NIL
b) Recurring	Rs. 11394317.00
c) TOTAL	Rs. 11394317.00
d) Total R&D expenditure as a percentage of total turn-over.	6.14%

TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

- | | |
|--|---|
| 1) Efforts, in brief, made towards technology absorption, adaptation and innovation. | Continuous adaptative R&D of the existing products and the process with main objective of cost reduction was carried out. |
| 2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution etc. | Changes in the processes have helped the Company in improving cost effectiveness. |
| 3) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) | NO |
- Following information may be furnished :
- | | |
|--|---|
| a) Technology imported | - |
| b) Year of Import | - |
| c) Has technology been fully absorbed ? | - |
| d) If not fully absorbed, areas where this has not taken place, reasons thereof. | - |

FOREIGN EXCHANGE EARNING AND OUTGO :

- | | |
|--|---|
| e) Activities relating to exports initiative taken to increase exports, development of new markets for products and services and export plans. | Activities relating to exports initiatives to increase exports development, Product registration is undertaken in various countries like Philippines, Nepal, Mongolia, Tanzania, Uganda. Also given advertisement in Arab World Trade edition, and taken membership of M/s Euclid Info Tech (P) Ltd., New Delhi for online tenders' information for global as well as domestic purpose. |
| f) Total Foreign Exchange: | |
| Used | Rs. 340.00 lakhs |
| Earned | Rs. 002.22 lakhs |

**ANNEXURE - A**

Form No. MR-3

SECRETARIAL AUDIT REPORTFor the financial year ended on 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
HINDUSTAN ANTIBIOTICS LIMITED
MUMBAI PUNE ROAD PIMPRI
PUNE 411 018.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN ANTIBIOTICS LIMITED** ("The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:
 - i) The Companies Act, 1956 (the Act) and the rules made thereunder to the extent not repealed.
 - ii) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified.
 - iii) The Sick Industrial Companies (Special Provisions) Act, 1985
 - iv) DPE Guidelines on financial policies
 - v) The Memorandum and Articles of Association.
2. We have also examined the compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (notified with effect from 1st July, 2015 and hence not applicable to the Company during the audit period).

3. It was informed by the management that though the word 'Private' is not appearing in the name of the company, Company is a private limited company. Hence our observations in respect of audit are based on the assumption that company is a private limited company.

We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder and the Memorandum and Articles of Association of the Company except the number of meetings to be held during the Audit report and non-appointment of Cost Auditor as well as non filing of Cost Audit Report.

We further report that the Company has generally complied with filing of the necessary forms with respective authorities within prescribed time.

The Board of Directors of the Company is duly constituted consisting of Managing Director, Executive Directors and Government Nominee and BIFR Nominee Directors.

The Company has constituted Audit Committee voluntarily and meetings of the Audit Committee were duly held.

4. We further report that generally adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance by post and by email/fax. A system exists for obtaining shorter notice consents if shorter notice of a meeting is given and also a system seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that all decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee of the Board of Directors, as the case may be.

5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For C.S. Kelkar & Associates
Company Secretaries

C.S. Kelkar
 Partner
 Membership No.: 2784
 C.P. No. : 1891

SECRETARIAL AUDIT REPORT & REPLIES OF THE MANAGEMENT

Sr. No.	Observation of the Secretarial Auditor	Management Reply
1.	The number of meeting to be held during the audit report. Number of meeting conducted during the audit report were 3 instead of 4.	The company is facing financial difficulties and there was no subject for the discussion hence only 3 meetings of the Board of Directors were held during the year 2014-15.
2.	None appointment of cost Auditor as well as non filing of cost audit report.	Since the payments of the Cost Auditor was not made, the Cost Auditor did not undertake the cost audit and hence cost audit report was not filed.

ANNEXURE - B

Form MGT-9 EXTRACT OF ANNUAL RETURN As on the Financial Year ended on 31st March, 2015

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

I. Registration and Other Details

i. CIN & registration Date

CIN	U24231MH1954PLC009265
-----	-----------------------

ii.

Registration Date	30-Mar-1954
-------------------	-------------

iii. Name of the Company **HINDUSTAN ANTIBIOTICS LTD**

iv. Category of the Company

Category of the Company (Please tick)	Public Company	
	Private Company	✓

Sub-category of the Company

Sub-category of the Company (Please tick whichever are applicable)	Government Company	✓
	Small Company	
	One Person Company	
	Subsidiary of Foreign	
	NBFC	
	Guarantee Company	
	Limited by shares	✓
	Unlimited Company	
	Company having share Capital	✓
	Company not having share Capital	
	Company Registered under Section 8	

v. Registered office address of Company

Address (With state & PIN Code)	MUMBAI-PUNE ROAD, PIMPRI, PUNE - 411018		
Country Name	India	Country Code	IN
Telephone Number	020-27425411	Fax Number	020-27425327
E-mail Address	csa.hapune@gmail.com	Website	www.hindantibiotics.gov.in

vi. Details about Listing

Whether shares are listed on recognized stock exchange(s)	No
---	----

vii. Name & address of Registrar and Transfer Agents (RTA) : None

Name of Registrar & Transfer Agents			
Address (with State & PIN Code)			
Telephone Number			
Email Address			

II. Principal Business Activities of the Company

All business activities contributing 10% or more of the total turnover of the Company shall be stated

SI No.	Name & Description of main products / Services	NIC Code of the products / Services	% to the total turnover of the Company
1	Manufacturing of Pharmaceuticals	21001	100

III. Particulars of Holding, Subsidiary & Associate Company - NA

SI No.	Name & address of the Company	CIN /GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	MAHARASHTRA ANTIBIOTICS & PHARMACEUTICALS LTD.	U99999MH1979GOI021904	SUBSIDIARY	59	4(1)(a)
2	MANIPUR STATE DRUGS & PHARMACEUTICALS LTD.	U2423MN1989PLC003315	SUBSIDIARY	51	4(1)(a)
3	HINDUSTAN MAX GB LTD.		JOINT VENTURE	50	

IV. Share Holding Pattern

I. Category-wise Share Holding

Category of	No. of shares held at the beginning of the year (As on 31 March 2014)				No. of shares held at the end of the year (As on 31 March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	717,191	717,191	100%	-	717,191	717,191	100%	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other...	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	717,191	717,191	100%	-	717,191	717,191	100%	0.00%
(2) Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Any Other...	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	-	717,191	717,191	100%	-	717,191	717,191	100%	0.00%
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
a. Bodies Corp.								-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c. Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public shareholding (B)= (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shars held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	717,191	717,191	100%	-	717,191	717,191	100%	-

B. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	President of India	717,191	100.00	-	717,191	100.00	-	0.00
	Total	717,191	100.00	-	717,191	100.00	-	0.00

C. Change in Promoters Shareholding (please specify, if there is no change)

Sl. No.	Name of Promoters	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	Date of change	Increase/ Decrease	Reason	No. of Shares	% of total Shares of the Company
1	President of India	717,191	100.00	-	-	-	717,191	100.00

D. Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Top 10 shareholders	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	Date of change	Increase/ Decrease	Reason	No. of Shares	% of total Shares of the Company
		-	-	-	-	-	-	-

E. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	Date of change	Increase/ Decrease	Reason	No. of Shares	% of total Shares of the company
		-	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	14,389	2,396	-	16,785
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	14,389	2,396	-	16,785
Change in Indebtedness during the financial year	-	-	-	-
*Addition	-	1,370	-	1,370
*Reduction	1,619	-	-	1,619
Net Change	-	1,370	-	(249)
Indebtedness at the end of the financial year				
i. Principal Amount	12,771	3,766	-	16,537
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	12,771	3,766	-	16,537

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		K. V. Varkey	A. S. Vaidya		(Rs/Lac)
	Designation	Managing Director	Director		-
1	Gross salary	1,739,000.00	1,533,000.00	-	32.72
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	1,739,000.00	1,533,000.00	-	32.72
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other Directors					Total Amount
SI No.	Particulars of Remuneration	Name of Directors			(Rs)
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-executive Directors	Ajay Singh	-	-	-
	Fee for attending board committee meetings	5000 per meeting	-	-	5,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)				
	Total (B) = (1 + 2)				
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount
	Name	Virendra Singh	A. B. Gawari			
	Designation	CEO	Company Secretary	CFO		
1	Gross salary	-	315000	492000	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	-	315000	492000	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

On Behalf of the Board of Directors
Hindustan Antibiotics Limited

Place : New Delhi

Date : 22nd December 2015

(K. V. VARKEY)
MANAGING DIRECTOR
(DIN : 06459738)

(AJAI SINGH)
DIRECTOR
(DIN : 02631023)

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Hindustan Antibiotics Ltd.,
Pune

Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of **Hindustan Antibiotics Ltd.** which comprises the

- a) Standalone Balance Sheet as at the **31st March, 2015**
- b) Standalone Statement of Profit and Loss for the year ended on that date
- c) Standalone Cash Flow Statement for the year ended on that date and
- d) A summary of significant accounting policies and other explanatory information..

Management Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes

- a) maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- b) selection and application of appropriate accounting policies;
- c) making judgments and estimates that are reasonable and prudent; and
- d) design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Qualified Opinion :

In our opinion and to the best of our information and according to the explanations given to us, **except for the impact of the Non-compliance with Accounting Standards as expatiated in Annexure 1 to this Report** the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally :

- a) in the case of the standalone Balance Sheet, of the state of affairs of the Company as at **March 31, 2015**;
- b) in the case of the standalone Statement of Profit and Loss, of the loss for the year ended on that date;
- c) In the case of the standalone Cash Flow Statement, of the cash flows for the year ended on that date.

The aforesaid qualified opinion has been formed after duly considering

- a) the following provision of Clause 8 of Part I of Schedule II to the Chartered Accountants Act, 1949:
 "A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he (8) fails to obtain sufficient information which is necessary for expression of an opinion or **its exceptions are sufficiently material to negate the expression of an opinion;**"
 and
- b) the fact that the Company is sick Central Government Undertaking whose revival is being actively considered.

Report on Other Legal and Regulatory Requirements

- a) As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose, on the basis of our opinion, our examination of the relevant records and according to the information and explanation given to us, in the Annexure a statement on the matters specified in Paragraphs 3 and 4 of the said Order.
- b) As required by Section 143(3) of the Act, we report that
 - i. **We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. We have relied on the factual representations made by the Management as stated in Annexure 2 to this Report, Proper Records, adequate for the purpose of our audit have been received from the branches not visited by us;**
 - ii. **Except for the matters detailed in Annexure 3 to this Report, in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;**
 - iii. The standalone Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement of the Company dealt with by this report are in agreement with the books of account;
 - iv. **Except for the Accounting Standards referred to in Annexure 1 to this Report, the standalone Balance Sheet, Profit and Loss account & Cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;**
 - v. Being a Government Company, Section 164(2) of the Companies Act, 2013, relating to disqualifications of directors is not applicable to the Company in view of Notification G.S.R.829 (E) dt. 21st October 2003 issued by the Department of Company Affairs, Ministry of Finance, Government of India;
 - vi. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to



INDEPENDENT AUDITORS' REPORT

the explanations given to us:

- a) the Company does have several pending litigations which would impact its financial position. The impact of these litigations is stated in the amount of contingent liabilities for which no provision has been made in the Company's books.
- b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- c) there has been no delay on the part of the Company in transferring amounts, required to be transferred, to the Investor Education and Protection Fund

Compliance to the Directions under section 143(5) of the Companies Act, 2013

Sr. NO.	Directions	Compliance
1.	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Not applicable since the company has not been selected for disinvestment.
2.	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year under review, the company has a) made a provision of Rs. 65.37 lakhs for doubtful debts. The aggregate provision as at the end of the said year is Rs. 2565.36 lakhs. b) Written off Rs. 38.84 lakhs on account of advances no longer recoverable. c) Written back Rs. 543.55 lakhs on account of liabilities no longer payable.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Not applicable since the company has no inventories lying with third parties and company has not received assets as gift from the Government or other authorities.
4.	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Pending Legal / Arbitration cases are 27 cases (0-1 year, 1-5 years, 5-10 years and beyond 10 years) and are pending for hearing before various forums and the same has been shown under Contingent Liabilities. Legal Department of the company is monitoring all cases and having penal advocates for representing the cases before various forums. Legal expenses incurred by the company commensurate with the volume and nature of issues involved.

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

S. M. GHATPANDE
PARTNER
Membership No. 030462

Place : Pune
Date : 22nd December, 2015

ANNEXURE TO THE AUDITORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2015

Annexure 1 to Independent Auditors' Report to the Members for the year ended 31-Mar-15

Non-compliance with Accounting Standards

As required by Section 129(5) of the Companies Act, 2013, we report, on the basis of the information and explanations given to us, that, in our considered opinion, the Balance Sheet and the statement of Profit & Loss referred to in our report DO NOT comply with or deviate from the following accounting standards (AS) referred to in Section 129(1) of the said Act. Further, we state respectively against each non-compliance,

- the reasons for non-compliance with or deviation from the said accounting standards,
- the financial effect of such non-compliance on the reported loss for the year under review (i. e the understatement or overstatement of such loss) and on the assets & liabilities as disclosed in the Balance Sheet, as also required by Para 3.10 of the Statement on Qualification & Auditor's Report issued by the Institute of Chartered Accountants of India.

Sr. No.	AS	Details of non-compliance & reasons therefor	Effect ₹ (Lacs)
1	AS 21	Consolidated Financial Statements: The company is the holding company of two subsidiaries, namely, Maharashtra Antibiotics & Pharmaceuticals Ltd. and Manipur State Drugs & Pharmaceuticals Limited. Both the subsidiaries are defunct Government Companies whose accounts have not been maintained & reconciled with those of the Holding Company for the last several years. In such circumstances, it is not possible to prepare the consolidated financial statements of the holding company & its subsidiaries.	Not quantified
2	AS 27	Accounting for interest in joint ventures The disclosures required by AS 27 have not been made because the management have represented that the Company does not have effective control over the jointly controlled entity - Hindustan Max GB Ltd. The management further represent that arbitration proceedings against HMGB are concluded and the resultant award in favour of HAL directs Max GB Ltd. to pay by way of compensation a sum of Rs. 127.50 crores along with interest from 01/12/2003 to the date of payment. Since preparation of consolidated financial statements of the holding company & its subsidiaries is not possible as stated above, the financial statements of the jointly controlled entity cannot be incorporated in the consolidated financial statements as required by AS 27	Not quantified
3	AS 29	Provisions, contingent liabilities & contingent assets	
	i	No provision for Loans, Advances & Deposits outstanding for more than 3 years is made and the amount of such loans and advances is not ascertained. Consequently, loss is understated to the extent of	Not quantified
	ii	No provision has been made in respect of losses on discontinuation of operation of joint venture. The quantification of such losses has not been made. Consequently, loss is understated to the extent of	Not quantified
	iii	No provision has been made by the company in respect of	
	a)	Advance to C & F Agent Bhopal	18.45
	b)	Old outstanding entry in bank account of Kolkata Branch	7.13
		Consequently, loss is understated to the extent of	25.58
Summary of the impact of non-compliance:			
	i	Loss is understated to the extent of	25.58
	ii	Liabilities are understated to the extent of	25.58

Annexure 2 to Independent Auditors' Report to the Members for the year ended 31 March, 2015

Factual Representations by the Management

Investments

- 1 The Company's subsidiary Maharashtra Antibiotics & Pharmaceuticals Ltd. is a defunct company whose financial statements are not available since FY 2010-11
- 2 The Company's subsidiary Manipur State Drugs & Pharmaceuticals Ltd. is a defunct company whose financial statements are not available since FY 1995-96
- 3 The Company does not have effective control on joint venture-Hindustan Max GB Ltd as envisaged in Accounting Standard-27 "Accounting for interest in joint ventures" & therefore the said accounting standard does not apply. The facts about this JV are as follows:
 - a) The Company's Penicillin manufacturing facilities were leased out on a right to use basis to a joint-venture company viz, HMGB Ltd., (in which HAL has 50% share) with effect from 8.10.1995 for a period of fifteen years for annual Lease Rent of Rs. 17 crores. The equal two co-venturers were
 - i) HAL
 - ii) Max GB, (later known as DSM Anti-Infectives India Ltd., (DAI India) - a subsidiary of DSM Netherland
As per the joint venture agreement, the responsibility to manage the operations of HMGB for a period of 15 years has been vested with DAI India.
 - b) The Company never received the entire annual lease rent as per the lease agreement.
 - c) HMGB had been incurring losses in its operations and suspended the manufacturing operations w.e.f. 15.12.2003 and the agreements with HMGB were terminated w.e.f. 21.6.2004.
 - d) After the termination of the agreement the fixed assets of HMGB of the estimated value of Rs. 23.96 crores have been taken over by the company in the year 2004-05.
 - e) Two arbitration proceedings claiming the amount of Rs. 303.25 crores were initiated against HMGB for recovery of the outstanding dues as well as the damages claimed due to premature termination of the agreements.
 - f) Subsequently, the Arbitral Tribunal has passed an award in the first arbitration against HMGB by which an amount of Rs. 49.00 crores has been awarded to the company.
 - g) The Company had filed an appeal in the District Court at Pune (case no. 949/06).
Since DAI India failed to comply with its obligations to manage the operations of HMGB, the arbitration claim has been made by the company against DAI India for recovering the outstanding amount due from HMGB and the damages suffered due to the premature termination of the agreement amounting to Rs. 303.25 crores. In view of this, no provision for outstanding amount due from HMGB has been made in the accounts.
 - h) The second arbitration proceeding against HMGB is in process. The management further represent that arbitration proceedings against HMGB are concluded and the resultant award in favour of HAL directs Max GB Ltd. to pay by way of compensation a sum of Rs. 127.50 crores along with interest from 01/12/2003 to the date of payment.
 - i) The amount of Rs. 23.96 crores towards Plant and Machinery etc. and Rs. 4.91 crores towards sale proceeds of Pen G. and other raw material has been adjusted against the outstanding amount due from HMGB. As on 31.03.2014, the outstanding amount from HMGB is Rs. 75.25 crores after making the aforesaid adjustments.

Fixed Assets & Depreciation

The company has total five manufacturing units as follows:

- i) Penicillin Plant
- ii) FR I - Cepha Plant
- iii) FR II - Betalactam Plant
- iv) FR III - Tablet Capsules Plant

v) IV Fluid Plant

The company has been declared as a sick unit under the provisions of section 3(1)(o) of SICA. The Company has stopped operations of its manufacturing facilities at Penicillin Plant since March 2004. The details of such facilities are as follows:

Names of the manufacturing Units	Date on which asset is put to use	Useful life of the asset	Date on which the use of asset is ceased by the company	WDV as on 31/03/2015 (Rs. In lacs)	Depreciation charged in books during the year (Rs. In lacs)
Penicillin Plant	31-Mar-56	50 Yrs	March'2004	240.30	19.05

Although the Penicillin Plant was not engaged in manufacturing in the FY 2014-15, the company has provided depreciation as per Schedule II on all the plant assets on the ground that the plant is held for being so used whenever necessary. The Company further represents that the current fair market value of the assets of Penicillin Plant exceeds the carrying value and hence there is no loss as per AS 28 on account of impairment.

Inventories

The total carrying value of non-moving inventory as at the balance sheet date is Rs. 261.72 Lacs. However, the Company has made provision for the consequent contingent loss to the extent of Rs. 57.27 lacs only. In the considered opinion of the management such provision is adequate on technical grounds.

Contingent assets

- Adjustment have been made in the accounts in respect of surplus resulting from compensation received / agreed to on 4,050 sq. metres of land acquired by PCMC for Pimpri-Bhosari Road and 19,533.75 sq. metres of land acquired by PCMC for Mumbai- Pune Road. However, in the case of Pimpri-Bhosari Road land, the dispute regarding final compensation to be received is referred to Director, Town Planning based on whose valuation a final sale deed will be executed between the parties. As regards Mumbai-Pune Road land, the company has disputed the compensation awarded and referred the matter to court. Consequently, additional compensation that may be received later, if any, will be accounted for appropriately if and when received.
- Land admeasuring 4,100 sq mtrs. was acquired by Special Land Acquisition Officer 14 for the Telephone Exchange Office & their Staff Quarters. The compensation received is Rs. 45,14,510/-booked in the year 2005-06. The company has disputed the compensation awarded by referring the matter to court. Consequently, additional compensation that may be received later, if any, will be accounted for appropriately if and when received.

Provisions

- Provision for interest and penalty for non payment of Income tax deducted at source and of Service Tax has not been made since the Company has requested a waiver thereof in the earlier Rehabilitation Scheme and also in the current Modified Draft Rehabilitation Scheme although the amount of such interest and penalty has been determined by order of the respective statutory authorities.
- No provision is made in respect of net dues of Rs. 356.67 lakhs recoverable from the subsidiary company, Maharashtra Antibiotics and Pharmaceuticals Limited because the said amount is to be recovered from the sale proceeds of the fixed assets of MAPL, as & when the sale takes place.
- An amount of Rs. 119 lakhs is outstanding for payment to Kirloskar Investment & Leasing Ltd. as balance EMI amount. The party had also given a proposal for one time settlement of the outstanding dues accepting an amount of Rs. 92.00 lakhs i.e. below outstanding EMI amount.
- Considering the refunds due, the provision towards sales tax/ VAT and CST appearing in the books as on 31/03/14 is adequate

Miscellaneous

Cost Audit reports of Formulations for the year 2009-10 to 2011-12 are under process. The cost audit for FY 2012-13, 2013-14 & 2014-15 will take place after the cost audit reports for FY 2009-10 to 2011-12 are finalized.

Annexure 3 to Independent Auditors' Report to the Members for the year ended 31-Mar-15
Matters which impact maintenance of proper books of account as required by law

- 1 The figure shown towards purchases is derived i.e. balancing figure by taking into consideration opening stock, closing stock and consumption. There is no separate account of purchases in General Ledger; instead the ERP computes the figure of consumption. Hence the details required by Schedule II (opening stock, purchases & closing stock) cannot be stated. For the purposes of VAT assessments, the data relating to purchases is extracted from the system and exported to excel.
- 2 The Company has 13 dependent branches. If the transactions between the Head office & the branches are recorded at both ends, the balance on the ledger accounts of branches in the consolidated books of the Head Office will be NIL. However, as at the balance sheet date, the balances on the branch ledger accounts are as follows:

A/C Code	Branch	Balance Rs. Lacs
i 5601	H.O current a/c Mumbai branch	9.22
ii 5606	H.O current a/c Lucknow branch	0.11
iii 5609	H.O current a/c Patna branch	2.15
iv 5610	H.O current a/c Hyderabad branch	(1.24)
v 5611	H.O current a/c Jaipur branch	(13.52)
vi 5602	H.O current a/c Madras branch	0.06
vii 5603	H.O current a/c Delhi branch	1.21
		(2.00)

The aggregate of these balances is included in the amount of Short Term Loans, Advances & Deposits as per Note 16

- 3 The balances of Sundry Debtors, Loans and Advances and various other debit / credit balances included in Current Assets are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustment arising from such reconciliation and settlement of old dues and possible loss, if any, that may arise on account of non-recovery or partial recovery of such dues is not ascertained. We are unable to express an opinion about the impact thereof on the accounts and the loss for the period.
- 4 The balances of Customers' credit Balances, Sundry Creditors, Loans and Advances and various other debit / credit balances included in Current Liabilities are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustment arising from such reconciliation and settlement of old dues and possible reduction of loss, if any, that may arise on account of non-payment or partial payment of such dues is not ascertained. We are unable to express an opinion about the impact thereof on the accounts and the loss for the period.
- 5 Ascertainment of the Company's Receivables as at the balance sheet date revealed the following facts:
 - a) There are 6512 parties who owe the Company Rs. 2,936.14 lacs.
 - b) Out of this amount, Rs. 2,565.35 lacs is due for more than 3 years.
 - c) The Company has made a provision of Rs. 2,565.36 lacs on a/c of doubtful debts. Provision of Rs. 65.38 lacs has been made in FY 2014-15.
 - d) However, the provision for doubtful debts is not allowed under section 36 (1)(vii) of the Income Tax Act as a deduction in computing the business profit of the Company. Hence the Company should not be complacent in respect of such provision made years ago which does not entitle the Company to the benefit it would otherwise merit under the Income Tax Act. The Company should review the provision especially in respect of dues by parties like its defunct subsidiaries and write off the debts.
- 6 Loans taken by the Company from Oriental Bank of Commerce & Bank Of Maharashtra are declared as Non Performing Asset by the said banks. According to the Generally Accepted Accounting Principles in India, in case of NPA accounts, no additional provision is required with respect to interest amount. However, until FY 2012-13 the

company's Profit & Loss A/c was debited by providing notional amount of interest on the said NPA accounts. This practice has been discontinued w.e.f FY 2013-14.

- 7 In order to verify the title, existence and value of the current assets (loans, advances & deposits) and to confirm that these assets will eventually realize their carrying value we inquired for the following details:

- Name & address of the party
- Age of the loan etc.
less than 3 years
more than 3 but less than 5 years
more than 5 years
- Purpose of the loan etc.
- Expected date of recovery

These details are material because old outstanding debit balances which are no longer recoverable represent loss and should be debited to the Statement of Profit & Loss.

However, these details in respect of the following assets were not readily available:

A/C Code	Assets	Rs. Lacs
4901	Deposit with others	4.45
5401	Other rents recoverable	54.96
5407	Recoverable from Govt. for Jt sector	88.18
5312	Advance against works account	3.52
5316	Advance against capital projects	67.23
5362	Customs claims	11.94
5365	General Insurance claims	6.49
	Total	236.77

- 8 In order to verify the asset represented by tax deducted at source by third parties with reference to the Form 26AS for the relative year, we asked for the following details:

- Assessment Year to which the TDS pertains
- Whether the TDS appears in the relative Form 26AS?
- Whether the credit for TDS has been claimed in the respective assessment year?
- The section under which the tax has been deducted
- Whether the Company has recorded the income stated in Form 26AS?

However, these details in respect of the following assets were not readily available:

A/C Code	Assets	Rs. Lacs
5501	Income Tax deducted at source by others	73.03
5502	Tax deducted at source on interest on fixed Deposits	16.38
	Total	89.41

9. There is an old outstanding liability which may not be genuine.

A/C Code	Liabilities	Rs. Lacs
1192	Citi Bank account	6.10

- 10 The sub-ledgers of liabilities have been scrutinized and the old outstanding balances which were more than five years old and therefore not payable have been written back.

11. The financial statements of MAPL show that Mr. Puram & Mr. A. S Vaidya are holding the position of Director & Managing Director respectively in MAPL. Further it is to be noted that Mr. A. S. Vaidya & Mr. Puram are also Director (Finance) & Deputy General Manager in HAL. Thus, the management of both the Companies are one & the same. Therefore, the inter company balances shown in the books of accounts by both the companies should match. However the amount due by MAPL as per HAL books of account on a/c of loans & advances as at 31/03/2010 is Rs. 22.73 crores while the books of MAPL show that an amount of Rs. 110 crores is due to HAL as at 31/03/2010.

Annexure Referred to in Paragraph a) under the heading "Report on other legal and regulatory requirements" of Our Report of Even Date

(I) FIXED ASSETS

- (a) The Company has maintained computerized records of fixed assets to show full particulars including quantitative details and situation of its fixed assets.
- (b) We were informed that during the year some of the fixed assets have been physically verified by the management. **CONSIDERING THE STATE OF THE RECORD OF FIXED ASSETS AS STATED ABOVE, IT IS OUR CONSIDERED OPINION THAT VERIFICATION OF FIXED ASSETS CANNOT BE MEANINGFUL UNLESS A DEDICATED SOFTWARE IS USED FOR EXERCISING CONTROL OVER FIXED ASSETS**

(ii) INVENTORIES

- (a) The Company has an Internal Audit Division which is responsible for carrying out half yearly physical verification of the finished goods, stores, spares and raw materials at head office. The Company has appointed independent firms of Chartered Accountants for the purpose of physical verification of inventories at its branches / depots. The Internal Audit Division at the Head Office is responsible for reconciliation of the inventories lying at various branches / depots and stock records in respect thereof maintained at Head Office.
- (b) The procedure for physical verification of stock followed by the management and by the firms of chartered accountants are not adequate in relation to the size and locations of the company and nature of its business.
- (c) We were informed that, the discrepancies noticed on physical verification of stocks compared with the book records were not material and the same has been dealt with in the books of account.

(iii) LOANS & ADVANCES

- (a) In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the Act.

(iv) INTERNAL CONTROL

In our opinion, **Internal control system needs to be strengthened** having regard to the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. **DURING THE AUDIT OF THIS YEAR WE HAVE NOTICED CONTINUING FAILURE TO CORRECT MAJOR WEAKNESSES IN INTERNAL CONTROL SYSTEM IN REGARD TO FIXED ASSETS & INVENTORIES.**

(v) CONTRACTS REFERRED TO IN SEC.189 OF THE CA, 2013

To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements, which are required to be entered in the register to be maintained u/s 189 of the Companies Act

(vi) DEPOSITS FROM THE PUBLIC

The Company has not accepted any deposits from public and consequently, the provisions of Sec 73 to Section 76 or other relevant provisions of the Companies Act 2013 and the rules framed there under regarding acceptance of deposits are not applicable to the company.

(vii) MAINTENANCE OF COST ACCOUNTING RECORDS

The Company has maintained cost records as required by the Companies (Cost Records & Audit) Rules 2014 issued by the Central Government u/s 148 (1) of the Companies Act 2013.

(viii) STATUTORY DUES

- (a) According to information & explanation given to us in respect of Statutory and other dues, the Company has not been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. The total arrears in respect of such dues are as under :

Particulars		as at 31/03/2015 ₹ (Lacs)	as at 31/03/2014 ₹ (Lacs)
i	Sales Tax	1,795.20	1,775.10
ii	Central Sales Tax	82.29	77.28
iii	Income Tax deducted at source	498.86	525.70
iv	Provident Fund	4,844.35	3,921.95
v	Service Tax	93.23	66.18
vi	Professional Tax	121.03	97.99
Total		7,434.96	6,464.21

- (b) According to information and explanation given to us, the dues of Sales Tax, that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below:

Particulars			as at 31/03/2015 ₹ (Lacs)	as at 31/03/2014 ₹ (Lacs)
Sales Tax			₹ (Lacs)	₹ (Lacs)
	F Y to which the matter pertains	Forum where dispute is pending	Disputed Amount	(net of payments made)
i	2001-02	Jt. Commissioner Sales Tax	406.37	406.37
ii	2002-03	Sales Tax tribunal , Mumbai	270.71	270.71
iii	2003-04	Joint Commissioner, Sales Tax Appeal, Pune	354.84	354.84
iv	2004-05	Joint Commissioner, Sales Tax, Appeal, Pune	225.35	225.35
Total			1,257.27	1,257.27

As informed to us the Employees' State Insurance Scheme is not applicable to the Company.

(ix) ACCUMULATED LOSSES

The accumulated losses of the Company have exceeded its net worth as at 31.03.2015. The Company has incurred a cash loss of Rs. 7,132.94 lakhs in the current financial year and Rs. 7,946.58 lakhs in the immediately preceding financial year. *In arriving at the accumulated losses and net worth as above, we have not considered the impact of non-compliance with Accounting Standards as expatiated in Annexure 1 to the Audit Report.*

(x) DEFAULT IN REPAYMENT OF DUES & IN PAYMENT OF INTEREST TO BANKS

The company has defaulted in repayment of dues & in payment of interest to Banks as follows:

	Default in payment of		
	Principal ₹(Lacs)	Interest ₹(Lacs)	Total ₹(Lacs)
a Non Plan Loans from Government of India (Previous Year)	1,880.00 1,880.00	796.18 736.90	2,676.18 2,616.90
b Plan Loans from Government of India (Previous Year)	3,367.00 3,367.00	3,264.61 2,834.87	6,631.61 6,201.87
c Oil & Natural Gas Commission Bombay (Previous Year)	1,705.00 1,705.00	1,659.32 1,429.14	3,364.32 3,134.14
d Bank of Maharashtra (Previous Year)	357.65 357.65	385.93 385.93	743.58 743.58
e Oriental Bank of Commerce (Previous Year)	236.19 236.19	276.70 276.70	512.88 512.89
f Punjab National Bank (Previous Year)	5,622.12 5,626.25	- 1,140.54	5,622.12 6,766.79
g Vijaya Bank, Pimpri (Previous Year)	284.48 -	1,141.75 291.29	1,426.23 291.29
h UCO Bank (Previous Year)	1,893.90 -	422.53 994.39	2,316.43 994.39
Total	15,346.33	7,947.02	23,293.35
<i>(Previous Year)</i>	<i>13,172.09</i>	<i>8,089.76</i>	<i>21,261.85</i>

(xi) GUARANTEES FOR LOANS

The contents of Paragraph 3(x) of CARO, 2015 are not applicable since the Company has not given a guarantee or provided security in respect of a loan taken by others from a bank or a financial institution.

(xii) LOANS OBTAINED DURING THE YEAR UNDER REVIEW

The contents of Paragraph 3(xi) of CARO, 2015 are not applicable since the Company has not obtained any term loans during the year under review.

(xiii) FRAUDS ON OR BY THE COMPANY

The contents of Paragraph 3(xii) of CARO, 2015 are not applicable since no fraud on or by the Company has been noticed or reported during the year.

FOR GOKHALE, TANKSALE & GHATPANDE,

Firm Registration No: 103277W

CHARTERED ACCOUNTANTS

Place : Pune

Date : 22nd December, 2015

(S. M. GHATPANDE)

PARTNER

M. NO. 030462

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	31st Mar. 2015	31st Mar. 2015	31st Mar. 2014	31st Mar. 2014
		₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
(1) Shareholder's Funds					
(a) Share Capital	3	7,171.91		7,171.91	
(b) Reserves and Surplus	4	(49,138.77)	(41,966.86)	(43,517.24)	(36,345.33)
(2) Non-Current Liabilities					
(a) Long-term borrowings	5	3,766.00		2,396.00	
(b) Long term provisions	6	4,428.21	8,194.21	3,615.23	6,011.23
(3) Current Liabilities					
(a) Short-term borrowings	7	12,770.51		14,389.23	
(b) Trade payables		3,279.07		3,464.93	
(c) Other current liabilities	8	37,029.27		31,923.47	
(d) Short-term provisions	9	64.46	53,143.31	58.37	49,836.00
Total			19,370.67		19,501.90
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible fixed assets	10	5,353.31		5,976.65	
(ii) Capital work-in-progress	11	371.62	5,724.92	459.62	6,436.27
(b) Non-current investments	12		—	—	
(2) Current assets					
(a) Inventories	13	741.59		942.28	
(b) Trade receivables	14	471.80		482.49	
(c) Cash and Cash Equivalents	15	1,707.57		1,165.30	
(d) Short-term loans and advances	16	9,619.15		9,446.78	
(e) Other current assets	17	1,105.64	13,645.75	1,028.80	13,065.64
Total			19,370.66		19,501.90
Contingent liabilities and commitments (to the extent not provided for)	18		12,721.27		9,761.24
Corporate Information & Statement of Accounting Policies	1-2				

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For and on behalf of the Board of Directors

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

(S. M. GHATPANDE)

PARTNER

Membership No. 30462

(A. B. GAWARI)

COMPANY SECRETARY

(AJAI SINGH)

SPECIAL DIRECTOR

(BIFR)

(K. V VARKEY)

MANAGING DIRECTOR

Place : Pune

Date : 22nd December, 2015

STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

Particulars	Note No.	31st Mar. 2015	31st Mar. 2015	31st Mar. 2014	31st Mar. 2014
		₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
I. Revenue from operations-Gross	19	1,853.79		3,018.61	
Less: Excise Duty		(237.77)	1,616.03	(279.98)	2,738.64
II. Other Income	20		847.00		276.80
III. Total Revenue			2,463.03		3,015.44
IV. Expenses:					
Cost of materials consumed	21		800.49		1,360.95
Changes in inventories of finished goods and work-in-progress	22		75.81		162.77
Manufacturing expenses	23		692.91		992.79
Employee benefit expense	24		4,893.40		4,518.75
Office & Administration expenses	25		206.57		192.61
Selling expenses	26		287.85		507.40
Finance costs	27		2,149.98		3,226.74
Depreciation	28		411.18		476.34
Total Expenses			9,518.19		11,438.36
V. Profit before exceptional and extra-ordinary items and tax			(7,055.16)		(8,422.92)
Exceptional Items	29		-		-
VI Profit before extra-ordinary items and tax			(7,055.16)		(8,422.92)
VII Profit before tax			(7,055.16)		(8,422.92)
VIII Tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		-		-	
IX Profit (Loss) for the period from continuing operations			(7,055.16)		(8,422.92)
X Profit (Loss) for the period			(7,055.16)		(8,422.92)
XI Earning per equity share (Face Value per share Rs. 100):	30				
(1) Basic			(0.01)		(0.01)
(2) Diluted			-		-
Corporate Information & Statement of Accounting Policies	1-2				
The accompanying notes are an integral part of these financial statements.					

As per our audit report of even date.
For Gokhale, Tanksale & Ghatpande,
 Firm Registration No: 103277W
 Chartered Accountants

For and on behalf of the Board of Directors

(S. M. GHATPANDE)

PARTNER

Membership No. 30462

Place : Pune

Date : 22nd December, 2015

(A. B. GAWARI)

COMPANY SECRETARY

(AJAI SINGH)

SPECIAL DIRECTOR

(BIFR)

(K. V VARKEY)

MANAGING DIRECTOR

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	31st Mar. 2015	31st Mar. 2015	31st Mar. 2014	31st Mar. 2014
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax:	(7,055.16)		(8,422.92)	
Adjustment for:				
Depreciation	411.18		476.34	
Interest expense	2,131.34		3,058.11	
Interest income	(87.19)		(60.45)	
Prior period adjustments	1,433.63		(51.64)	
Operating profit before Working Capital changes		(3,166.19)		(5,000.56)
Adjustments for changes in Working capital				
Inventories	200.69		200.92	
Trade Receivables	10.69		610.42	
Loans and advances & Other Current assets	(249.21)		(51.79)	
Long term Provisions	5,739.02	5,701.18	4,639.45	5,399.00
Cash generated from operations		2,534.99		398.44
Income taxes paid (including fringe benefit tax)		-		-
Net Cash from Operating activities		2,534.99		398.44
B CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets:				
Purchase	(149.51)		(11.38)	
Other Adjustment in Fixed Assets	361.68		-	
Increase in Capital WIP	88.01		(0.75)	
Interest received	87.19	387.36	60.45	48.31
Net Cash from/used in investing activities		387.36		48.31
C CASH FLOW FROM FINANCING ACTIVITIES				
Term Loan & Bank Loan	(248.72)		3,234.45	
Interest expense	(2,131.34)		(3,058.11)	
Net Cash from financing activities		(2,380.06)		176.33
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and Cash Equivalents (Opening balance)	1,165.30		542.20	
Cash and Cash Equivalents (Closing balance)	1,707.57	542.27	1,165.30	623.10

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED
Notes :

- 1 Figures in brackets represent outflows of cash and cash equivalents.
 2 Cash and cash equivalents comprise of :

	31st Mar. 2015	31st Mar. 2015	31st Mar. 2014	31st Mar. 2014
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
Cash on hand		8.31		2.54
Balances with Banks		1,699.27		1,162.75
		<u>1,707.57</u>		<u>1,165.30</u>

.56)

As per our audit report of even date.
For Gokhale, Tanksale & Ghatpande,
 Firm Registration No: 103277W
 Chartered Accountants

For and on behalf of the Board of Directors

9.00	(S. M. GHATPANDE)	(A. B. GAWARI)	(AJAI SINGH)	(K. V VARKEY)
18.44	PARTNER	COMPANY SECRETARY	SPECIAL DIRECTOR	MANAGING DIRECTOR
	Membership No. 30462		(BIFR)	
18.44	Place : Pune			
	Date : 22 nd December, 2015			

48.31

48.31

176.33

623.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

1 Corporate Information:

Hindustan Antibiotics Ltd. is a Government company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing & trading life-saving drugs.

The Company is not a "small company" as defined in Section 2(85) of the Companies Act, 2013, ("the Act") because

- its turnover did exceed ₹ 2 crores in the immediately preceding financial year.
- its paid up share capital is more than ₹50 lacs
- its a holding company of Maharashtra Antibiotics Pharmaceuticals Ltd. [MAPL] and Manipur State Drugs & Pharmaceuticals Limited although
- it is not a company registered u/s 8 of the Act

As per Rule 7 of the Companies (Accounts) Rules 2014, the standards of accounting as specified under the Companies Act, 1956 (1 of 1956) shall be deemed to be the accounting standards until accounting standards are specified by the Central Government u/s 133 of the Act.

Rule 3 (1) of the Companies (Accounting Standards) Rules, 2006, made by the Central Government u/s 642 (1) read with Section 211(3C) and Section 210A(1) of the Companies Act, 1956 provides that the accounting standards recommended by the Institute of Chartered Accountants of India (ICAI) specified in the annexure to the said Rules shall come into effect in respect of accounting periods commencing on or after the publication of these accounting standards.

Part A of the annexure to the Companies (Accounting Standards) Rules, 2006 provides the instructions which Small and Medium Sized Companies (SMCs) must follow while complying with the accounting standards.

The Company is Not a Small and Medium Sized Company (SMC) as defined in Rule 2(f) of the Companies (Accounting Standards) Rules, 2006 inasmuch as

- it did have borrowings (including public deposits) in excess of ₹10 crores at any time during the immediately preceding accounting year and in the year under review although
- its turnover (excluding other income) did not exceed ₹50 crores in the immediately preceding accounting year and in the year under review, and
- its equity or debt securities are not listed or are not in the process of being listed on any stock exchange.
- it is not a bank, financial institution or an insurance company
- it is not a holding or subsidiary company of a company which is not a SMC

2 Basis of Preparation of Financial Statements

These financial statements comply in all material respects with the relevant provisions of the Act, the Generally Accepted Accounting Principles in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India which are specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As required by AS 1 issued by the Institute of Chartered Accountants of India, the accounting policies adopted in the preparation of these financial statements are disclosed below.

2.1 Summary of significant accounting policies

2.1.1 Presentation and disclosure of financial statements

These financial statements have been presented in accordance with the Schedule III to the Companies Act, 2013.

2.1.2 Accounting Convention:

These financial statements are prepared under the historical cost convention with the assumption that the Company is a *going concern though the Company was declared sick under the provisions of section 3(1)(o) of SICA in March 1997*. The management is making all out efforts to improve the performance as

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

well as profitability of the company. *As per the directions from the Govt. of India vide letter dated 26.03.2012, the Company has prepared the comprehensive 2nd Rehabilitation scheme (MDRS) in July 2012 after taking into consideration the report submitted by IFCI Ltd. The MDRS provides for cash infusion of Rs. 497.45 crores which takes into account the fund requirement for various capital expenditure for the projects. VRS for the surplus employees, working capital requirement, employees' outstanding dues and statutory dues as well as pressing creditors and loans. The MDRS has been discussed at the joint meeting convened by IDBI, the Monitoring Agency appointed by BIFR which has also confirmed the viability of the same and the said scheme is now under active consideration of the Govt. of India for approval. The said Scheme was further modified in February 2014 and the Revised MDRS has been submitted by IDBI to the Government of India & the BIFR. The Revised MDRS is under their active consideration.*

2.1.3 Method of Accounting:

As required by Section 128(1) of the Act, these financial statements are prepared in accordance with the accrual method of accounting with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.

2.1.4 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the end of the reporting periods and the reported amounts of revenues and expenses for the reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised.

2.1.5 Consistency:

These financial statements have been prepared on a basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.

2.1.6 Contingencies and Events occurring after the Balance Sheet Date:

AS 4 issued by the Institute of Chartered Accountants of India is not applicable since there are no such contingencies nor events.

2.1.7 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:

The Company's Profit & Loss Account presents profit / loss from ordinary activities. There are no extraordinary items or changes in accounting estimates and policies during the year under review which need to be disclosed as per AS 5 issued by the Institute of Chartered Accountants of India. The Prior Period items have been accounted for in the balance sheet under the head "Surplus i.e. balance in Statement of Profit & Loss"

2.1.8 Cash Flow Statements:

Cash Flows are reported as per the Indirect Method as specified in AS 3 issued by the Institute of Chartered Accountants of India.

2.1.9 Previous Year Figures:

The figures for the previous year have been rearranged as follows to facilitate comparison.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

2.2 Fixed Assets

2.2.1 Tangible Fixed Assets: In accordance with AS 10 issued by the Institute of Chartered Accountants of India,

- i) Tangible Fixed Assets are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any.
- ii) The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable incidental expenses related to acquisition and installation and other pre-operative expenses of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- iii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- iv) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.2.2 Depreciation on Tangible Fixed Assets: In accordance with AS 6 issued by the Institute of Chartered Accountants of India, depreciation on fixed assets is provided as follows:

- i) Depreciation on Tangible Fixed Assets is provided as per Schedule II to the Companies Act, 2013.
- ii) Leasehold land is amortized on a straight line basis over the period of the lease

2.2.3 Borrowing Costs: In accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India,

- i) Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- ii) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- iii) Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which those are incurred.

2.2.4 Impairment of tangible and intangible assets: In accordance with AS 28 issued by the Institute of Chartered Accountants of India, The Company has estimated the fair value of the fixed assets as at the balance sheet date. The Company contends that since such fair value exceeds the carrying value of the fixed assets, no provision for impairment is necessary.

2.2.5 Leases: In accordance with Accounting Standard 19, issued by the Institute of Chartered Accountants of India, the Company has accounted for the lease rentals of operating leases. The Company has not entered into any financial leases.

2.2.6 Research and development costs: In accordance with AS 26 issued by the Institute of Chartered Accountants of India, the technical know-how expenditure is capitalized by way of allocation, to Plant and Machinery, on successful completion of the project concerned and on commencement of commercial

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

production. Revenue expenditure on Research & Development is charged to Profit & Loss A/c during the respective year.

2.3 Inventories: In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, inventories are valued as follows:

a) Raw Material	Purchase cost (Net of modvat and sales tax set)
b) Stock in process at finished stage	At cost or selling Price, whichever is lower.
c) Products awaiting reprocessing.	Cost up to fermentation stage only.
d) Finished product	At cost including Excise Duty and average Transportation cost up to depot (irrespective of its Location) or selling price, whichever is lower.
e) Material in transit / under inspection	At estimated cost based on purchase order.
f) General stores and spares	At cost or market price, whichever is lower.
g) Tools, General stores ,spares etc. at shop floors / sections and returnable canister	At estimated cost.

Note:

- In calculating cost of formulations and intermediaries, bulk drugs manufactured in house and consumed are valued at cost or material price whichever is less.
- In calculating the cost of finished goods and semi-finished goods, total fixed cost is allocated to products based on machine hours relevant to those products as certified by technical personnel.
- Quantity of material under test (included in Raw Material, Finished goods and stock in process)
- Surplus materials are carried in the inventories at cost and any profit or loss on the disposal is accounted for in the year of their disposal. Also as per recommendations of Surplus Stock and Review & Disposal Committee provision for obsolete raw materials is made.
- Cost of expired goods is valued at Nil.
- Difference in value of material received / given on loan are accounted for in the year of return of materials.
- Issues of raw material, general stores and spares are valued on weighted average basis.

2.4 Investments: In accordance with AS 13 issued by the Institute of Chartered Accountants of India, the carrying value of long term investments is reduced by the amount of provision in respect of permanent diminution in its value.

2.5 Revenue Recognition: In accordance with AS 9 issued by the Institute of Chartered Accountants of India, revenue is recognized as follows:

- Bills for supplementary claims due to price revision are raised on various State and Central Government agencies after confirmation of the revised prices by them and accounted for in the books accordingly.
- The difference between the estimated domestic prices and import prices of Raw Material (on account of Custom Duty) to be imported against Advance license available, applied and awaited as on the date of Balance Sheet are accounted as export benefit irrespective of the year of exports. Export benefit other than that mentioned is accounted as income in the year in which the export takes place.
- Sales returns are accounted for in the year of returns.
- Sales include sales under loan licensing, trading sales and conversion charges.
- Dividend income received is accounted on right to receive basis.
- Sales of ascertained goods are accounted on the basis of confirmed orders and acceptance of Sales invoices by the buyers irrespective of actual dispatches in subsequent month.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

- vii) Revenue in respect of various claims is accounted on settlement of the claims.
- 2.6 **Accounting for Government Grants:** In accordance with AS 12 issued by the Institute of Chartered Accountants of India, the depreciation charged to Profit & Loss Account on the Assets procured from Grant-in-Aid for the year is reduced from the capital reserves.
- 2.7 **Foreign currency transactions and balances:** In accordance with AS 11 issued by the Institute of Chartered Accountants of India,
- Export sales are accounted at the exchange rates prevailing on the date of export invoices. Foreign exchange gains/losses arising due to difference between the rate prevailing on the date of export invoice and the date of realization of invoice are accounted for separately under the head "difference in exchange rates" and recognized as other income / expenditure on its crystallization.
 - Exchange differences arising on payment of import of material and liabilities at the year-end are included in the purchase price of material and charged to consumption, if not in stock.
 - Outstanding receivable at the year end are accounted at the exchange rates prevailing on the date of the Balance Sheet, the difference being adjusted in the accounts as "Difference in exchange rates".
- 2.8 **Retirement and other employee benefits:** In accordance with Accounting Standard 15 issued by the Institute of Chartered Accountants of India,
- Gratuity liability is based on actuarial valuation of Rs. 239,134,558/- as certified by an Actuary using Projected Unit Credit Method
 - Liability on account of encashment of leave entitlement of employees (long term) in accordance with the rules of the Company is provided on actuarial valuation as certified by an actuary using Projected Unit Credit method (Rs. 88,544,741/-)
- Assumptions considered in actuarial valuation are: Mortality Rate: LIC (1994-96) Ultimate, Attrition Rate: 2%, Discount Rate: 8.25%, Salary Escalation: 1%, Retirement Age: 60 years.
- VRS expenditure incurred during the year is directly debited to Profit and Loss account and the grant received for VRS is treated as income in the year in which the related expenditure is incurred.
 - Provident Fund contribution made during the year is charged to Profit & Loss account.
 - Medical Leave provided to employees is seven days per year and the same is accumulated till retirement but it cannot be en-cashed during the service period or at the time of retirement, as per Para 132 of AS 15 revised liability for Medical Leave is provided as per actuarial valuation report (Rs. 6,446,255/-).
- 2.9 **Tax Expense:** In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India,
- Tax expense comprises current and deferred tax.
 - Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
 - Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the balance sheet date.
 - Deferred tax liabilities are recognized for all taxable timing differences. **Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.** In situations where the company has unabsorbed depreciation or carry forward tax losses, **all deferred tax**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

- v) At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- vi) The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.
- vii) Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available for a particular assessment year as an asset only after the assessment for that year is complete and such credit is finally quantified and only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head "Current Assets". The company reviews the "MAT credit entitlement" asset at each reporting date and writes down its carrying amount to the extent such credit is set-off u/s 115JAA or to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2.10 Segment reporting: In accordance with Accounting Standard 17 issued by the Institute of Chartered Accountants of India, the Company has recognized business segments and stated the segment results.

2.11 Earnings Per Share: In accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India.

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.
- ii) The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
- iii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.12 Provisions: In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India,

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MAR-15

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

2.13 Contingent Liabilities and Contingent Assets: In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India,

- i) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.
- ii) AS 29 mandates that contingent assets should not be recognized. However, to support the Company's contention that it is a going concern, the following contingent assets are disclosed:

Particulars	Rs. Lacs
a) Claims against several parties filed by the Company & pending before legal forums	1,334.86
b) Claims filed by the Company pending in arbitration	30,325.00
	<u>31,659.86</u>

2.14 Consolidated Financial Statements:

The company is the holding company of two subsidiaries, namely, Maharashtra Antibiotics & Pharmaceuticals Ltd. and Manipur State Drugs & Pharmaceuticals Limited. Both the subsidiaries are defunct Government Companies whose accounts have not been maintained & reconciled with those of the Holding Company for the last several years. In such circumstances, it is not possible to prepare the consolidated financial statements of the holding company & its subsidiaries.

2.15 Accounting Standards not applicable to the Company during the year under review:

- i) **Construction Contracts:** AS 7 is not applicable since the Company is not engaged in execution of construction contracts
- ii) **Accounting for Amalgamations:** AS 14 is not applicable since the Company has not so far entered into any amalgamation.
- iii) **Accounting for Investments in Associates in Consolidated Financial Statements:** AS 23 is not applicable since the Company is not required to consolidate the financial statements of its Group.
- iv) **Discontinuing Operations:** AS 24 is not applicable since the Company has not so far discontinued operations.
- v) **Interim Financial Reporting:** AS 25 is not applicable to the financial statements under review.
- vi) **Financial Reporting of Interests in Joint Ventures:** AS 27 is not applicable since the Company is not required to consolidate the financial statements of its Group.
- vii) **Financial Instruments: Recognition & Measurement, Presentation & Disclosures:** AS 30, 31 & 32 are not applicable since the Company has no financial instruments to which these standards apply.

NOTES TO THE STANDALONE BALANCE SHEET AS AT

3 EQUITY SHARE CAPITAL

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar.. 2014 ₹ Lacs
a Number of shares authorized		1,000,000		1,000,000
b Amount of shares authorized		10,000.00		10,000.00
c Number of shares issued, subscribed and fully paid		717,191		717,191
d Par value per share		1,000		1,000
e Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		-		-
i Shares outstanding at the beginning of the reporting period		717,191		717,191
ii Shares allotted during the reporting period		-		-
iii Shares forfeited during the reporting period		-		-
iv Shares bought back during the reporting period		-		-
v Shares outstanding at the end of the reporting period		717,191		717,191
f Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held				
i The President of India		717,188		717,188
Total at the end of the reporting period		7,171.91		7,171.91
g For the period of five years immediately preceding the date as at which the Balance Sheet is prepared				
i Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.		-		-
ii Aggregate number and class of shares allotted as fully paid up by way of bonus shares.		-		-
iii Aggregate number and class of shares bought back.		-		-

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
4 RESERVES AND SURPLUS				
a Surplus i.e. balance in Statement of Profit & Loss disclosing allocations and appropriations such as dividend, bonus shares and transfer to/from reserves etc				
i Balance at the beginning of the reporting period	(45,825.97)		(37,365.69)	
ii Additions during the reporting period				
Transfer from Reserves	13.27		14.29	
iii Deduction during the reporting period				
Loss during the year	(7,055.16)		(8,422.92)	
Depreciation	(361.68)		—	
Prior Period Items	1,795.31		(51.64)	
iv Balance at the end of the reporting period		(51,434.23)		(45,825.97)
b Other Reserves				
A Grant for WHO - GMP Project				
i Balance at the beginning of the reporting period	1,000.00		1,000.00	
ii Additions during the reporting period	—		—	
iii Deduction during the reporting period				
Transfer to Profit & Loss Statement	—		—	
iv Balance at the end of the reporting period		1,000.00		1,000.00
B Grant for Erythromycine Thiocyanate Project				
i Balance at the beginning of the reporting period	1,279.00		1,279.00	
ii Additions during the reporting period	—		—	
iii Deduction during the reporting period				
Transfer to Profit & Loss Statement	—		—	
iv Balance at the end of the reporting period		1,279.00		1,279.00
C School Rajat Manch				
i Balance at the beginning of the reporting period	1.07		1.12	
ii Additions during the reporting period			—	
iii Deduction during the reporting period				
Transfer to Profit & Loss Statement	(0.05)		(0.05)	
iv Balance at the end of the reporting period		1.02		1.07
D Bio-Technology Programme				
i Balance at the beginning of the reporting period	28.18		41.91	
ii Additions during the reporting period				
iii Deduction during the reporting period				
Transfer to Profit & Loss Statement	(13.73)		(13.73)	
iv Balance at the end of the reporting period		14.45		28.18

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lac
E NSAIDS Programme				
i Balance at the beginning of the reporting period	0.48		0.99	
ii Additions during the reporting period				
iii Deduction during the reporting period				
Transfer to Profit & Loss Statement	0.51		(0.51)	
iv Balance at the end of the reporting period		0.99		0.48
Total at the end of the reporting period		(49,138.77)		(43,517.24)

Purpose of the Other Reserves :

- 1 WHO - GMP: Company has to follow World Health Organization Rules for Good Manufacturing Practices (GMP) applicable for all plants.
- 2 Erythromycin Thiocyanate: Feasibility studies for manufacturing of Erythromycin Thiocyanate
- 3 School Rajat Manch: For Development of School in the colony
- 4 Bio-Technology Programme: Project funded under Antibiotics development consortium at HAL
- 5 NSAIDS Programme: Purchase of Laboratory Equipments vide Govt. Sanction No. 03 F no. 28(1)/99 - PI

5 LONG-TERM BORROWINGS**i Unsecured (Refer statement 1)**

a Loans and advances from related parties		
From Government of India	3,266.00	1,896.00
b From Others	500.00	500.00
Total at the end of the reporting period	3,766.00	2,396.00

6 LONG-TERM PROVISIONS**a Provision for employee benefits.**

i Provision for Leave Encashment	1,276.65	947.26
ii Provision for Gratuity	3,151.56	2,667.98
Total at the end of the reporting period	4,428.21	3,615.23

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
7 SHORT-TERM BORROWINGS				
i Secured (Refer Statement 2)				
a from Banks.		12,770.51		14,389.23
Total at the end of the reporting period		12,770.51		14,389.23
8 OTHER CURRENT LIABILITIES				
i Interest accrued & due on borrowings		8,677.10		6,925.91
ii Current portion of long term loans		14,710.00		13,664.00
iii Statutory Liabilities				
TDS Payable	498.86		525.70	
SBAT Payable	1,877.49		1,852.39	
Contribution to Provident Fund	4,844.35		3,921.95	
Profession tax	121.03		97.99	
Service Tax Payable	93.23		66.18	
Liability for Octroi / LBT	96.77		84.03	
Excise Duty	1.32		1.97	
		7,533.05		6,550.21
iv Other Liabilities				
Unpaid Employee Emoluments	2,690.01		1,261.40	
Unpaid Salary Deductions	310.64		264.83	
Outstanding Expenses	65.02		59.02	
		3,065.66		1,585.24
v Advance towards sale of land		1,765.06		1,765.06
vi Earnest money deposit		570.30		570.61
vii Security Deposits		329.38		378.02
viii Rent Payable-Kirloskar		148.26		148.26
ix Advances from customers		47.54		88.69
x Acceptances-inland Bills		106.07		117.12
xi Account receivables due to other sales		34.35		66.98
xii Liability for acceptances foreign payment		42.50		63.36
Total at the end of the reporting period		37,029.27		31,923.47
9 SHORT-TERM PROVISIONS				
i Provision for Employee Benefits:				
a Provision for Medical Leave		64.46		58.37
Total at the end of the reporting period		64.46		58.37

NOTES TO THE STANDALONE BALANCE SHEET AS AT 31-MAR-15

10 TANGIBLE FIXED ASSETS

Assets	Gross Block				Depreciation				Net Carrying Amount	
	Gross carrying amount at beginning of reporting period	Additions during reporting period	Disposals during reporting period	Gross carrying amount at end of reporting period	Accumulated depreciation at beginning of reporting period	Depreciation for reporting period	Depreciation debited to Reserves	Accumulated depreciation at end of reporting period	Net carrying amount at beginning of reporting period	Net carrying amount at end of reporting period
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
Land (freehold)*										
Current Year	5.27	-	-	5.27	-	-	-	-	5.27	5.27
Previous Year	5.27	-	-	5.27	-	-	-	-	5.27	5.27
Development of Site										
Current Year	1.65	-	-	1.65	-	-	-	-	1.65	1.65
Previous Year	1.65	-	-	1.65	-	-	-	-	1.65	1.65
Roads										
Current Year	9.93	-	-	9.93	7.42	0.11	1.62	9.15	2.51	0.78
Previous Year	9.93	-	-	9.93	7.34	0.08	-	7.42	2.59	2.51
Building										
Current Year	4,008.48	120.70	-	4129.18	1,898.00	63.47	23.63	1,985.10	2,110.48	2,144.08
Previous Year	4,008.48	-	-	4,008.48	1,788.29	109.71	-	1,898.00	2,220.19	2,110.48
Railway siding										
Current Year	3.62	-	-	3.62	3.60	-	-	3.60	0.02	0.02
Previous Year	3.62	-	-	3.62	3.60	(0.00)	-	3.60	0.02	0.02
Plant and Machinery										
Current Year	13,823.50	24.63	-	13,848.13	10,857.97	261.07	84.05	11,203.09	2,965.53	2,645.04
Previous Year	13,815.16	8.34	-	13,823.50	10,597.62	260.35	-	10,857.97	3,217.54	2,965.53
Electrical Installations										
Current Year	1,475.98	3.77	-	1,479.75	1,179.62	29.00	66.74	1,275.37	296.35	204.38
Previous Year	1,473.47	2.51	-	1,475.98	1,150.92	28.70	-	1,179.62	322.55	296.35
Laboratory Equipment										
Current Year	1,064.98	-	-	1,064.98	946.18	1.23	86.41	1,033.81	118.80	31.17
Previous Year	1,064.98	-	-	1,064.98	919.25	26.93	-	946.18	145.73	118.80
Motor Vehicles										
Current Year	59.72	-	-	59.72	55.14	1.86	2.30	59.30	4.58	0.42
Previous Year	59.72	-	-	59.72	53.38	1.76	-	55.14	6.34	4.58
Furniture & Office equipment										
Current Year	1,133.11	0.41	-	1,133.52	675.78	54.41	87.52	817.71	457.33	315.81
Previous Year	1,132.57	0.54	-	1,133.11	628.91	46.87	-	675.78	503.66	457.33
Library Books										
Current Year	133.50	-	-	133.50	119.37	0.03	9.41	128.81	14.13	4.69
Previous Year	133.50	-	-	133.50	117.43	1.94	-	119.37	16.07	14.13
Total										
Current Year	21,719.73	149.51	-	21,869.25	15,743.08	411.18	361.68	16,515.94	5,976.65	5,353.31
Previous Year	21,708.35	11.38	-	21,719.73	15,266.74	476.34	-	15,743.08	6,441.61	5,976.65

NOTES TO THE STANDALONE BALANCE SHEET AS AT 31-MAR-15
11 CAPITAL WORK IN PROGRESS

(Rs. in Lakhs)

Assets	Gross Block				Depreciation				Net Carrying Amount	
	Gross carrying amount at beginning of reporting period	Additions during reporting period	Disposals during reporting period	Gross carrying amount at end of reporting period	Accumulated depreciation at beginning of reporting period	Depreciation debited to Reserves	Depreciation on disposals during reporting period	Accumulated depreciation at end of reporting period	Net carrying amount at beginning of reporting period	Net carrying amount at end of reporting period
Building										
Current Year	114.80	-	(114.80)	-	-	-	-	-	114.80	-
Previous Year	114.23	0.57	-	114.80	-	-	-	-	114.23	114.80
Plant & Machinery										
Current Year	277.94	0.76	(26.57)	252.13	-	-	-	-	277.94	252.13
Previous Year	277.94	-	-	277.94	-	-	-	-	277.94	277.94
P & M under inspection/ installation										
Current Year	0.18	-	-	0.18	-	-	-	-	0.18	0.18
Previous Year	-	0.18	-	0.18	-	-	-	-	-	0.18
Electric Installation										
Current Year	43.59	-	-	43.59	-	-	-	-	43.59	43.59
Previous Year	43.59	-	-	43.59	-	-	-	-	43.59	43.59
Laboratory Equipment										
Current Year	0.06	-	-	0.06	-	-	-	-	0.06	0.06
Previous Year	0.06	-	-	0.06	-	-	-	-	0.06	0.06
Furniture Fixture										
Current Year	23.05	-	-	23.05	-	-	-	-	23.05	23.05
Previous Year	23.05	-	-	23.05	-	-	-	-	23.05	23.05
Material under inspection										
Current Year	-	52.61	-	52.61	-	-	-	-	-	52.61
Previous Year	-	-	-	-	-	-	-	-	-	-
Total										
Current Year	459.62	53.37	(141.37)	371.62	-	-	-	-	459.62	371.62
Previous Year	458.87	0.75	-	459.62	-	-	-	-	458.87	459.62

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
12 NON-CURRENT INVESTMENTS				
i Investments in Subsidiary Companies (Fully Paid-up), (Non trade, unquoted, at cost)				
a 73,440 (P. Y. 73,440) Equity Shares of Rs. 100/- each.* in Maharashtra Antibiotics & Pharmaceuticals Ltd.	73.44		73.44	
b 43,350 (P. Y. 43,350) Equity Shares of Rs. 100/- each.* in Manipur State Drugs & Pharmaceuticals Limited	43.35		43.35	
		116.79		116.79
c Equity Shares of Rs. 100/- each in subsidiary companies held in the name of the nominees of the Company.		—		—
ii Investments in Joint Venture Company (Trade, unquoted, at cost, fully paid up)				
a 50,00,000 (P. Y. 50,00,000) equity shares of Rs. 10/-each ** in Hindustan Max GB Ltd.	500.00		500.00	
b 40 (P. Y. 40) equity shares of Rs. 10/- each in Joint Venture Company held in the name of the nominees of the company.				
		500.00		500.00
Less : Provision for Diminution in investments in MAPL, MSDPL, HMGB.		(616.79)		(616.79)
Total at the end of the reporting period		0.00		—

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
13 INVENTORIES				
i Raw Materials (net of Set off & Modvat)	360.47		463.41	
Less: Provision for obsolescence	(54.53)		(40.56)	
		305.94		422.85
ii Work in Process		74.73		132.81
iii Finished Products		53.09		70.81
iv General Stores and Spares	307.94		315.10	
Less: Provision for obsolescence	(2.74)		(2.74)	
		305.20		312.36
v Tools on shop floor		2.64		3.44
Inventories include Material in transit/under inspection				
Rs. Nil (P. Y. Rs 53.25 lacs)				
Total at the end of the reporting period		741.59		942.28
14 TRADE RECEIVABLES				
i Trade receivables due for a period exceeding six months				
a Considered Good		362.86		418.58
b Considered Doubtful	2,565.36		2,499.98	
Less: Provision for Doubtful Debts	(2,565.36)	-	(2,499.98)	-
Includes dues from Subsidiary Companies				
Rs. 37.54 lakhs (P. Y. Rs 37.54 lakhs)				
ii Other Trade Receivables:				
a Considered Good		108.94		63.91
Total at the end of the reporting period		471.80		482.49
15 CASH AND CASH EQUIVALENTS				
i Balances with banks				
a Current a/c balance	292.57		281.68	
b Bank deposits with more than 12 months maturity	1,405.62		879.99	
		1,698.19		1,161.67
ii Cash on hand		8.31		2.54
iii Cheques, drafts on hand		1.08		1.08
Deposits includes deposit against margin money				
Total at the end of the reporting period		1,707.57		1,165.30

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
16 SHORT-TERM LOANS, ADVANCES AND DEPOSITS				
i Loans and Advances to related parties				
a With Subsidiary Co				
Considered Good	2,570.58		2,420.49	
Considered Doubtful	888.38		888.38	
	<u>3,458.96</u>		<u>3,308.87</u>	
Less : Provision for Doubtful advances (MAPL, MSDPL)	<u>(888.38)</u>		<u>(888.38)</u>	
		2,570.58		2,420.49
b With Joint Venture-HMGB				
Considered Good	6,225.67		6,225.67	
Considered Doubtful	1,299.40		1,299.40	
	<u>7,525.07</u>		<u>7,525.07</u>	
Less : Provision for Doubtful advances and Loans (HMGB)	<u>(1,299.40)</u>		<u>(1,299.40)</u>	
		6,225.67		6,225.67
ii Loans and Advances to other than related parties:				
Considered Good	673.01		639.17	
Considered Doubtful	244.70		244.70	
	<u>917.71</u>		<u>883.87</u>	
Less : Provision for Doubtful Advances and Loans	<u>(244.70)</u>		<u>(244.70)</u>	
		673.01		639.17
iii Taxes paid in advance less provisions		31.05		41.66
iv Deposits with Customs, Port Trusts and other Govt. Bodies (Unsecured, considered good)		118.84		119.79
Total at the end of the reporting period		<u>9,619.15</u>		<u>9,446.78</u>
17 OTHER CURRENT ASSETS				
i Sundry Charges Recoverable from Agents		145.68		145.68
ii Rent Receivable from Employees		9.23		9.24
iii Interest Accrued on Deposits		101.58		40.76
iv Other Receivables		849.15		833.11
Total at the end of the reporting period		<u>1,105.64</u>		<u>1,028.80</u>

NOTES TO THE STANDALONE BALANCE SHEET AS AT

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
18 Contingent liabilities and commitments (to the extent not provided for)				
a Claims against the company not acknowledged as debt	12,644.93		9,659.56	
i Claims against the Company not acknowledged as debts, matters in appeal at various courts and hence subjudice	527.06		527.06	
ii Amounts claimed by Irrigation Department of Maharashtra State on water charges	306.83		306.83	
iii Pending Sales Tax Assessments appeals of depots and Head Office.	3,416.36		1,087.88	
iv Labour court matters pending with various courts and hence subjudice	95.00		80.00	
v Octroi Liability A/C No 20 Inspection demand for 1/4/89 to 31/3/97 P.C.M.C. Letter dt. 9/2/98. Amount from 1/4/97 to 31/3/2006 is not quantifiable.	88.52		88.52	
vi CISF Interest	145.27		145.27	
vii Damages claim against PF dues	1,981.89		1,340.00	
viii Arrears of pay revision w.e.f. 1.1.97 for officers and 1.1.99 for non officers	6,084.00		6,084.00	
b Guarantees				
i Guarantees issued by bankers on behalf of the Company		76.34		101.68
Total at the end of the reporting period		12,721.27		9,761.24

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
19 REVENUE FROM OPERATIONS				
i Sale of products	1,853.79		3,018.61	
ii Sale of Utilities	-	1,853.79	-	3,018.61
Less: Excise Duty		(237.77)		(279.98)
Total at the end of the reporting period		1,616.03		2,738.64
20 OTHER INCOME				
i Rent Income		113.87		61.74
ii Interest Income		87.19		60.45
iii VRS Grant Received		-		-
iv Electricity Charges Received		27.53		35.44
v Sales of Miscellaneous Items		81.49		55.37
vi Miscellaneous Receipts		536.92		63.80
Total at the end of the reporting period		847.00		276.80

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
21 COST OF MATERIAL CONSUMED				
Cost of material consumed		800.49		1,360.95
Total at the end of the reporting period		<u>800.49</u>		<u>1,360.95</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
i Work-in-Progress				
a Opening	132.81		168.09	
b Less : Closing	<u>74.73</u>		<u>132.81</u>	
		58.08		35.28
ii Finished goods				
a Opening	70.81		198.31	
b Less : Closing	<u>53.09</u>		<u>70.81</u>	
		17.73		127.50
Total at the end of the reporting period		<u>75.81</u>		<u>162.77</u>
23 MANUFACTURING EXPENSES				
i Power and fuel		327.52		567.04
ii Labour Contract Charges		157.99		138.40
iii MIDC Water Charges		103.85		113.52
iv Repairs and maintenance -				
a Buildings	7.02		11.27	
b Machinery	12.44		39.04	
c Others	<u>38.42</u>		<u>52.23</u>	
		57.89		102.54
v Consumption of stores and spare parts		45.65		71.30
Total at the end of the reporting period		<u>692.91</u>		<u>992.79</u>

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
24 EMPLOYEE BENEFIT EXPENSE				
i Salaries and wages		3,444.15		3,294.64
ii Over Time		0.23		-
iii Contribution to provident and other funds		341.16		339.48
iv Gratuity		483.58		317.16
v Leave Encashment		402.93		257.33
vi Staff welfare expenses		91.62		128.47
vii Medical Reimbursement		111.03		160.20
viii Encashment of LTC		12.60		14.36
ix Medical Leave Expenses		6.09		7.10
Total at the end of the reporting period		4,893.40		4,518.75
25 OFFICE & ADMINISTRATION EXPENSES				
i Travelling & Conveyance Expenses		89.62		108.41
ii Legal & Professional Charges		18.77		27.85
iii Telephone Exp		16.29		20.56
iv Rent		12.23		15.79
v Rates & Taxes		17.71		11.13
vi Inspection charges for CP fund		5.98		5.71
vii Payment to Auditors		6.79		4.77
viii Insurance		4.78		5.29
ix Miscellaneous expenses		102.31		100.41
x Transfer to Welfare Expenses		(67.91)		(107.30)
Total at the end of the reporting period		206.57		192.61
26 SELLING EXPENSES				
i Commission paid		31.80		196.61
ii Freight & Packing Expenses		55.76		90.93
iii Sales Promotion Exp		91.50		81.48
iv Quantity Rebate		29.45		75.13
v Provision for doubtful debts		79.34		63.24
Total at the end of the reporting period		287.85		507.40

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
27 FINANCE COSTS				
i Interest expense		1,910.52		2,718.76
ii Interest on overdue payments		199.74		328.99
iii Bank Charges		18.64		168.63
iv Interest on security deposit-branches		21.08		10.36
Total at the end of the reporting period		2,149.98		3,226.74
28 DEPRECIATION				
Depreciation on tangible assets		411.18		476.34
Total at the end of the reporting period		411.18		476.34
29 EXCEPTIONAL ITEMS				
Profit on sale of Assets		-		-
Total at the end of the reporting period		-		-
30 EARNINGS PER SHARE (EPS):				
Earnings per share is calculated in accordance with the AS 20				
Particulars				
Profit / (Loss) after Tax but before Extra ordinary & Prior Period items (Rs. lacs)		(7,055.16)		(8,422.92)
Weighted Average Number of Equity shares		717,191		717,191
Nominal Value of Equity Share (₹)		1,000.00		1,000.00
EPS before Extra Ordinary Item (Rs. per share)		(0.01)		(0.01)
EPS after Extra Ordinary Item (Rs. per share)		(0.01)		(0.01)
31 PRIOR PERIOD ITEMS		(1,795.31)		51.64

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lac
32 ADDITIONAL INFORMATION				
A Value of imports calculated on C.I.F basis by the company during the financial year in respect of –				
a Raw materials		22.86		59.37
b Traded Goods		374.17		346.21
B a Total value of all imported raw materials, spare parts and components consumed during the financial year	397.03		405.58	
b Total value of all indigenous raw materials, spare parts and components similarly consumed	403.45		955.37	
c Total		800.49		1,360.95
d The percentage of indigenous items to the total consumption		50.40%		70.20%
e The percentage of imported items to the total consumption		49.60%		29.80%
C Earnings in foreign exchange				
a Export of goods calculated on F.O.B. basis (Inclusive of Exchange difference)		2.24		12.78

33 RELATED PARTY DISCLOSURES

A Names of related parties and related party relationship

1 Related parties where control exists

Subsidiaries

- 1 Maharashtra Antibiotics & Pharmaceuticals Ltd. [MAPL]
- 2 Manipur State Drugs & Pharmaceuticals Limited

Jointly controlled entity

- 1 Hindustan Max GB Ltd.

Key management personnel

- | | |
|---------------------|--------------------|
| 1 Shri K. V. Varkey | Managing Director |
| 2 Shri A. S. Vaidya | Director (Finance) |
| 3 Shri Ajay Singh | Director |
| 4 Shri V. K. Singh | Company Secretary |
| 5 Shri A. B. Gawari | Company Secretary |

Relatives of key management personnel

- 1 None

Enterprises owned or significantly influenced by key management personnel or their relatives

- 1 None

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

	31st Mar. 2015 ₹ Lacs	31st Mar. 2015 ₹ Lacs	31st Mar. 2014 ₹ Lacs	31st Mar. 2014 ₹ Lacs
2 Related party transactions				
BALANCE SHEET ITEMS				
a Share Capital				
i The President of India		7,171.91		7,171.91
Sub total		7,171.91		7,171.91
b Investments at the year end				
i Maharashtra Antibiotics & Pharmaceuticals Ltd. [MAPL]		73.44		73.44
ii Manipur State Drugs & Pharmaceuticals Limited		43.35		43.35
iii Hindustan Max GB Ltd.		500.00		500.00
Sub total		616.79		616.79
c Balance receivable				
i Maharashtra Antibiotics & Pharmaceuticals Ltd. [MAPL]		3,048.76		2,898.66
ii Manipur State Drugs & Pharmaceuticals Limited		401.37		401.37
Sub total		3,450.13		3,300.03
TOTAL OF BALANCE SHEET ITEMS		11,238.83		11,088.73
PROFIT & LOSS ITEMS				
a Remuneration to directors				
i Shri K V Varkey		17.39		16.54
ii Shri A. S. Vaidya		15.33		14.42
iii Shri V K Singh		3.15		7.33
iv Shri A B Gawari		4.92		-
Sub total		40.79		38.30
b Sitting fees				
i Shri Ajai Singh		-		-
Sub total		-		-
TOTAL OF PROFIT & LOSS ITEMS		40.79		38.30
Grand total		11,279.62		11,127.03

34 Segment Disclosures: Please see Statement 2.

35 Disclosures pursuant to Accounting Standard- 15 (Revised 2005) "Employee Benefits":

(A) Defined Contribution Plans:

During the year, the Company has recognised the following amounts in the Profit and Loss account:

Particulars	₹ Lacs	₹ Lacs
Employer's Contribution to Provident Fund & ESIC	341.16	339.48

(B) Defined Benefit Plan:

Liability in respect of gratuity and privileged leave & sick leave encashment is computed on the basis of actuarial valuation of the defined benefit obligation at the balance sheet date carried out by an independent actuary. However, there are no plan assets.

NOTES TO THE STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

36 Disclosure for assets taken on lease as per AS 19:

I. Where the Company is the Lessee:

The Company's has significant leasing arrangements in respect of office premises taken on lease at Jaipur & Lucknow. However, the details required to be disclosed by AS 19 are not readily available.

II. Where the Company is the Lessor:

The Company's has significant leasing arrangements in respect of premises given on lease at Pimpri. The details required to be disclosed by AS 19 are found in Statement 3.

37 Additional information related to delayed payment by the Company to Micro / Small Enterprises as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):

Sr. No.	Particulars	2014-15	2013-14
		₹ Lacs	₹ Lacs
(i)	The principal amount remaining unpaid to any supplier (as defined in S2(n) of MSMED Act, 2006) as at the end of the accounting year (Statement 4)	43.06	45.52
(ii)	The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	Nil	Nil
(iii)	The amounts of payments made to such supplier beyond the appointed day during the accounting year	Nil	Nil
(iv)	The amount of interest paid by the company in terms of S 16 of MSMED Act, 2006, during the accounting year	Nil	Nil
(v)	The amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED Act, 2006.	Nil	Nil
(vi)	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	The amount of further interest due and payable even in the succeeding years until such a day when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006	Nil	Nil

As per our audit report of even date.
For Gokhale, Tanksale & Ghatpande,
 Firm Registration No: 103277W
 Chartered Accountants

For and on behalf of the Board of Directors

(S. M. GHATPANDE)
 PARTNER
 Membership No. 30462

(A. B. GAWARI)
 COMPANY SECRETARY

(AJAI SINGH)
 SPECIAL DIRECTOR
 (BIFR)

(K. V VARKEY)
 MANAGING DIRECTOR

Place : Pune
 Date : 22nd December, 2015

Standalone Balance Sheet as at 31-Mar-15-Statement of Borrowings (See Notes 5 & 7)

Borrowings		Non-current maturity	Current maturity (principal)	Current maturity (interest)	Total Amount	Ref
		₹	₹	₹	₹	₹
Statement 1:						
A	Long term unsecured borrowings					
	i Loans and advances from related parties					
1	Non Plan Loans from Government of India					
	Current Year	967.00	9,018.00	927.38	10,912.38	1
	Previous Year	500.00	8,518.00	739.34	9,757.34	
2	Plan Loans from Government of India					
	Current Year	1,449.00	3,987.00	3,430.92	8,866.92	2
	Previous Year	546.00	3,441.00	2,835.09	6,822.09	
3	Non-Plan Loan from Government of India for Maharashtra Antibiotics & Pharmaceuticals Ltd.					3
	Current Year	850.00	-	1,355.05	2,205.05	
	Previous Year	850.00	-	1,206.30	2,056.30	
	Total long term unsecured loans from related parties					
	Current Year	3,266.00	13,005.00	5,713.35	21,984.35	
	Previous Year	1,896.00	11,959.00	4,780.73	18,635.73	
	ii Loans And Advances From Others					
1	Oil & Natural Gas Commission Bombay					4
	Current Year	-	1,705.00	1,659.32	3,364.32	
	Previous Year	-	1,705.00	1,429.14	3,134.14	
2	DSM Anti-Infective India Ltd					5
	Current Year	500.00	-	-	500.00	
	Previous Year	500.00	-	-	500.00	
	Total long term unsecured loans from others					
	Current Year	500.00	1,705.00	1,659.32	3,864.32	
	Previous Year	500.00	1,705.00	1,429.14	3,634.14	
	Total Long term unsecured borrowings					
	Current Year	3,766.00	14,710.00	7,372.66	25,848.66	
	Previous Year	2,396.00	13,664.00	6,209.87	22,269.87	

Standalone Balance Sheet as at 31-Mar-15-Statement of Borrowings (See Notes 5 & 7)

B Short Term Borrowings	Non-current maturity	Current maturity (principal)	Current maturity (interest)	Total Amount	Refl
	₹	₹	₹	₹	₹
Secured					
1 Bank of Maharashtra					6
a Cash Credit					
Current Year	-	68.25	385.93	454.18	
Previous Year	-	68.25	385.93	454.18	
b Working Capital Demand Loan					
Current Year	-	0.09	-	0.09	
Previous Year	-	0.09	-	0.09	
c Funded Interest Term Loan					
Current Year	-	289.31	-	289.31	
Previous Year	-	289.31	-	289.31	
Total Bank of Maharashtra					
Current Year	-	357.65	385.93	743.58	
Previous Year	-	357.65	385.93	743.58	
2 Central Bank of India					7
a Cash Credit					
Current Year	-	176.72	-	176.72	
Previous Year	-	176.72	-	176.72	
b Working Capital Demand Loan					
Current Year	-	670.98	-	670.98	
Previous Year	-	670.98	-	670.98	
Total Central Bank of India					
Current Year	-	847.70	-	847.70	
Previous Year	-	847.70	-	847.70	
3 Oriental Bank of Commerce					8
a Cash Credit					
Current Year	-	39.75	276.70	316.45	
Previous Year	-	39.75	276.70	316.45	
b Working Capital Demand Loan					
Current Year	-	129.48	-	129.48	
Previous Year	-	129.48	-	129.48	
c Funded Interest Tem Loan					
Current Year	-	66.95	-	66.95	
Previous Year	-	66.95	-	66.95	
Total Oriental Bank of Commerce					
Current Year	-	236.19	276.70	512.88	
Previous Year	-	236.19	276.70	512.88	

Standalone Balance Sheet as at 31-Mar-15-Statement of Borrowings (See Notes 5 & 7)

Punjab National Bank

9

a	Cash Credit				
	Current Year	-	1,358.86	-	1,358.86
	Previous Year	-	1,662.81	-	1,662.81
b	Short Term Loan (against mortgage of land earmarked for sale)				
	Current Year	-	4,000.00	-	4,000.00
	Previous Year	(0.00)	4,805.47	-	4,805.47
c	Letter of credit				
	Current Year	-	263.25	-	263.25
	Previous Year	-	263.25	35.26	298.52
	Total Punjab National Bank				
	Current Year	-	5,622.12	-	5,622.12
	Previous Year	(0.00)	6,731.54	35.26	6,766.80

5 Vijaya Bank Pimpri

10

a	Cash Credit				
	Current Year	-	1,799.95	-	1,799.95
	Previous Year	-	1,591.29	-	1,591.29
b	Bill Discounting Account				
	Current Year	-	284.48	-	284.48
	Previous Year	-	284.48	-	284.48
c	Loan on Term Deposit				
	Current Year	-	-	641.81	641.81
	Previous Year	-	40.00	18.15	58.15
	Total Vijaya Bank				
	Current Year	-	2,084.42	641.81	2,726.23
	Previous Year	-	1,915.77	18.15	1,933.92

6 UCO Bank

11

a	Cash Credit				
	Current Year	-	1,728.53	-	1,728.53
	Previous year	-	2,074.12	-	2,074.12
b	Short Term Loan (against mortgage of land earmarked for sale)				
	Current Year	-	1,893.90	-	1,893.90
	Previous Year	-	2,226.27	-	2,226.27
	Total UCO Bank				
	Current Year	-	3,622.43	-	3,622.43
	Previous year	-	4,300.39	-	4,300.39
	Total short term secured loans				
	Current year	-	12,770.51	1,304.44	14,074.94
	Previous year	(0.00)	14,389.23	716.04	15,105.27

Standalone Balance Sheet as at 31-Mar-15
Statement of Borrowings (See Notes 5 & 7)
References:
1 Non Plan Loans from Government of India

There are five loans of which the details are as follows:

(Rs. in lakhs)

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Total
a Date of sanction	19-Dec-05	28-Mar-06	13-Jul-06	16-Nov-06	14-Oct-13	5-Nov-14	
b Amount sanctioned	490.00	1,390.00	1,000.00	5,638.00	500.00	967.00	9,985.00
c Security	NIL	NIL	NIL	NIL	NIL	NIL	
d Rate of interest	17.50%	Nil	Nil	Nil	11.5%	11.5%	
e Penal rate of Interest in case of default	21.25%	Nil	Nil	Nil	14%	14%	
f Purpose	Repayment of Statutory dues liabilities on a/c of PF to be paid to EPF during FY 2005-06.	Repayment of Statutory dues.	Upgradation of formulation facilities & working capital.	Payment in relation to one time settlement & statutory dues.	Payment of salary dues	Payment of salary dues	
g Date of First drawal	19-Dec-05	28-Mar-06	13-Jul-06	16-Nov-06	14-Oct-13	5-Nov-14	
h Terms of repayment:	5 Equal annual instalments from the date of first drawal.	5 Equal annual instalments from the date of first drawal.	Intt. Free loan for upgradation of WHO GMP.	Against the proceeds of Sale of Vacant Land.	5 Equal Annual instalments & 2 years Moratorium period. i.e Loan repayment to commence from 15/10/2015	5 Equal Annual instalments & 2 years Moratorium period. i.e Loan repayment to commence from 15/10/2016	
i Period of default (In days)	3,389	3,290	Not applicable since terms of repayment are not specified.	Not applicable since terms of repayment are not specified.			
j Amount of default							
Principal	490.00	1,390.00			-		1,880.00
Interest	796.18		-	-	-		796.18

2 Plan Loans from Government of India

There are seven loans of which the details are as follows:

(Rs. in lakhs)

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7	Loan 8	Loan 9	Total
a Date of Sanction	29-Sep-05	3-Feb-06	24-Aug-06	29-Mar-07	27-Mar-08	22-Apr-10	3-Mar-14	5-Aug-14	28-Nov-14	
b Amount sanctioned	150.00	150.00	300.00	500.00	2,017.00	250.00	620.00	821.00	628.00	5436.00
c Security	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d Rate of interest	17.00%	17.00%	17.00%	14.50%	11.50%	11.50%	11.50%	11.50%	11.50%	
e Penal rate of interest in case of default	21.25%	21.25%	21.25%	17%	14%	14%	14%	14%	14%	
f Purpose	Renewal & replacement of Plant	Renewal & replacement of Plant	Renewal & replacement of Plant	Upgradation of WHO GMP facilities	Setting up Cephalosporin Plant	Setting up Erythromycin	Utility set up for formulation	Utility set up for formulations & Upgradation of Agro-Chem.	Upgradation of IV Fluid facilities to WHO GMP compliance	
g Date of First drawal	29-Sep-05	3-Feb-06	24-Aug-06	29-Mar-07	27-Mar-08	22-Apr-10	3-Mar-14	5-Aug-14	28-Nov-14	
h Terms of repayment:	5 Equal annual instalments from the date of first drawal	5 Equal annual instalments from the date of first drawal	5 Equal annual instalments from the date of first drawal	5 Equal annual instalments from the date of first drawal	Repayment to be made by maximum of 2 years i.e. 26/03/2010	5 Equal annual instalments from the date of first drawal	5 Equal annual instalments from the date of first drawal along with moratorium period of 2 years	5 Equal annual instalments from the date of first drawal along with moratorium period of 2 years	5 Equal annual instalments from the date of first drawal along with moratorium period of 2 years	
i Period of default (in days)	3,470	3,343	3,141	2,924	2,560	1,804	-	-	-	
j Amount of default										
Principal	150.00	150.00	300.00	500.00	2,017.00	250.00	-	-	-	3367.00
Interest	242.42	233.55	438.88	580.79	1,626.86	142.10	-	-	-	3264.61

3 Non-Plan Loan from Government of India for Maharashtra Antibiotics & Pharmaceuticals Ltd.

a Date of Sanction	22-Feb-06
b Security	NIL
c Amount sanctioned	Rs. 850.00 Lakhs
d Rate of interest	17.50%
e Penal rate of Interest in case of default	21.25%
f Purpose	For disbursements of Terminal Benefits & other Employees related dues to Employees of MAPL
g Date of drawal	22-Feb-06
h Terms of repayment	Loan along with interest to be paid from sale proceeds of Assets of MAPL.
i Period of default (in days)	—
j Amount of default	Since no sale has taken place till Balance sheet date, Question of default doesn't arise.

4 Oil & Natural Gas Commission Bombay

a Date of Sanction	9-Jul-07
b Security :	Second charge on all the tangible moveable assets of HAL as per ONGC terms. However, no charge has been created.
c Amount sanctioned	Rs. 1,705.00 Lakhs
d Rate of interest	13.50%
e Penal rate of Interest in case of default	15.50%
f Purpose	Working capital
g Terms of repayment:	5 equal annual instalments
h Period of default (in days)	2,822
Amount of default	
Principal	Rs. 1,705.00 Lakhs
Interest	Rs. 1,659.32 Lakhs

5 DSM Anti-Infective India Ltd

a Date of Sanction	Not available
b Security:	Second charge on all the tangible moveable assets of HAL as per terms. However, no charge has been created.
c Amount sanctioned	
d Rate of interest	Nil
e Penal rate of Interest in case of default	NIL
f Purpose	To set up Joint Venture
g Terms of repayment :	Not available
h Period of default (in days)	Not available
Amount of default	Nil, since the loan is to be adjusted against the dues of the JV
Principal	Nil
Interest	Nil

6 Bank of Maharashtra

NPA Date : 30-Apr-96

Cash Credit

a Date of Sanction	NA
--------------------	----

b Security :	Primary: Pari passu hypothecation charge over current assets; Collateral: Nil
c Rate of interest	14.50%
d Penal rate of Interest in case of default	2%
e Terms of repayment:	Continuous
f Period of default (In Days)	6,909
g Amount of default	
Principal	Rs. 68.25 Lakhs
Interest	Rs. 385.93 Lakhs

b Working Capital Demand Loan

a Date of Sanction	NA
b Security :	Primary: Pari passu hypothecation charge over current assets; Collateral: Nil
c Rate of interest	14.50%
d Penal rate of Interest in case of default	2%
e Terms of repayment:	Continuous
f Period of default (In Days)	6909
g Amount of default	
Principal	Rs. 0.09 Lakhs
Interest	—

c Funded Interest Term Loan

a Date of Sanction	NA
b Security:	Primary: Pari passu hypothecation charge over current assets; Collateral: Nil
c Rate of interest	14.50%
d Penal rate of Interest in case of default	2%
e Terms of repayment:	Continuous
f Period of default (In Days)	6,909
g Amount of default	
Principal	Rs. 289.31 Lakhs
Interest	—

7 Central Bank of India**a Cash Credit**

a Date of sanction (Latest renewal)	21-Mar-11
b Amount sanctioned	Rs. 170.00 Lakhs
c Security	Primary: Hypothecation on Stock & Book debts (15% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	BR+6.5%
e Penal rate of Interest in case of default	Nil
f Terms of repayment:	The validity of the sanction for WC Limits & NFB limits shall be 12 Mths from the date of sanction
g Period of default (In days)	NA

h Amount of default	
Principal	NA
Interest	NA

b Working Capital Demand Loan

a Date of sanction(Latest renewal)	21-Mar-11
b Amount sanctioned	Rs. 682.00 Lakhs
c Security	Primary: Hypothecation on Stock & Book debts (15% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	BR+6.5%
e Penal rate of interest in case of default	Nil
f Terms of repayment:	The validity of the sanction for Working Capital Limits & Non Fund Based limits shall be 12 Mths from the date of sanction
g Period of default (In days)	NA
h Amount of default	
Principal	NA
Interest	NA

8 Oriental Bank of Commerce
NPA Date : 31-Mar-02
a Cash Credit

a Date of Sanction	
b Amount sanctioned	
c Security:	Primary: Hypothecation on Stock & Book debts (15% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	13.25%
e Penal rate of Interest in case of default	2%
f Terms of repayment:	-
g Period of default (In days)	4,748
h Amount of default	
Principal	Rs. 39.75 Lakhs
Interest	Rs. 276.70 Lakhs

b Working Capital Demand Loan

a Date of Sanction	
b Amount sanctioned	
c Security:	Primary: Hypothecation on Stock & Book debts (15% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	13.25%
e Penal rate of Interest in case of default	2%
f Terms of repayment:	
g Period of default	4748
h Amount of default	
Principal	Rs. 129.48 Lakhs
Interest	-

c Funded Interest Tem Loan

- a Date of Sanction
- b Amount sanctioned
- c Security : Primary: Hypothecation on Stock & Book debts (15% share).
Collateral: Pari-passu charge on Factory land Bldg,
Hypothecation of Plant & machinery @ factory.
- d Rate of interest 13.25%
- e Penal rate of Interest in case of default 2%
- f Terms of repayment:
- g Period of default 4748
- h Amount of default
- Principal Rs. 66.95 Lakhs
- Interest -

9 Punjab National Bank**NPA Date : 31-Mar-14****a Cash Credit**

- a Date of sanction(Latest renewal) 28-Jan-11
- b Amount sanctioned Rs. 1,363.00 Lakhs
- c Security Primary: Hypothecation on Stock & Book debts (24% share).
Collateral: Pari-passu charge on Factory land Bldg,
Hypothecation of Plant & machinery @ factory.
- d Rate of interest BR+6.5%
- e Penal rate of Interest in case of default Nil
- f Terms of repayment : The validity of the sanction for Working capital Limits & Non
Fund Based limits shall be 12 Mths from the date of sanction.
- g Period of default (In days) 365
- h Amount of default
- Principal Rs. 1,358.86 Lakhs
- Interest -

b Short Term Loan (against mortgage of land earmarked for sale)

- a Date of sanction (Latest) 4-Feb-10
- b Amount sanctioned Rs. 4,000.00 lakhs
- c Security EM of surplus land & building valued @ Rs.54.97 Cr
- d Rate of interest BPLR+1%+Term Premia (i.e 12.50% @ the time of rollover of
loan) with monthly rests
- e Penal rate of Interest in case of default Charged by bank in their bank statement
- f Terms of repayment: Entire loan to be repaid either after the sale of part of surplus
land after BIFR permission or within 18 mths whichever is
earlier. (Since no sale has took place the date of repayment will
be 04/08/2011)
- g Period of default (In days) 1,335
- h Amount of default
- Principal Rs. 4,000.00 Lakhs
- Interest -

c Letter of credit

- a Date of sanction(Latest) 10-Apr-13

b Amount sanctioned	Rs. 307.00 Lakhs
c Security	Primary: Hypothecation on Stock & Book debts (24% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	16.25%
e Penal rate of Interest in case of default	2.00%
f Terms of repayment :	90 DAYS
g Period of default (In days)	Period varies as per the diff dates of L/C
h Amount of default	
Principal	Rs. 263.25 Lakhs
Interest	-

10 Vijaya Bank Pimpri

a Cash Credit

a Date of sanction (Latest)	4-Dec-13
b Amount sanctioned	Rs. 1,300.00 Lakhs
c Security	Primary: Hypothecation on Stock & Book debts (23% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	BR+3.5% (Floating), Compounded & payable @ Monthly rests
e Penal rate of Interest in case of default	
f Terms of repayment:	The validity of the sanction for Working capital Limits & Non Fund Based limits shall be 12 Mths from the date of sanction.
g Period of default (In days)	NA
h Amount of default	
Principal	NA
Interest	499.95

b Bill Discounting Account

a Date of sanction (Latest)	
b Amount sanctioned	Rs. 284.48 Lakhs
c Security	NIL
d Rate of interest	13.25%
e Penal rate of Interest in case of default	2.00%
f Terms of repayment:	180 Days from the date of Bill of Exchange
g Period of default (In days)	NIL
h Amount of default	
Principal	284.48
Interest	-

c Loan on Term Deposit

a Date of sanction (Latest)	3-Nov-10
b Amount sanctioned	Rs. 40.00 Lakhs
c Security	Pledge of bank fixed deposits held by MAPL
d Rate of interest	13.25%
e Penal rate of Interest in case of default	
f Terms of repayment:	90 DAYS

g Period of default (In days)	NA
h Amount of default	
Principal	-
Interest	-

11 UCO Bank**a Cash Credit**

a Date of sanction (Latest)	15-Mar-14
b Amount sanctioned	Rs. 1,306.00 Lakhs
c Security	Primary: Hypothecation on Stock & Book debts (23% share). Collateral: Pari-passu charge on Factory land Bldg, Hypothecation of Plant & machinery @ factory.
d Rate of interest	BPLR (Base rate +6% i.e 16.20% @ the time of renewal) with monthly rests (If any of the consortium charges higher ROI, the same will be applicable to our exposure data)
e Penal rate of Interest in case of default	As per extant guidelines of the bank
f Terms of repayment :	The validity of the sanction for working capital Limits & Non Fund Based limits shall be 12 Mths from the date of sanction (Subject to annual review by the bank & continuation of the limit will be the sole discretion of the bank)
g Period of default (In days)	
h Amount of default	
Principal	NA
Interest	422.53

b Short Term Loan (against mortgage of land earmarked for sale)

a Date of sanction(Latest renewal)	15-Mar-14
b Amount sanctioned	Rs. 2,000.00 Lakhs
c Security	Primary security-Nil Collateral security- Exclusive charge (Registered Mortgage) on Unencumbered piece of land admeasuring 17440 sq.mtrs
d Rate of interest	BPLR (Base rate + 6% i.e 16.20% @ the time of renewal) with monthly rests
e Penal rate of Interest in case of default	Nil
f Terms of repayment :	Bullet payment within a period of 1 year or on receipt of funds from the Govt of India before 28/02/2015 whichever is earlier
g Period of default (In days)	NA
h Amount of default	
Principal	1,893.90
Interest	-
SUMMARY OF DEFAULT	
PRINCIPAL	15,346.33
INTEREST	7,947.02

STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

Statement 2: Segment Reporting (See Note 34 of Notes to the Standalone Profit and Loss Statement for the year ended 31/03/2015)

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS:

(₹ Lacs)				
Particulars	Pharma	Agro-vet	Total (1 to 2)	Consolidated
	1	2	3	4
Revenue				
Domestic sales	856.06	995.49	1,851.55	
FY 2013-14	1,960.04	1,045.81	3,005.85	
Export sales	2.24	—	2.24	
FY 2013-14	12.78	—	12.78	
Total FY 2014-15	858.30	995.49	1,853.79	1,974.07
FY 2013-14	1972.82	1045.81	3018.63	3015.16
Segment Results				
Corporate Cost			9,518.19	9,518.19
FY 2013-14			11,489.74	11,489.74
Unallocated Corporate cost				358.04
FY 2013-14				101.01
Profit before Prior Period (Net)				(7,544.12)
FY 2013-14				(7,138.60)
Prior Period Income/Expenditure				—
FY 2013-14				(88.39)
Net Profit/ (Loss)				(7,544.12)
FY 2013-14				(8,474.58)

OTHER INFORMATION

Segment Assets	19,376.14
FY 2013-14	19,452.58
Segment Liabilities	61,831.96
FY 2013-14	55,794.17

Note: The assets & liabilities of the Company are used interchangeably between segments. Hence, it is not possible to allocate corporate cost over segments. Additionally, assets and liabilities are also not identifiable to any specific segment.

Statement 3: Details of Immovable Properties Leased by the Company

Sr. No.	PARTY CODE	NAME OF THE PARTY	PREMISES LEASED	Registration Number	Registration Date	SECURITY DEPOSIT	Agreement Date		Total Yrs	Area Sft	Annual Rent
							From	To			
1.	R105	I.O.C.petrol Pump-premchand Co	Petrol Pump	3570	7/6/2006	102,000	1.9.2004	1.8.2015	11 yrs	1070.45	408,000
2.	R402	BSNL	office premises	8926	30/9/2014		21.6.2013	20.6.2018	5 Yrs	3,536	1,909,440
3.	R956	Vijaya Bank	office premises	2523	27/3/2015		1.4.2014	31.3.2019	5 Yrs	2,500	1,350,000
4.	R955	Pune District Co-op Bank LTD	office premises	3718	27/5/2015	42,205	10.8.2013	9.8.2018	5 Yrs	798.28	431,071
5.	R974	R. R. Rawat A-206	Residential outsider	PER/QRT /358/07/	18/7/2014		18.7.2014	17.7.2017	3 Yrs	Qtr A-206	47,880
6.	R009	B. R. Sadugol D-18	Residential outsider	PER/MKT /358/07/	2/6/2015		8.5.2015	7.5.2016	1 Yr	Qtr D-18	150,360
7.	R082	Maya Anil Kadam H-38	Residential outsider	PER/M /3/15/	12/3/2015		1.10.2014	30.9.2015	1 Yr	Qtr H38	46,368
8.	R979	Samarth Laundry Shop No 7 (A)	Gala Shop	2578	9/5/2014	4,800	9.5.2014	8.4.2017	3 Yrs	177	9,600
9.	R115	Pankaj D. Kamble Shop 02	Gala Shop	2575	9/5/2014	9,000	9.5.2014	8.4.2017	3 Yrs	480	18,000
10.	R116	Sunil Vitthal Vitkar (prashant Sound Ser) Sh No 13	Gala Shop	2577	9/5/2014	11,100	9.5.2014	8.4.2017	3 Yrs	480	30,000
11.	R117	Sunil G Jagtap Shop No 06	Gala Shop	2783	9/5/2014	18,300	9.5.2014	8.4.2017	3 Yrs	480	36,600
12.	R111	Bharat Shivdas Sawant Sh No 4	Gala Shop	2573	9/5/2014	9,900	9.5.2014	8.4.2017	3 Yrs	480	19,800
13.	R112	Sai Seva Mahila Mandal Shop 01	Gala Shop	2570	9/5/2014	10,200	9.5.2014	8.4.2017	3 Yrs	480	20,400
14.	R113	Sunita Pankaj Thakur Sh. 03	Gala Shop	2571	9/5/2014	11,100	9.5.2014	8.4.2017	3 Yrs	480	22,200
15.	R114	Shri Sarjerao G Jagtap Sh No 5	Gala Shop	2784	9/5/2014	12,900	9.5.2014	8.4.2017	3 Yrs	480	25,800
16.	R081	B. A. Uzagare Qtr No H-24	Residential outsider	PER/HOUSE/ PER/M/04/15	3/4/2015		1.4.15	30.9.2015	6months	H-24	46,368
17.	R080	S. D. Kamble Qtr no H-5	Residential outsider	PER/HOUSE /PER/M/04/14	29/10/2014		1.4.15	30.9.2015	6months	H-5	46,368
18.	R118	Shiv Cable Network 1 Dr Qtr	Gala Shop	PER/QRT /358/07/2014	17/7/2014		5.7.2014	4.7.2017	3 Yrs		8,400
19.	R701	Ha School (deccan Ed.society)	School	GB/VS/VII /SIP/266/66	09/06/1966				99Yrs	14,395	23,300
20.	R401	Sub-post Master, Post Office	Office premises	NIL	23/3/1985	1,000,000			99Yrs	NIL	60
21.	R501	UCO BANK	office premises	2714	27/4/2006		1.9.2005	31.08.2010	5Yrs	2,864	584,344
						1,231,505					5,234,359

Statement 4: The Company has certain dues to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows (See Note 39 of Notes to the Standalone Profit and Loss Statement for the year ended 31/03/2015):

Sr.	Supplier A/C Code	Name of the party	Amt (Rs.) 31-Mar-15	Amt (Rs.) 31-Mar-14
1	1278	M/s Aarti Foils	31,186	31,186
2	2505	M/s Divish Packaging	168,488	168,488
3	4481	Imprint India	587,736	587,736
4	5209	Kanchan Offset	227,858	227,858
5	6132	Maxim Adhesive	50,116	50,116
6	6180	Mayura Offset	141,073	141,073
7	6444	Neha Packaging	66,308	66,308
8	7170	Print Pack	5,136	5,136
9	7279	Prakash Corrugating	167,315	167,315
10	7236	Pawan Packaging	394,961	394,961
11	7432	Patwa Printing Press	214,378	214,378
12	8168	Radha Krishana	35,557	35,557
13	8104	Ranjeet Printer	1,886,238	2,161,780
14	8287	Sumaru Packaging	—	—
15	8656	Samarth Enterprise	8,409	8,409
16	9161	Unity Printer	231,948	201,849
17	9587	Vial Seal	19,645	19,645
18	8655	Shree packaging	3,962	3,962
19	3827	H&H Packaging	65,944	65,944
		Total	4,306,258	4,551,701

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF HINDUSTAN ANTIBIOTICS LIMITED FOR THE YEAR ENDED
31 MARCH, 2015**

The preparation of Financial Statements of Hindustan Antibiotics Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 December 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted Supplementary Audit under Section 143(6)(a) of the Act of the Financial Statements of Hindustan Antibiotics Limited for the year ended 31 March 2015. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my Supplementary Audit, I would like to highlight the following significant matter under Section 143(6)(a) of the Act which have come to my attention and which in my view are necessary, for enabling a better understanding of the Financial Statements and the related Audit Report.

Standalone Balance Sheet as at 31 March 2015**Short Term Loans and Advances (Note 16) - Rs. 9619.15 lakh****Loans and Advances to related parties****With Subsidiary Company - Rs. 2570.58 lakh**

This includes Rs. 2530 lakh (Rs. 1216 lakh towards loan and Rs. 1314 lakh towards interest) recoverable from Maharashtra Antibiotics and Pharmaceuticals Limited (MAPL), which is a defunct company and whose Financial Statements have not been maintained and reconciled with the Company since 2010-11. The Company has not disclosed that winding up petition of MAPL is in progress in the Bombay High Court; that loan of Rs. 799 lakh along with interest thereon has to be recovered from sale of assets of MAPL and also that the Company holds mortgage rights on the immovable properties of MAPL at its registered office at Nagpur.

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

(Sangita Choure)

**DIRECTOR GENERAL OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER, AUDIT BOARD-I, MUMBAI**

Place : Mumbai

Date : 28 April 2016