

# बयालीसवीं वार्षिक रिपोर्ट

2019-2020

Fourty Two Annual Report  
2019-2020



इण्डियन मैडिसिन्स फार्मेस्यूटिकल कॉर्पोरेशन लिमिटेड

(भारत सरकार का उद्यम)

मोहान, जिला अल्मोड़ा (वाया रामनगर-244715) उत्तराखण्ड

INDIAN MEDICINES PHARMACEUTICAL CORPORATION LIMITED

(A Government of India Enterprise)

Mohan, Distt. Almora (Via Ramnagar-244715) Uttarakhand

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## BOARD OF DIRECTORS (1.4.2019 to 31.3.2020)



1. Prof. (VD.) Pradeep Kumar Prajapati  
Managing Director Incharge  
Indian Medicines  
Pharmaceutical Corp. Ltd.  
Mohan (Via Ram Nagar-244715)  
Distt. Almora (Uttarakhand)  
(w.e.f. 24.09.2018 to 06.07.2020)



2. Dr. Mukesh Kumar  
Managing Director  
Indian Medicines  
Pharmaceutical Corp. Ltd.  
Mohan (Via Ram Nagar-244715)  
Distt. Almora (Uttarakhand)  
(w.e.f. 06.07.2020 to till date)



3. Mr. Vikram Singh  
Director  
Ministry of AYUSH  
AYUSH Bhawan,  
INA, B-Block, GPO Complex,  
New Delhi - 110023  
(w.e.f. 04.07.2019 to till date)



4. Shri Raj Kumar  
Deputy Secretary (IFD-AYUSH)  
Ministry of Health & Family  
Welfare  
Nirman Bhawan  
New Delhi - 110001  
(w.e.f. 11.01.2019 to till date)



5. Shri Pramod Kumar Pathak  
Additional Secretary (AYUSH)  
Ministry of AYUSH  
AYUSH Bhawan,  
INA, B-Block, GPO Complex,  
New Delhi - 110023  
(w.e.f. 20.07.2017 to 04.07.2019)



6. Shri Franklin L. Khobung  
Director (AYUSH)  
Ministry of AYUSH  
AYUSH Bhawan,  
INA, B-Block, GPO Complex,  
New Delhi - 110023  
(w.e.f. 05.10.2016 to 26.09.2019)

Company Secretary	- Pankaj Kumar Jha
Statutory Auditor	- M/s. Anil Shalini & Associates Chartered Accountant 94-D, Pocket -F, Mayur Vihar, Phase-2, Delhi-110091 Tel. : 011-22787142 E-mail : anilshaliniandassociates@gmail.com
Bankers	- State Bank of India Mohan, Distt. Almora (Uttarakhand)  - Axis Bank Limited Ramnagar, Distt. Nainital (Uttarakhand)  - State Bank of India Nirman Bhawan, New Delhi  - Corporation Bank Haridwar (Uttarakhand)
Registered Office and Unit (1)	- Mohan Distt. Almora, (Via Ramnagar-244715) Uttarakhand Telephones: (05947) 287844, 287828, 287837, 287825
Unit (2)	- Imlikhera Distt. Haridwar (Uttarakhand) 247667





# इण्डियन मेडिसिन्स फार्मास्युटिकल कॉर्पोरेशन लिमिटेड

(भारत सरकार का उद्यम)

मोहान, जिला अल्मोड़ा (वाया रामनगर-244715) उत्तराखण्ड

**INDIAN MEDICINES PHARMACEUTICAL CORPORATION LIMITED**

(A Government of India Enterprise)

Mohan, Distt. Almora (Via Ramnagar-244715) Uttarakhand

Ref. No. IMPCL/A.G.M/2020-21/

Date 22.02.2021

## NOTICE

Notice is hereby given that the 42<sup>nd</sup> **Annual General Meeting** of the members of **INDIAN MEDICINES PHARMACEUTICAL CORPORATION LIMITED** will be held as scheduled below: -

DATE : 26.02.2021  
DAY : FRIDAY  
TIME : 12:00 P.M.  
VENUE : **THROUGH VIDEO CONFERENCE.**

to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Statement of profit & loss for the year ended March 31, 2020, the Balance Sheet as at that date and Directors' report and Auditor's report along with other related documents and comments of Comptroller & Auditor General of India thereon.
2. To consider and fix the remuneration of Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India i.e. M/s Achal Srivastava & Co., Chartered Accountants of Haldwani, Uttarakhand, for the year 2020-21.

By order of the Board of Directors  
**For INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**

Sd./-

(CS Pankaj Kumar Jha)  
Company Secretary

Place : Mohan  
Dated : 22.02.2021

### REGISTERED OFFICE :-

Mohan (Via - Ramnagar), District - Almora, Uttarakhand - 244715.

To,  
**All Members of the Company, Auditors, All Directors.**

### **NOTE :-**

**A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than forty-eight hours before the meeting.**

C.C. to :-

- 1) The Under Secretary, Ministry of AYUSH, AYUSH Bhawan, B-Block, GPO Complex, INA, New Delhi-110023.
- 2) The Registrar of Companies, U.P. & Uttarakhand, 10/499 B, Allenganj, Khalasi Line, Kanpur - 208002, U.P.

By order of the Board of Directors  
**For INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**

Sd./-

(CS Pankaj Kumar Jha)  
Company Secretary

Place : Mohan  
Dated : 22.02.2021

N.B.:- Consent of Shareholders U/S 136 of the Companies Act, 2013 is being obtained/has been obtained.

## PROXY FORM

Shares held \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

(Name in block letters) \_\_\_\_\_

“I/We \_\_\_\_\_ Resident of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of the Indian Medicines Pharmaceutical  
Corporation Limited, hereby appoint \_\_\_\_\_ Resident of \_\_\_\_\_  
as my proxy to vote for me and on my behalf at the Annual General Meeting of the company  
to be held on Friday, February 26, 2021 at 12:00 P.M. or any adjournment thereof.”

Signature \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_

*Note : The Proxy to be effective should be deposited at the Registered office of the Company  
not less than 48 hours before the commencement of the meeting.*

## FROM THE DESK OF MANAGING DIRECTOR

On behalf of the Board of Directors and on my personal behalf let me begin by wishing you good health and safety in these troubled times. I sincerely hope you stay safe and protected from COVID. I would also like to take this opportunity to show my immense gratitude to all our frontline heroes – police personnel, doctors, health workers and sanitation workers – for their efforts in keeping us safe. IMPCL has also been at the forefront by lending a helping hand in the fight against the disease by supporting various National and local institutions and the Central and State Governments. The IMPCL has committed Rs.28.54 Lacs towards these relief measures. Details of our COVID relief initiatives have been provided in this report. With the COVID pandemic impacting economies, lives and livelihood all over the world, the Company's sales and profits were also impacted during last quarter of the financial year. Despite the COVID impact, IMPCL ended FY 2019-20 with a 11.76% growth in Revenue from Operations at Rs. 97.04 Crore. Net Profit for the full year stood at Rs 0.45 Crore, reflecting a slight lower level as last year. However, reason for lowering of profit is that in the year 2019-20 company has also implemented the IIIrd pay revision to the employees, pending since, 2017. The year saw IMPCL progress on its growth strategy by investing heavily behind the some identified Products, majority of which fall in the strategically important Immunity Booster. The products reporting good growth during the year and gaining market share in their respective categories. Despite of lockdown we have shown our presence in every part of the country by supplying our products. With the lockdown restrictions easing now, we are continuing to fulfil the need of medicines to our indenters.

Since the COVID outbreak, the demand dynamics have undergone a sea change with consumers increasingly seeking Ayurvedic and Unani products that build immunity. As the Government's one of the largest Ayurvedic & Unani medicine manufacturer, our business is well positioned to address this trend with our portfolio of immunity building products. As an organisation, we have always believed in the benefits of Ayurveda & Unani and have been propagating the goodness of Ayurveda & Unani for the past 42 years. In the past year, we have taken several steps to further enhance the popularity of Ayurveda & Unani and make it more mainstream. We also organised health camps and doctor meets to disseminate information about the efficacy of Ayurvedic & Unani medicines in managing healthcare including lifestyle diseases that are surfacing in current times. With our strong heritage and our unmatched product portfolio, we are confident of effectively managing our business, regardless of the operating environment and relentlessly working towards delivering long-term value for our stakeholders. The Company has a strong commitment towards environment sustainability and social development. We continue to build on this strength by working more proactively in the areas of cultivation and conservation of natural resources. In line with that we also have developed an in-house medicine garden for captive consumption. Today, we grow various medicinal herbs within the premises of the company. Looking back, I would say FY 2019-20 was not an easy year especially towards the end. But I know that we can count on the experience of our management team and the commitment of our employees and casual workers to weather any storm that comes our way. I would like to take this opportunity to thank our team for their continued hard work and commitment particularly during the COVID-imposed lockdown. We owe our success to them. They are our true Corona Warriors and their commitment is what drives our business forward during these troubled times and positions us for sustainable growth in the future. I would also like to extend my gratitude to our Liasioners, vendors, and business associates for their continued support and commitment towards IMPCL. Finally, I would extend my gratitude towards the Ministry of AYUSH being our administrative Ministry for the support extended by them. We are committed to provide the qualitative and efficacious genuine medicines for the benefit of society and for propagation of the Ayurvedic and Unani Medicinal system.

Sincerely,

(Dr. Mukesh Kumar)  
Managing Director

## DIRECTORS' REPORT

To

The Members,  
INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.

The Board of Directors have pleasure in presenting Report on behalf the Board, on the business and operations of the company for the year 31st March 2020.

### 1. HIGHLIGHTS

The performance highlights of your company are furnished in the table as below:

(Rs. in Crores)

Particulars	For the Year 2019-20	For the Year 2018-19
Revenue from operations	97.04	86.83
Other Income	0.20	0.64
Profit before tax (PBT)	0.43	7.66
Profit For the year (PAT)	0.45	5.58
Reserve & Surplus	23.04	22.65
Paid up Share Capital	51.98	51.98
Earnings Per share (Basic & diluted)	0.09	1.07
Book Value of the Share	10.00	10.00

### 2. SHARE CAPITAL

The Authorised Share Capital is Rs. 75 Crore and paid up capital continues to be Rs. 51.98 Crore.

### 3. Finance

As on 31.03.2020, the Cash Credit Limit from Banks for Working Capital requirements was Rs. 3.00 Crore (Previous year Rs. 3.0 Crore). The interest burden for the year was at Rs 0.03 Crore (Previous Year Rs. 0.13 Crore).

### 4. CAPACITY UTILISATION

Licensed/Installed capacity and actual production of Mohan Unit:

Sr.No.	PARTICULARS	UNIT	INSTALLED CAPACITY		ACTUAL PRODUCTION	
			2019-20	2018-19	2019-20	2018-19
1	Tablets/Pills	KG.	200000.00	200000.00	66120.60	126513.20
2	Capsules	KG.	50000.00	50000.00	2731.00	1052.70
3	Choorna	KG.	600000.00	600000.00	176485.30	187660.40
4	Syrups	LTRS.	300000.00	300000.00	51868.70	67388.60
5	Arka	LTRS.	50000.00	50000.00	18887.40	27666.30
6	Asava	LTRS.	500000.00	400000.00	261856.00	355726.00
7	Taila	LTRS.	300000.00	300000.00	63553.90	94069.45
8	Marham	KG.	30000.00	30000.00	2811.50	11346.75
9	Avaleha	KG.	250000.00	250000.00	123129.50	182360.68
10	Bhasma	KG.	50000.00	50000.00	3236.80	8394.00
	<b>Total</b>		<b>2330000.00</b>	<b>2230000.00</b>	<b>770680.70</b>	<b>1062178.08</b>

Contd.....2

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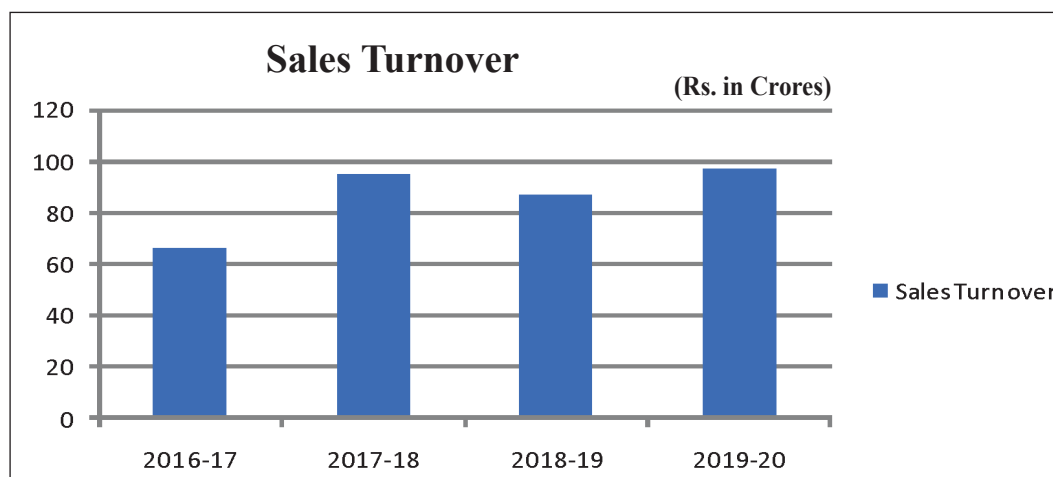
**Licensed/Installed capacity and actual production of Imlikhera (haridwar) Unit:**

Sr.No.	PARTICULARS	UNIT	INSTALLED CAPACITY		ACTUAL PRODUCTION	
			2019-20	2018-19	2019-20	2018-19
1	Tablets/Pills	KG.	22000.00	22000.00	9504.10	214.93
2	Capsules	KG.	14000.00	14000.00	-	-
3	Choorna	KG.	380000.00	380000.00	73820.90	33158.50
4	Syrups	LTRS.	145000.00	145000.00	7736.50	-
5	Arka	LTRS.	-	-	-	-
6	Asava	LTRS.	360000.00	360000.00	261142.80	32060.00
7	Taila	LTRS.	145000.00	145000.00	13736.30	-
8	Marham	KG.	23000.00	23000.00	-	-
9	Avaleha	KG.	25000.00	25000.00	281.80	-
10	Bhasma	KG.	3000.00	3000.00	254.70	-
	<b>Total</b>		<b>1117000.00</b>	<b>1117000.00</b>	<b>366477.10</b>	<b>65433.43</b>

**5. SALES TURNOVER**

Company has achieved a sales turnover of Rs. 97.04 Crore as against Rs. 86.83 Crore achieved during the year 2018-19. For the Financial Year 2020-21 Company has proposed Rs. 150 crore turnovers. The sales turnover of the company is inclusive Rs 59.22 cr of the in-house facility of unit situated at “Mohan” and “Imlikhera” as well as Rs. 37.82 cr through loan license firms i.e. from Shree Dhanvantri Herbals for Ayurvedic Medicines and Multani Pharmaceutical Ltd. for Unani Medicines.

**6. GRAPH OF SALES TURNOVER**



2016-17	2017-18	2018-19	2019-20
Rs. 66.45 Cr.	Rs. 95.21 Cr.	Rs. 86.83 Cr.	Rs. 97.04 Cr.

**Contd.....3**

## 7. FINANCIAL RESULTS

The summarised financial results for the year 2019-20 are furnished below in table:

(Rs. in Crores)

PARTICULARS	For the year 2019-20	For the Year 2018-19
Profit before interest, depreciation and tax	4.08	11.98
Less: Interest and other financial charges	0.03	0.13
Cash Profit	4.05	11.85
Less: Depreciation	3.62	4.19
Profit before tax (PBT)	0.43	7.66
Less: Provision for taxation	(0.02)	2.08
Profit after tax and adjustments	0.45	5.58

## 8. DIVIDEND

Your Director informs that gradually, the company is achieving higher turnover but this year due to implementation of Pay Revision company required more working capital, payment of dividend has not been recommended to the Shareholders. As the Management has expectations for higher turnover in the next year, dividend may be recommended to its Shareholders.

## 9. INVENTORIES AND DEBTORS

The value of total inventories consisting of raw materials, Work in Progress and Finished Goods were Rs 26.97 crores which worked out to 27.79 % (Previous year 24.84% ) of sales turnover. As on 31.03.2020, debtors were Rs. 36.36 crores (Previous year Rs. 56.71 crores) .

## 10. RATING OF THE COMPANY vis – a – vis MOU TARGETS

Your Company's performance has been rated as “Good” in terms of MoU signed with the Government of India for the year 2017-18. However, for the year 2018-19 & 2019-20 rating of the company is under process. The Management is confident to achieve better business in coming years.

## 11. CONTRIBUTION TO PUBLIC EXCHEQUER

Your company has contributed a sum of Rs 1.82 crores (Previous Year Rs 2.26 crores) to the exchequer of Central and State Governments by way of Income Tax, GST etc.

## 12. ENCOURAGEMENT TO MICRO & SMALL ENTERPRISES

Government of India vide Order No. S.O. 581(6) dated 23.03.2012 and S.O. dated 14.11.2018 has notified a new Public Procurement Policy for Micro and Small Enterprises. As per the Order, minimum 25% of total annual Purchases has to be procured from MSEs including reservation of 20% to units owned by Scheduled Caste/Scheduled Tribe Entrepreneurs. Your company has procured goods from Micro Small Enterprises during 2019-20 to the extent of Rs 6.13 crores against total procurement of Rs 28.76 crores.

**Contd.....4**

### **13. HUMAN RESOURCES**

The total manpower of the company as on 31.03.2020 was 96 Nos. consisting of 12 Officers and 84 Non-Officers.

### **14. HUMAN RESOURCE DEVELOPMENT**

Employees are most valuable tangible assets of the company. We have created a favourable work environment. Investing in people's competencies for the business requirements of tomorrow is very much important. In order to keep pace with the latest changing scenario and the need to update the knowledge and skills of human resources to stay ahead and emerge as a successful organization, the company has taken various initiatives.

The company continues to organize the training programmes both in house as well as through Institutes/Consultants enabling the employees to interact with other professionals and to acquire better capabilities and skills.

### **15. REPRESENTATION OF SC & ST CANDIDATES**

The strength of employees belonging to SC/ST category , as on 31.03.2020 was 27 Nos. (SCs-26 & STs-01) Nos Previous year 28Nos. (SCs-27 & STs-01)

### **16. REPRESENTATION OF MINORITIES AND PERSONS WITH DISABILITY**

The strength of employees belonging to Minorities category as on 31.03.2020 was 03 Nos. (previous year 03 Nos.)

The strength of employees belonging to persons with Disability category as on 31.03.2020 was 02 Nos. (previous year 02 Nos.)

### **17. HUMAN RELATIONS**

During the year under review, the industrial relation scenario in the Company was peaceful, cordial and healthy.

### **18. EMPLOYEE WELFARE**

The Company continues bus services for commute to office, various welfare facilities to its employees. Inter alia the company also provides the interest free medical advance to employees, Festival Advance and medicines to its employees at discounted price. The expenditure on the provision of welfare and other amenities during the year amount to Rs28.14 lakhs(Rs. 23.36 lakhs during 2018-19).

**Contd.....5**



## **19. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with requirements of the Sexual Harassment of Women at Work Place (Prevention, Prohibition And Redressal) Act, 2013. Internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year.

No. of complaints received: Nil

No. of complaints disposed off: NA

## **20. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return is enclosed at Annexure-A (Format No. MGT-9)

## **21. RISK MANAGEMENT**

Your Company has adopted a Risk Management Policy. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk. The Company has identified various risks and also has mitigation plans for its risk identified.

## **22. PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013**

Information regarding particulars of employees drawing remuneration in excess of the limit specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as none of the employees of the Company has drawn remuneration in excess of the stipulated limit during the year under review.

## **23. RESPONSIBILITY STATEMENT OF BOARD OF DIRECTORS**

To the best of their knowledge and belief and according to the information and explanations obtained by them from respective HOD's and auditors, your directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- 23.1) That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

**Contd.....6**



**::6::**

- 23.2) That such accounting policies have been selected and applied consistently and made judgement and estimates that are reasonable and prudent, so as to give true and fair view of the states of affairs of the Company at the end of the financial year and of the profit of the company for that period ;
- 23.3) That proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the companies Act, 2013, for safeguarding the assets of the company and for preventing and deducting fraud and other irregularities;
- 23.4) That the annual accounts for the year ended 31st March, 2020 have been prepared on a going concern basis;
- 23.5) That the company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 23.6) That proper systems are devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.
- 23.7) Further, report of C&AG U/S 143 (6)(b) of the Companies Act, 2013 on Financial Statements of IMPCL for the year ending 31st March, 2020 has been observed and directed to adhere to the observation of C&AG/Auditor.

**24. Disqualification of Directors**

In terms of Notification No. GSR/E dated 05.06.2013, issued by Ministry of Corporate Affairs, the Government Companies are exempted from the provisions of Section 164(2) of the Companies Act, 2013.

**25. SAFETY**

This is to inform that there were no fatal accidents during the year. The company continues its focus on safety in operation. Employees have been provided with safety gadgets.

**26. ENVIRONMENT PROTECTION AND SUSTAINABILITY MEASURES**

The following steps have been taken for the environment protection and sustainability.  
Landscaping and Lawn preparation and maintenance of Garden at factory.

**Contd.....7**

## **27. DEPOSITS**

During the year under review, your company did not accept any deposits within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **28. KEY MANAGERIAL PERSONNEL**

Company has appointed Key Managerial Personnel as per the Provisions of the Companies Act, 2013. The Managing Director, Nominee Directors and Company Secretary are appointed as Key Managerial Personnel.

## **29. BOARD OF DIRECTORS**

Appointment of Director is notified by Government of India as per the provisions of Memorandum and Articles of Association of the Company. There is only one Functional Director i.e. Managing Director and all others are Non-Executive Directors (Nominees of Government). No remuneration has been paid to Managing Director during the year 2019-20 as he was holding additional charge of MD, IMPCL.

### **29.1) CHANGES IN THE BOARD**

The Board welcomed the appointment of the Shri Vikram Singh, Director (AYUSH) as the nominee Director on the Board of the company w.e.f. 04.07.2019. Shri Vikram Singh was appointed in Place of Shri Pramod Kumar Pathak, Director (AYUSH). The Board placed on record its deep appreciation of the services rendered by the above outgoing Director during their tenure on the Board.

### **29.2) WOMEN DIRECTORS**

Presently your Board is not comprised of a Director being Women. Section 149 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 provides for appointment of a Women Director in the Board of the Company in case of fulfilment of certain conditions. However, your Company does not mandatorily require to comply for such appointment. Hence, required provisions for composition of Board of Directors are being complied with.

**Contd.....8**

### **29.3) COMMITTEES OF THE BOARD**

As a part of the better Corporate Governance practices and in compliance with the requirements of the relevant provisions of applicable laws and statutes your Company has constituted a Corporate Social Responsibility Committee. The details with respect to the compositions, powers, roles of this Committee are approved by Board of Directors in their meeting held in the year 2016-17 dated 25.03.2017.

### **29.4) DECLARATION FROM INDEPENDENT DIRECTORS**

Presently on the Board of your Company independent Directors have not been appointed. However, in compliance of relevant laws and statutes read with provisions of the guidelines issued by office of Department of Public Enterprises the appointment of Independent Directors on the Board of the Company is under process on the date of this report.

### **30. BOARD MEETINGS HELD DURING THE YEAR**

During the year in compliance of the provisions of Section 173 read with Companies (Meetings of Board and its powers) Rules 2014, 05 meetings conducted dated 26.06.2019, 05.08.2019, 09.08.2019, 09.10.2019 and 25.01.2020.

### **31. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE/OUTGO**

The particular regarding Conservation of Energy, Technical Absorption, Foreign Exchange/Outgo, as prescribed under Sub-Section 3 (m) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are given as Annexure-2, which forms part of this report.

### **32. RELATED PARTY TRANSACTIONS**

All the related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There were no materially significant transactions with related parties during the year which were in conflict with interest of the Company. Suitable disclosures as required under AS-18 have been made in Note No. 29.17 of the notes to the Financial Statement.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on arm's length basis, Form AOC – 2 is not applicable to the Company.

**Contd.....9**

### **33. ANNUAL GENERAL MEETING**

The 41st Annual General Meeting of the Company was held on 15.02.2020.

### **34. OFFICIAL LANGUAGE**

During the year under review, efforts were made for effective and successful implementation of the official language policy of the Government. Forms circulars and notice has been made bilingual. Annual report of the company for 2019-20 has been printed in Hindi also.

### **35. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT**

Corporate Social Responsibility (CSR) is an integral part of the company's business strategy. As a responsible corporate citizen, we take charge of our social and Environmental Footprint. The Board of Directors have approved CSR Policy of the Company. An amount of Rs. 15.40 lakhs has been allocated and Rs 4.21 Lakhs has been spent during the year 2019-20 towards the health camp held on various locations under CSR Activities.

### **36. CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of good Corporate Governance and has taken adequate steps to adhere to all stipulations laid down in DPE O.M. No.18(8)-2005-GM dated 14.05.2010 issued by Department of Public Enterprises. Corporate Governance certificate by the practicing Company Secretary M/s Sudist Thakur & Associates, Company Secretaries confirming compliance of conditions of Corporate Governance.

### **37. FORMATION & DEVELOPMENT**

F & D department of your Company is dedicated to carrying out formulation & development aimed at creating scientific knowledge for new development and value additions in the field of Ayurvedic and Unani medicines. Your company has not incurred any expenditure on F & D during year.

### **38. QUALITY MANAGEMENT SYSTEMS**

During the year the company has obtained/renewed the certifications of ISO 9001:2015, GMP Certificates, Certificate from Pollution Department, Factory licence etc.

### **39. CORPORATE COMMUNICATIONS**

Your Company has adopted a number of communication interventions to present itself as an organisation based on values and as a provider of quality medicines products at affordable costs, contributing to nation building. In order to facilitate dissemination of information and interaction with all stakeholders regarding announcements, updates, achievements, growth, recent developments on operational and financial front, besides updates on website and social media, regular press communiqué and press meetings have also been arranged by your Company and regular interaction of the management with employees have also been arranged.

**Contd.....10**

#### 40. VIGILANCE

Vigilance activities are taken care by Company Secretary, nominated during the year as Chief Vigilance Officer of the company which strives to ensure probity & integrity at all levels in the Company by:

- Providing guidance, supervision and relevant assistance to its officials in the Company;
- Dissemination of preventive vigilance advises and system improvement directives to all its stakeholders;
- Conducting time to time vigilance inspections, investigation, systems studies to ensure adherence to the existing Rules and regulations of the Company;
- Keeping the competent authority apprised of vigilance findings from time to time to ensure appropriate corrective actions;

#### 41. RIGHT TO THE INFORMATION ACT, 2005

Your Company has implemented Right to Information (RTI) Act, 2005, which enhances the common citizen by providing access to information with a view to enlighten them on the accountability and transparency practised in the company. The Company has always endeavoured to ensure that various enabling provisions of the RTI Act, 2005 are implemented in letter and spirit. The number of RTI applications received and disposed off during year 2019-20 is given below:

No. of RTI applications pending as on 1st April 2019	-
No. of RTI applications received during year 2019-20	36
No. of RTI applications disposed off during year 2019-20	36
No. of RTI applications pending as on 31st March 2020	-

Apart from RTI applications, the Company has received six (4+2) appeals against the decision of CPIO, which too was duly attended to and appropriately disposed off by the First Appellate Authority.

#### 42. PARTICULARS OF LOANS, GUARANTEES OR INVESTEMENTS

During the year under review, your company has not given any loans or Guarantees covered under the provisions of Section 186 of the companies Act, 2013.

#### 43. SUBSIDIARIES AND JOINT VENTURE

Company does not have any Subsidiaries or Joint Venture of any type of business.

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#### **44. INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has proper and adequate systems of internal controls, commensurate with the nature of its business and the size and complexity of operations. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorised use or disposition. This system are routinely tested and certified by Statutory as well as Internal Auditors. In case of any area of correction is found or observed by the Auditors, has been reported in their report.

#### **45. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has nominated an officer as Public Grievance Officer of the Company, to provide a formal solution to the Employees and Officers and Public at large to report their concerns about unethical behaviour or violation of the Companies code of conduct. However, presently the company does not have any formal policy for the resolution of any matter, the Management assures to have the formal Whistle Blower Policy in coming year. It is affirmed that no personnel of the Company has been denied access to the Managing Director or Auditors of the Company and that no compliant were left without entertaining in this year.

#### **46. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY.**

There are not significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the company.

#### **47. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

#### **48. AUDITORS**

##### **48.1 Statutory Auditors**

The Comptroller and Auditor General of India appointed M/s Anil Shalini & Associates, Chartered Accountants, 94-D Pocket-F, Mayur Vihar, Phase-2, Delhi-110091, as Statutory Auditor of the Company for financial year 2019-20. The observations/qualifications made in the Auditors' Report read together with relevant notes thereon are self- explanatory and hence, do not call for any further comments Under Section 134 of the Companies Act, 2013.

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#### **48.2 Cost Auditors**

M/s H. C. B. & Company, Cost Accountants, Delhi was appointed as Cost Auditor for the financial year 2019-20 to conduct Cost Audit of the Accounts maintained by the Company in respect of the various products prescribed under Companies (Cost Record and Audit) Rules, 2014. Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rule, 2014. The appointment of Cost Auditor has been approved by passing of resolution in the meeting of Board of Directors.

#### **49. IMPACT OF COVID-19 PANDEMIC ON IMPCL**

Consumption of Ayurvedic medicines has been increased during COVID-19 Pandemic. IMPCL has recorded growth in a particulars segment due to supply of Immuno Boosting Ayurvedic medicines to counter pandemic Covid-19 which contributed in sizable manner in our turnover.

#### **50. APPRECIATION AND ACKNOWLEDGEMENTS**

Your Directors would like to make a special mention of the valuable guidance, support and co-operation your Company has been receiving from the Ministry of AYUSH, Government of India and look forward to their continued support in all future endeavours.

The Directors express their sincere thanks to the Comptroller and Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member of Audit Board, Statutory Auditors, Cost Auditors and Internal Auditors for the co-operation and support extended by them.

The Directors take this opportunity to thank the Company's bankers, regulatory authorities, customers, vendors, consultants, technology licensors, contractors and other business associates and trading partners for their continued support and confidence reposed in the Company.

Your Directors also place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders.

For and on behalf of the Board of Directors

**(DR. MUKESH KUMAR)**  
**MANAGING DIRECTOR**  
**DIN: 08792177**

**(VIKRAM SINGH)**  
**DIRECTOR**  
**DIN: 08559981**

**Place : Mohan**  
**Date : 22.02.2021**

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**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March 2020**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN : U2431UR1978GOI004637  
ii) Registration Date : 12.07.1978  
iii) Name of the Company : Indian Medicines Pharmaceutical Corporation Limited  
iv) Category / Sub-Category of the Company : Government Company  
v) Address of the Registered office and contact details : Mohan, Distt. Almora (Via Ramnagar-244715 (UTTARKHAND)  
vi) Whether listed company : No  
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NOT APPLICABLE

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Ayurvedic Medicines	21003	78
2	Unani Medicines	21003	22

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
--------	---------------------------------	---------	--------------------------------	------------------	--------------------

NOT APPLICABLE

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	Nil	Nil	Nil		Nil	Nil	Nil		
b) Central Govt	Nil	51000,000	51000,000	98.11	Nil	51000,000	51000,000	98.11	<b>NIL</b>
c) State Govt (s)	Nil	980000	980000	1.89	Nil	980000	980000	1.89	<b>NIL</b>
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Sub-total (A) (1):-</b>	Nil	51980,000	51980,000	100	Nil	51980,000	51980,000	100	
<b>(2) Foreign</b>									
g) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
j) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
k) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	Nil	51980,000	51980,000	100	Nil	51980,000	51980,000	100	

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<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total</b>									
<b>(B)(1):-</b>									
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (specify)									
<b>Sub-total</b>									
<b>(B)(2):-</b>									
Total Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	NIL	51,980,000	51,980,000	100	NIL	51,980,000	51,980,000	100	NIL

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	50,998,700	98.1122	NIL	50,998,700	98.1122	NIL	NIL
2	Secretary (AYUSH)	1100	0.0021	NIL	1100	0.0021	NIL	NIL
3	Additional Secretary (AYUSH)	100	0.0002	NIL	100	0.0002	NIL	NIL
4	Director (AYUSH)	100	0.0002	NIL	100	0.0002	NIL	NIL
5	K.M.V.N.Ltd. (PSU of State Government of Uttarakhand)	980,000	1.8853	NIL	980,000	1.8853	NIL	NIL
	<b>Total</b>	51,980,000	100	NIL	51,980,000	100	NIL	NIL

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**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.	For each of the Promoter's Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	51,980,000	100	51,980,000	100
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
3	At the End of the year	51,980,000	100	51,980,000	100

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	51,980,000	100	51,980,000	100
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
3	At the End of the year( or on the date of separation, if separated during the year)	51,980,000	100	51,980,000	100

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	100	0.0002	100	0.0002
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
3	At the End of the year	100	0.0002	100	0.0002

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## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NOT APPLICABLE			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NOT APPLICABLE			
<b>Change in Indebtedness during the financial year</b>	NOT APPLICABLE			
· Addition				
· Reduction				
<b>Net Change</b>	NOT APPLICABLE			
<b>Indebtedness at the end of the financial year</b>	NOT APPLICABLE			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NOT APPLICABLE			

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/WTM/ Manager	Total Amount
	Managing Director	Prof. Pradeep Kumar Prajapati	
1.	Gross salary	NIL	NIL
	(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	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit		
	- others, specify...		
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act		

**Contd.....17**

**B. Remuneration to other directors:**

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	-----	-----	-----	-----	
	Total (1)					
2	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	Pramod Kumar Pathak	F.L. Khobung	Vikram Singh	Raj Kumar	
	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	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	N. A.	13,13,822.00	N. A.	13,13,822.00
		N.A.	NIL	N.A.	NIL
		N.A.	7000.00	N.A.	7000.00
2	Stock Option	N. A.	NIL	N. A.	NIL
3	Sweat Equity	N. A.	NIL	N. A.	NIL
4	Commission - as % of profit - others, specify...	N. A.	NIL	N. A.	NIL
5	Others, please specify (EPF)	N. A.	1,34,225.00	N. A.	1,34,225.00
	Total	N. A.	14,55,047.00	N. A.	14,55,047.00

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**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act,	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

(VIKRAM SINGH)  
DIRECTOR  
DIN : 08559981

(PANKAJ KUMAR JHA)  
COMPANY SECRETARY  
M.No. A27214

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## ANNEXURE TO DIRECTORS' REPORT

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 forming part of the Directors' Report for the year ended 31st March 2020.

### A. CONSERVATION OF ENERGY:

- (a) energy conservation measures taken :  
-with the help of sun energy certain materials are being dried.
- (b) additional investments and proposals, if any, being implemented for reduction of consumption of energy.  
- Solar dryer was installed by the Company.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.  
-Drying process with the help of sun energy saved energy (electricity) consumption and thereby reduction of cost of production of goods, data is not quantified.
- (d) total energy consumption and energy consumption per unit of production as per **Form-A**

#### (a) Power and Fuel Consumption

		2019-2020	2018-2019
1.	<b>Electricity</b>		
	Purchase Unit	864637	916520
	Total amount (In Rs.)	7660684.00	7113773.00
	Rate/Unit ( In Rs.)	8.86	7.76
	Own Generation		
	Through diesel generator		
	Unit	N.A .	N.A .
	Units per Ltr. of diesel oil	N.A .	N.A .
	Cost/Unit	N.A .	N.A .
	Through Steam Turbine/generator		
	Units	N.A .	N.A .
	Units per Ltr. of Diesel oil	N.A .	N.A .
	Cost/Unit	N.A .	N.A .
2.	<b>Coal (specify quantity and where used)</b>		
	Quantity (Tonnes)	NIL	NIL
	Total cost	NIL	NIL
	Average rate	NIL	NIL

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3.	<b>Furnace Oil</b> Quantity (Kg./Ltr.) Total Amount Average Rate	NIL NIL NIL	NIL NIL NIL
4.	<b>Other/Internal generation**</b> (Fuel, Kanda and Gas LPG) Quantity (Kg./Ltr. In Qtl.) Total Amount Rate <b>Diesel</b> Quantity (Kg./Ltr. In Qtl.) Total Amount Average rate	924615 4327201.00 4.68 88064.11 5724167.00 65.00	1003420.00 4073885.00 4.06 127485.40 8541523.00 67.00

\*\* Purchased quantity and value given.

**(b) Consumption per unit of production**

Particulars	2019-20	2018-19
Electricity Rupees Unit	6.74	6.70
<b>Furnace oil</b> Rupees Unit	NA	NA
<b>others specify fuel, (Kanda, Firewood &amp; Diesel)</b> Rupees Unit	8.84	11.88

**B. TECHNOLOGY ABSORPTION**

(a)	Efforts made in technology absorption as per Form-B Research and Development ( R & D)	
	1. Specific areas in which R&D / F&D Carried out by the Company	Development and manufacturing of Drugs for CCRUM and CCRAS for Intra Mural Clinical Research Projects. 1. Conversion of Pills in to tablets. 2. Development of monograph on standard operational procedures (SOPs) of manufacturing process and quality standards of ASU/ Bhasma formulation.
	2. Benefits derived as a result of the above R&D / F&D	Improvement in quality & business
	3. Future plan of action	Standardisation & process validation of ISM products.

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4.Expenditure of R & D	
(a) Capital -	-
(b) Recurring -	-
(c) Total -	-
(d) Total R & D expenditure- as a percentage of total turnover	-

**Technology absorption, adaptation and innovation**

1.	Efforts, in brief, made towards technology absorption adaptation and innovation	The company has been developing formulations/drugs for commercial production. It has its own facilities for testing of formulations/Drugs at all stages in production processes.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development import, substitution, etc.	Please see above.
3.	In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :	
	(a) Technology imported	NIL
	(b) Year of Import	NIL
	(c) Has technology been fully absorbed.	NIL
	(d) If not fully absorbed areas	
	where this has not taken place, reasons therefore and future plans of action.	NIL

**C.FOREIGN EXCHANGE EARNINGS AND OUTGO :**

(a)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans	NIL
(b)	Total foreign exchange used and earned	NIL

For and on behalf of the Board of Directors

(DR. MUKESH KUMAR)  
MANAGING DIRECTOR  
DIN: 08792177

(VIKRAM SINGH)  
DIRECTOR  
DIN: 08559981

Place : Mohan  
Date : 22.02.2021

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## I. CORPORATE SOCIAL RESPONSIBILITY AND OTHER ACTIVITY

Corporate Social Responsibility (CSR) & Sustainability is an integral part of the Company's ethos and policy and the Company has been pursuing this on a sustained basis. Company has continuously followed the Corporate Social Responsibility (CSR) guidelines issued by the Departments of Public Enterprises (DPEs). In last Financial Year, the Company has planned to spend allocated CSR funds in Cultivation of Medicines Plants, Imparting Vocational Training, Promoting Cultivation of medicinal plants under Contracts farming systems, Medicinal Garden through aids from Medicinal Plant Board and Promoting livelihood by supporting cultivation of medicinal plants and buying same from the Self help Groups etc.

In addition the CSR activity, the Company had given employment maximum to Local peoples. Around 100 employees out of total strength are from local area and surrounding hills. Besides this for the purpose of Production and other related works about 300 workers from the nearby areas are also engaged in the Company on daily wages basis. The Company is purchasing (available) raw material etc. locally besides from other places (Total raw material items around 500) (i.e. increase in the per-capita income, removal of inequalities, Standard of living raised, improvement in the hills economy and of national income, development of ancillaries, upliftment of poor masses and backward area as such to some extent.)

## II. REPORT ON CORPORATE GOVERNANCE

### Philosophy on Corporate Governance

IMPCL has established a sound framework of Corporate Governance which underlines commitment to quality of governance, transparency disclosures, consistent stakeholders' value enhancement and corporate social responsibility. IMPCL endeavours to transcend much beyond the regulatory framework and basic requirements of Corporate Governance, focusing consistently towards building confidence of its various stakeholders including shareholders, customers, employees, suppliers and the society at large. The company has developed a framework for ensuring transparency, disclosure and fairness to all, especially minority shareholders.

The Corporate Governance Policy of IMPCL rests upon the four pillars of transparency, full disclosure, independent monitoring and fairness to all. Our corporate structure, business procedures and disclosure practices have attained a sound equilibrium with our Corporate Governance policy resulting in achievement of goals as well as high level of business ethics.

The company believes that conducting business in a manner that complies with the Corporate Governance procedures and Code of Conduct, exemplifies each of our core values and positions us to deliver long-term returns to our shareholders, favourable outcomes to our customers, attractive opportunities to our employees and making the suppliers our partners in progress & enriching the society.

A brief description of the corporate governance practices followed in your Company is given below.

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## 1. Composition of Board of Directors:

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. Your Company, being a Government Undertaking, the appointment/nomination of all the Directors is done by the President of India, through the Ministry of AYUSH. The Board requires an appropriate mix of executive and non-executive Directors during the year. The Articles of Association of the Company stipulates that the number of Directors shall not be less than three (3) and not more than ten (10).

The present strength of Board of Directors of the Company is three (3) comprising

- two (2) Part-time official Directors representing the Ministry of AYUSH, Government of India
- the appointment of three (3) Independent Directors is under process and
- the appointment of One (1) Functional Directors namely Managing Director was under process during the year under review and such appointment was made in w.e.f 06th July, 2020.

The composition of the Board is under process to be in line with the Guidelines on Corporate Governance issued by the Department of Public Enterprises, Government of India.

### Attendance of each Director at the Board Meetings held during 2019-20 and the last AGM

Director's Name	No. of Board Meetings		Last AGM for the year 2018-2019 (held on 15.02.2020)
	Held	Attended	
PART TIME OFFICIAL DIRECTORS - GOVT. NOMINEES			
Prof (Vd) Pradeep Kumar Prajapati (24.09.2018 to 06.07.2020)	05	05	Yes
Shri Pramod Kumar Pathak (20.07.2017 to 04.07.2019)	05	03	No
Shri Vikram Singh (04.07.2019 to till date)	05	04	Yes
Shri Franklin L. Khobung (05.10.2016 to 26.09.2019)	05	00	No
Shri Raj Kumar (11.01.2019 to till date)	05	04	No

The above attendance of Directors is showing their presence in the meeting of Board of Directors, either as Director or as special invitees also.

### Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on 31st March, 2020

No Director of the company is a member or Chairman of any other company or their Committees

Disclosure of relationship between Directors inter-se: **NIL**

**Contd.....24**

## 2. Meeting

The notice and Agenda notes of the Board Meetings are circulated to the Directors as far as possible well in advance. During the financial year under review, five Board meetings were held on **26.06.2019, 05.08.2019, 09.08.2019, 09.10.2019** and **25.01.2020**. and AGM for the year 2018-19 held on 15.02.2020.

## 3. Remuneration of Directors

Ministry of AYUSH, Government of India appoints Managing Director. The remuneration and terms and conditions of the Managing Director are decided by Department of Public Enterprises. The Managing Director is appointed for a period of five years or till the date of their superannuation or until further orders, whichever is earlier.

Non-official part-time Directors are also appointed by the Ministry of AYUSH, Government of India for a period as directed in their letter of appointment. Such part time official Directors are not paid any remuneration for attending meeting of the Board and the Board appointed Sub Committees.

## 4. Appointment of Key Managerial Personnel

Pursuant to the provisions of Section 203 of Companies Act 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, which have come into force from 1st April, 2014 the following Directors/Executives as the Key Managerial Personnel (KMPs) of the Company was appointed during the year on their existing terms & conditions of appointment, including remuneration as on the date of this report:

DIN/DPIN/PAN	Full Name	Designation
08792177	DR. MUKESH KUMAR	Managing Director
08559981	SHRI VIKRAM SINGH	Nominee Director
08659789	SHRI RAJ KUMAR	Nominee Director
BKZPK9980R	PANKAJ KUMAR JHA	Company Secretary

However, vide office order No. R-13014/32/2010-AYUSH (IMPCL) dated 04th July, 2019 Shri Pramod Kumar Pathak was ceased to continue as the Part time official Director of the company and in his place Shri Vikram Singh was appointed w.e.f 04.07.2019. In addition, vide office order No. R-13014/32/2010-AYUSH (IMPCL) dated 26th September, 2019 Shri Franklin L. Khobung appointed as the Part time official Director was ceased to continue w.e.f 26.09.2019 and vide office order No. Y-11016/03/2018-AYUSH (IMPCL) dated 25th June, 2020 Dr. Mukesh Kumar was appointed to act as Managing Director of the company. Dr. Mukesh Kumar assumed the charge of Managing Director w.e.f 06.07.2020 and vide Office Order No. R-13014/08/2011-AYUSH (IMPCL) dated 10th July, 2020, Dr. Pradeep Kumar Prajapati ceased to continue as Managing Director w.e.f 06.07.2020.

**Contd....25**

## 5. COMPANY POLICIES

### 5.1 Policy on dealing with Related Party transactions:

The Company strictly follows all relevant provisions in the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 on dealing with Related Party transactions.

### 5.2 Nomination and Remuneration Policy:

IMPCL being a Government Company, the power to appoint Directors and to fix their remuneration vests with Government of India. The Company is governed under DPE Guidelines regarding the Remuneration Policies of Directors. The Company had complied with the relevant guidelines prescribed by the Department of Public Enterprises in this regard.

## 6. BOARD CHARTER

As Trustees of the Company, the Board ensures that the Company has clear goals and policies for achievement which are in alignment with the Vision and Mission of the company. The Board provides strategic directions, reviews corporate performance, authorizes and monitors strategic decisions, ensures regulatory compliances and safeguards interest of stakeholders. The Board of Directors adhere to the Board Charter adopted by the Board of Directors, which clearly sets out the role, structure, responsibilities and operation of Company's Board of Directors and its delegation of authority.

## 7. SECRETARIAL STANDARDS

During the year under review the Central Government has approved the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2). These Standards came into force on 01st July 2015 respectively. Adherence by the Company to these Standards is mandatory as per the provisions of the Companies Act, 2013. Accordingly, your Company has substantially complied with both the Standards. The SS 1 and SS 2 prescribes a set of principles for convening and conducting the Meetings of the Board of Directors, meetings of Committees, General Meetings and such other matters related thereto.

## 8. General Body meetings:

The Date, Time and Venue of the last three Annual General Meetings of the Company are as follows:

AGM	Financial Year	Date	Time	Venue
39th	2016-17	20.12.2017	03.00 P.M.	New Delhi
40th	2017-18	14.12.2018	09.00 A.M.	Mohan
41st	2018-19	15.02.2020	03.30 P.M.	Mohan

Contd.....26

**::26::**

Date, Time and Venue of 42nd Annual General Meeting of the Company

<b>AGM</b>	<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
42nd	2019-20	26.02.2021	12:00 P.M.	Through Video Conferencing

**9. Means of Communication**

Plant Locations:

➤ Mohan, Via-Ram Nagar, District-Almora, Uttarakhand-244715

**Address for Correspondence:**

The address for the Registered office of the Company is:

Mohan, Via-Ram Nagar, District-Almora, Uttarakhand-244715

**For and on behalf of the Board of Directors of  
INDIAN MEDICINES PHARMACEUTICAL CORPORATION LIMITED**

**(DR. MUKESH KUMAR)  
MANAGING DIRECTOR  
DIN: 08792177**

**(VIKRAM SINGH)  
DIRECTOR  
DIN: 08559981**

Place : Mohan

Date : 22.02.2021

**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**  
**Balance Sheet As at 31st March 2020**

(Amount in ₹)

S.No.	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I.</b>	<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>1.</b>	<b><u>Share Holders Funds</u></b>			
	(a) Share Capital	3	519,800,000.00	519,800,000.00
	(b) Reserves & Surplus	4	230,400,023.63	22,65,37,998.39
<b>2.</b>	<b>Share application money pending for allotment</b>		-	-
<b>3.</b>	<b><u>Non Current Liabilities</u></b>			
	(a) Long term Provisions( Leave Encashment & Gratuity)	5	19,121,565.00	1,00,77,734.00
<b>4.</b>	<b><u>Current Liabilities</u></b>			
	(a) Short term Borrowings (Bank OD)	6	-	81,45,995.75
	(b) Trade Payables (Creditor)	7	384,745,120.95	32,22,62,845.38
	(c) Other Current liabilities (Security, Advances)	8	314,437,685.84	11,94,89,624.34
	(d) Short term Provisions	9	16,851,059.87	6,28,89,366.72
	<b>TOTAL</b>		<b>1,485,355,455.29</b>	<b>1,26,92,03,564.58</b>
<b>II.</b>	<b><u>ASSETS</u></b>			
<b>1.</b>	<b><u>Non Current Assets</u></b>			
	(a) <b>Fixed Assets</b>	10		
	(i) Tangible Fixed Assets		279,393,488.70	31,44,52,554.42
	(ii) Capital Work - in - progress		732,611.00	7,32,611.00
	(b) Deferred Tax Assets	11	6,281,981.00	38,70,283.00
	(c) Long Term Loans and advances	12	4,239,204.06	41,73,795.96
<b>2.</b>	<b><u>Current Assets</u></b>			
	(a) Inventories	13	269,718,655.23	21,57,81,752.87
	(b) Trade receivables	14	363,660,935.77	56,71,66,770.12
	(c) Cash and Cash Equivalents	15	418,511,401.45	8,49,47,218.73
	(d) Short term Loans & advances	16	35,563,141.00	2,76,39,759.68
	(e) Other current Assets	17	107,254,037.08	504,38,818.80
	<b>TOTAL</b>		<b>1,485,355,455.29</b>	<b>126,92,03,564.58</b>
	<b>Corporate Information</b>	<b>1</b>		
	<b>Significant Accounting Policies</b>	<b>2</b>		
	<b>Notes on Financial Statements</b>	<b>3 to 29</b>		

\* The accompanying Note No. 1 to 29 and significant accounting policies from an integral part of the financial statement.

**For M/S Indian Medicines Pharmaceutical Corporation Ltd.**

**Place : Mohan**  
**Date: 11.11.2020**

As per our report of even date attached  
**For Anil Shalini & Associates**  
Chartered Accountants  
Firm Registration No. : 009960C

(Sign.)	(Sign.)	(Sign.)	(Sign.)
Arvind Kumar Aggarwal (Chief Manager F&A) Membership No. 32501	Pankaj Kumar Jha (Company Secretary) Membership No. A27214	Mukesh Kumar (Managing Director) DIN No. 08792177	Vikram Singh (Director) DIN No. 08559981

(Anil Kumar Shukla)  
**Senior Partner**  
**Membership No. 075418**  
Place : Delhi

**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**  
**Statement of Profit & Loss for the year ended on 31st March 2020**

(Amount in ₹)

S.No.	Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.3.2019
<b>I.</b>	<b>Revenue from operations (Gross)</b>		970,406,221.01	86,83,20,199.13
	Less : Excise Duty & Service Tax		-	-
	Revenue from Operation (Net)	18	970,406,221.01	86,83,20,199.13
<b>II.</b>	<b>Other Income</b>	19	2,071,297.76	64,09,406.25
<b>III.</b>	<b>Total Revenue (I+II)</b>		<b>972,477,518.77</b>	<b>87,47,29,605.38</b>
<b>IV.</b>	<b>EXPENSES</b>			
	Cost of Materials consumed	20	508,346,123.79	46,12,57,247.47
	Change in Inventories of Stock-in-Trade	21	(49,436,672.75)	(1,14,71,128.65)
	Employee Benefit Expenses	22	197,335,040.14	11,07,31,482.45
	Financial Costs	23	344,284.00	13,50,021.00
	Depreciation and Amortization Expenses	10	36,207,404.07	419,50,282.20
	Other Expenses	24	283,559,326.84	19,45,26,264.37
	<b>Total Expenses (IV)</b>		<b>976,355,506.09</b>	<b>79,83,44,168.84</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional, Prior Period and Extra Ordinary Items and Tax (III-IV)</b>		(3,877,987.32)	763,85,436.54
<b>VI.</b>	<b>Exceptional Items</b>		-	-
<b>VII.</b>	<b>Prior Period Expenses (Net)</b>	25	(8,155,591.52)	(1,86,640.00)
<b>VIII.</b>	<b>Extra Ordinary Items</b>		-	-
<b>IX.</b>	<b>Profit/(Loss) Before Tax (V-VI-VII-VIII)</b>		4,277,604.20	7,65,72,076.54
<b>X.</b>	<b>Tax Expenses :</b>			
	(a) Current Tax		2,184,464.00	1,81,02,900.00
	(b) Earlier Year Taxation		-	17,55,167.00
	(c) Deferred Tax	11	(2,411,698.00)	9,04,347.00
<b>XI.</b>	<b>Profit/(Loss) for the period from continuing operations</b>		<b>4,504,838.20</b>	<b>5,58,09,662.54</b>
<b>XII.</b>	<b>Profit/(Loss) for the period</b>		<b>4,504,838.20</b>	<b>5,58,09,662.54</b>
<b>XIII.</b>	<b>Earning Per Equity share</b>	26		
	Face value of Rs. 10/- each			
	(a) Basic		0.09	1.07
	(b) Diluted		0.09	1.07
<b>Corporate Information</b>		<b>1</b>		
<b>Significant Accounting Policies</b>		<b>2</b>		
<b>Notes of Financial Statements</b>		<b>3 to 29</b>		

\* The accompanying Note No. 1 to 29 and significant accounting policies from an integral part of the financial statement.

**For M/S Indian Medicines Pharmaceutical Corporation Ltd.**

**Place : Mohan**

**Date: 11.11.2020**

As per our report of even date attached  
**For Anil Shalini & Associates**  
Chartered Accountants  
Firm Registration No. : 009960C

(Sign.)  
Arvind Kumar Aggarwal  
(Chief Manager F&A)  
Membership No. 32501

(Sign.)  
Pankaj Kumar Jha  
(Company Secretary)  
Membership No. A27214

(Sign.)  
Mukesh Kumar  
(Managing Director)  
DIN No. 08792177

(Sign.)  
Vikram Singh  
(Director)  
DIN No. 08559981

(Anil Kumar Shukla)  
**Senior Partner**  
**Membership No. 075418**  
Place : Delhi



**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**Cash Flow Statement For the year ended on 31st March 2020**

(Amount in ₹)

S.No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax as per Profit and Loss Statement	4,277,604.20	765,72,076.54
	<b>Adjustments for:</b>		
	Depreciation and amortization expenses	36,207,404.07	419,50,282.20
	Provision for leave Salary	4,603,417.00	685.00
	Provision for Gratuity	18,687,972.00	37,95,966.00
	Interest on FDR/Others	(1,475,556.00)	(55,99,675.00)
	Prior Period Income / Expenses	(8,155,591.52)	(1,86,640.00)
	Gratuity Paid	(12,798,313.00)	(56,27,333.00)
	Leave Encashment Paid	(1,449,245.00)	(39,00,000.00)
	Finance Cost	344,284.00	13,50,021.00
	Garden Produce Income	(87,432.40)	(1,84,050.25)
	Bonus Provided (Net)	1,817,417.00	8,87,332.00
	<b>Operating Profit before Working Capital Changes</b>	<b>41,971,960.35</b>	<b>10,90,58,664.49</b>
	<b>Adjustments for Working Capital Change</b>		
	(Increase)/Decrease in Long Term Loans & Advances	(65,408.10)	29,93,812.00
	(Increase)/Decrease in Short Term Loans & Advances (other than Advance Tax paid & Earlier Year Tax)	7,076,618.68	1,25,22,736.00
	(Increase)/Decrease in Other Current Assets	(56,815,218.28)	(3,64,74,765.59)
	(Increase)/Decrease in Inventory (Other than Garden Produce Income)	(53,849,469.96)	(4,70,60,378.13)
	(Increase)/Decrease in Trade Receivables	203,505,834.35	(4,30,11,823.21)
	Increase/(Decrease) in Long Term Provisions	-	-
	Increase/(Decrease) in other Current Liabilities (Other than prior period expenses)	203,103,653.02	4,78,72,643.05
	Increase/(Decrease) in Short Term Provision (Other than Bonus provided net, Current Tax & CSR provision, R&D and Sustainable growth Fund)	(50,683,000.85)	(6,97,35,831.28)
	Increase/(Decrease) in Trade Payables	62,482,275.57	(3,14,36,474.32)
	Short Term Borrowings (net)	(8,145,995.75)	81,45,995.75
	<b>Cash Generated from Operations</b>	<b>348,581,249.03</b>	<b>(4,71,25,421.24)</b>
	Taxes Paid (Net)	(15,000,000.00)	(1,60,00,000.00)
	Interest Received other than FDRS	60,300.00	55,99,675.00
	<b>Net Cash from Operating Activities (A)</b>	<b>333,641,549.03</b>	<b>(5,75,25,746.24)</b>
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(1,148,338.35)	(96,46,633.55)
	<b>Net Cash (Used in) Investing Activities (B)</b>	<b>(1,148,338.35)</b>	<b>(96,46,633.55)</b>

For M/S Indian Medicines Pharmaceutical Corporation Ltd.

Place : Mohan

Date: 11.11.2020

As per our report of even date attached  
**For Anil Shalini & Associates**  
Chartered Accountants  
Firm Registration No. : 009960C

(Sign.)  
**Arvind Kumar Aggarwal**  
(Chief Manager F&A)  
Membership No. 32501

(Sign.)  
**Pankaj Kumar Jha**  
(Company Secretary)  
Membership No. A27214

(Sign.)  
**Mukesh Kumar**  
(Managing Director)  
DIN No. 08792177

(Sign.)  
**Vikram Singh**  
(Director)  
DIN No. 08559981

(Anil Kumar Shukla)  
**Senior Partner**  
Membership No. 075418  
Place : Delhi



**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**Cash Flow Statement For the year ended on 31st March 2020**

(Amount in ₹)

S.No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Share Application Money	-	-
	Finance Cost	(344,284.00)	(13,50,021.00)
	Interest received on FDRS	1,415,256.00	
	Short Term Borrowings (Net)	-	-
	<b>Net Cash (Used in) / Generated from Financing Activities (C)</b>	<b>1,070,972.00</b>	<b>(13,50,021.00)</b>
	Net Increase/(Decrease) in Cash and Cash Equivalents	33,35,64,183.77	(6,85,22,401.79)
	Opening Balance of Cash and Cash Equivalents	8,49,47,217.68	15,34,69,619.47
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>41,85,11,401.45</b>	<b>8,49,47,217.68</b>
	<b>Components of Cash and Cash Equivalents -</b>		
	Cash in Hand	8,079.00	7,141.00
	Postage Stamp in Hand	5,516.00	7,638.00
	Balances with SBI Mohan	266,459,894.84	3,33,38,729.48
	Balances with SBI New Delhi	7,841,106.12	2,82,792.16
	Balances with Corporation Bank (Haridwar)	5,721,810.22	2,30,344.00
	Balances with SBI Mohan CC Account	19,868,722.75	-
	Balances with Axis Bank Ltd.	7,209,412.65	38,59,183.81
	Balances with SBI Mohan A/c (Project Fund)	33,695,893.09	3,69,74,628.50
	Fix Deposit with 3 months (Lien)	320,000.00	5,31,000.00
	Fix Deposit with 3 months (Free)	70,357,287.00	31,00,394.00
	Fix Deposit with more than 3 months but less than 12 months maturity (Free)	1,629,685.78	12,49,585.78
	Fix Deposit with more than 3 months but less than 12 months maturity (Lien)	4,987,665.00	49,87,665.00
	Fix Deposit with more than 12 months maturity (Free)	106,329.00	78,117.00
	Fix Deposit with more than 12 months maturity (Lien)	300,000.00	3,00,000.00

<b>Corporate Information</b>	<b>1</b>
<b>Significant Accounting Policies</b>	<b>2</b>
<b>Notes of Financial Statements</b>	<b>3 to 29</b>

\* The accompanying Note No. 1 to 29 and significant accounting policies from an integral part of the financial statement.

**For M/S Indian Medicines Pharmaceutical Corporation Ltd.**

**Place : Mohan**

**Date: 11.11.2020**

As per our report of even date attached  
**For Anil Shalini & Associates**  
Chartered Accountants  
Firm Registration No. : 009960C

(Sign.)	(Sign.)	(Sign.)	(Sign.)
Arvind Kumar Aggarwal	Pankaj Kumar Jha	Mukesh Kumar	Vikram Singh
(Chief Manager F&A)	(Company Secretary)	(Managing Director)	(Director)
Membership No. 32501	Membership No. A27214	DIN No. 08792177	DIN No. 08559981

(Anil Kumar Shukla)  
Senior Partner  
Membership No. 075418  
Place : Delhi

**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**1. CORPORATE INFORMATION:**

The company is a Public Sector Company owned & controlled by Ministry of Ayush, Govt. of India, incorporated under the provisions of Companies Act, 1956 and its Corporate Identification Number CIN is –U24231UR1978GOI004637. The Company is engaged in the business of Manufacturing & Trading of Ayurvedic & Unani Medicines.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Financial Statements have been prepared as of a going concern on historical cost convention and on “Accrual Method of Accounting” unless otherwise stated, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, as adopted consistently by the company, except in case of Commission to Market Organizers /Distributors which becomes payable/provision on realization of sale proceeds.

**2.2 FIXED ASSETS:**

- a. The 'Gross Block' of the Fixed Assets is stated at the historical cost of the acquisition/construction.
- b. Depreciation on the Fixed Assets is provided on the basis of life specified in the schedule II to the Companies Act, 2013.

**2.3 INVENTORY VALUATION:**

Raw material, Packing material, Stores and Consumable have been valued at cost, work-in-process at estimated cost and the finished goods have been valued at cost or net realizable value, whichever is lower.

**2.4 CLAIMS:**

Claims received from Insurance Company for loss in transit are accounted for on “receipt” basis.

**2.5 GRATUITY:**

The company has participated in a policy under “Group Gratuity Cash Accumulation Scheme” with Life Insurance Corporation of India for gratuity payable to the employees. Provision for liabilities in respect of Gratuity is made on the basis of Actuarial Valuation made by Life Insurance Corporation of India as at the date of Balance Sheet.

**2.6 BONUS:**

As per directives of the Department of Public Enterprises, the Central Public Sector Undertakings covered Under Section 20 of the Payment of Bonus Act, has been following such directives.

**2.7 LEAVE ENCASHMENT LIABILITY:**

Leave encashment liability is provided on “accrual basis” as per the certificate of Actuary valuation as at the date of Balance Sheet. The company has participated in a policy under “Leave Encashment Scheme” with Life Insurance Corporation Limited for Leave Encashment payable to the employees.

**2.8 REVENUE RECOGNITION:**

Sales are accounted for on the basis of date of Invoices for confirmed orders and ascertained goods and are net of Sales Returns, Rebates, Price Concessions and Trade- Tax.



**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**  
**Notes Forming part of Financial Statements**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020 )

**3. SHARE CAPITAL**

(Amount in ₹)

Particulars	Number of Shares	As at 31/03/2020	Number of Shares	As at 31/03/2019
<b>Authorised</b>				
Equity Shares of ₹ 10 each	75,000,000.00	750,000,000.00	75,000,000.00	750,000,000.00
<b>Total</b>	<b>75,000,000.00</b>	<b>750,000,000.00</b>	<b>75,000,000.00</b>	<b>750,000,000.00</b>
<b>Issued</b>				
Equity Shares of ₹ 10 each, fully paid up	51,980,000.00	51,98,00,000.00	51,980,000.00	51,98,00,000.00
<b>Total</b>	<b>51,980,000.00</b>	<b>51,98,00,000.00</b>	<b>51,980,000.00</b>	<b>51,98,00,000.00</b>
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each, fully paid up	51,980,000.00	51,98,00,000.00	51,980,000.00	51,98,00,000.00
<b>Total</b>	<b>51,980,000.00</b>	<b>51,98,00,000.00</b>	<b>51,980,000.00</b>	<b>51,98,00,000.00</b>

**3.1. Reconciliation of Number of Shares**

Particulars	As at 31/03/2020		As at 31/03/2019	
	Number of Shares	(Amount in Rs.)	Number of Shares	(Amount in Rs.)
<b>Equity Shares</b>				
Opening Balance	51,980,000.00	51,98,00,000.00	51,980,000.00	51,98,00,000.00
Change during the year	-	-	-	-
<b>Closing Balance</b>	<b>51,980,000.00</b>	<b>51,98,00,000.00</b>	<b>51,980,000.00</b>	<b>51,98,00,000.00</b>

3.2. There was no equity Shares issued during the year ended 31st March 2020.

**3.3. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share.

All Equity shares rank parri passu in respect of dividend, vote & other rights.

**3.4. Details of Shares held by shareholders holding more than 5% of the aggregate equity shares in the Company.**

Name of shareholders	As at 31/03/2020		As at 31/03/2019	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
President of India along with nominees	5,10,00,000.00	98.11%	5,10,00,000.00	98.11%

**4. RESERVES & SURPLUS**

(Amount in ₹)

Particulars	As at 31/03/2020	As at 31/03/2019
<b>(A) Capital Reserve</b>		
Balance as at beginning of the year	440,320.00	440,320.00
<b>Balance as at end of the year</b>	<b>440,320.00</b>	<b>440,320.00</b>
<b>(B) Surplus /(Deficit) as per Statement of Profit &amp; Loss</b>		
Balance as at beginning of the year	22,60,97,678.43	17,12,88,015.85
Add: R&D and Sustainable Growth Fund	8,97,187.00	-
Add/Less : Surplus/Deficit for the year	45,04,838.20	5,58,09,662.54
Less : Fund Transfer for CSR	(15,40,000.00)	(10,00,000.00)
<b>Total</b>	<b>22,99,59,703.63</b>	<b>22,60,97,678.43</b>
<b>Grand Total</b>	<b>23,04,00,023.63</b>	<b>22,65,37,998.43</b>

**5. LONG-TERM PROVISIONS**

(Amount in ₹)

Particulars	As at 31/03/2020	As at 31/03/2019
Provision For Employee benefits	1,91,21,565.00	1,00,77,734.00
<b>Total</b>	<b>1,91,21,565.00</b>	<b>1,00,77,734.00</b>



**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**  
**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**  
**Notes Forming part of Financial Statements**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020 )

**6. SHORT-TERM BORROWINGS**

**(Amount in ₹)**

Particulars	As at 31/03/2020	As at 31/03/2019
<b>SECURED</b>		
Cash credit from SBI, Mohan	-	81,45,995.75
Note : SBI CC Account has been shown under schedule of cash & cash equivalent note no. 15		
<b>Total</b>	<b>-</b>	<b>81,45,995.75</b>

**7. TRADE PAYABLE**

**(Amount in ₹)**

Particulars	As at 31/03/2020	As at 31/03/2019
Sundry Creditors payable within normal operating cycle	38,47,45,120.95	32,22,62,845.38
<b>Total</b>	<b>38,47,45,120.95</b>	<b>32,22,62,845.38</b>

**8. OTHER CURRENT LIABILITIES**

**(Amount in ₹)**

Particulars	As at 31/03/2020	As at 31/03/2019
Trade / Security Deposits	22,26,444.40	70,44,380.00
Creditors for Capital Expenditure	60,80,430.60	92,30,315.00
Liabilities for expenses Creditor	16,09,89,400.93	7,47,58,629.34
Statutory dues	1,08,28,485.81	50,45,414.00
Advance from Customers	11,05,64,831.80	172,49,133.00
Staff Creditors	5,20,756.00	38,378.00
Other Payables	2,32,27,336.30	61,23,375.00
<b>Total</b>	<b>31,44,37,685.84</b>	<b>11,94,89,624.34</b>

**9. SHORT TERM PROVISIONS**

**(Amount in ₹)**

Particulars	As at 31/03/2020	As at 31/03/2019
Provision For Income Tax	21,84,464.00	1,81,02,900.00
Provision for Employees Benefits	29,42,394.00	20,12,309.00
Provision for Expenses	79,23,889.87	391,84,831.72
CSR fund	38,00,312.00	26,92,139.00
R&D fund	-	690,585.00
Sustainable growth fund	-	206,602.00
<b>Total</b>	<b>1,68,51,059.87</b>	<b>6,28,89,366.72</b>

Note : R&D and sustainable growth fund has been transferred to Reserve & Surplus Account.



**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LIMITED, MOHAN (UTTARAKHAND)**

**NOTE NO 10 (FIXED ASSETS) AS AT 31ST MARCH 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

		(Amount in Rs.)									
Particulars	Useful Life (Years)	GROSS BLOCK				DEPRECIATION AS PER COMPANY ACT 2013 FOR THE YEAR ENDED 31 MARCH 2020				NET BLOCK	
		As at 1.4.2019	Additions	Deletions	As at 31.3.2020	As at 1.4.2019	Additions	Deletions / adjustment	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
<b>A. Tangibles</b>											
1	2	3	4	5	6	7	8	9	10	11	12
Leasehold Land, Mohan	90	10,47,366.00	-	-	10,47,366.00	4,20,882.00	11,851.00	-	432,733.00	6,14,633.00	6,26,484.00
Leasehold Land, Rannagar	30	4,47,260.00	-	-	4,47,260.00	3,27,993.00	14,909.00	-	342,902.00	1,04,358.00	1,19,267.00
Building [other than factory building]	60	57,75,501.00	-	-	57,75,501.00	54,52,666.94	15,722.81	-	54,68,389.75	3,07,111.25	3,22,834.06
Factory Building	30	37,57,61,229.00	-	-	37,57,61,229.00	11,51,71,413.93	2,47,48,975.88	-	13,99,20,389.81	23,58,40,839.19	26,05,89,815.07
Electrical installations & equipments	10	2,44,10,098.22	25,000.00	-	2,44,35,098.22	1,60,30,101.69	21,64,092.00	-	1,81,94,193.69	62,40,904.53	83,79,996.40
Plant & Machinery	15	8,47,56,368.75	6,90,565.00	-	8,54,46,933.75	5,20,54,809.69	59,65,699.53	-	5,80,20,509.22	2,74,26,424.53	3,27,01,559.06
Generator	10	1,11,67,652.78	-	-	1,11,67,652.78	72,10,509.40	10,13,994.07	-	82,24,503.47	29,43,149.31	39,57,143.38
Lab Equipment	10	43,85,602.00	-	-	43,85,602.00	42,65,838.11	19,764.80	-	42,85,602.91	99,999.09	1,19,763.89
Library Books	5	203,561.00	-	-	203,561.00	2,01,411.93	-	-	2,01,411.93	2,149.07	2,149.07
Water Installation	10	945,505.00	-	-	945,505.00	7,76,302.00	38,730.17	-	8,15,032.30	1,30,472.70	1,69,203.00
Manufacturing Equipment	15	66,64,311.00	35,400.00	-	66,99,711.00	60,42,788.23	1,10,102.61	-	61,52,890.84	5,46,820.16	6,21,522.77
Furniture & Fixtures	10	1,74,56,474.08	37,770.00	-	1,74,94,244.08	1,16,75,236.37	14,88,516.41	-	1,31,63,752.78	43,30,491.30	57,81,237.71
Office Equipments	5	23,01,041.24	2,53,631.15	-	25,54,672.39	17,98,496.11	3,00,078.16	-	20,98,574.27	4,56,098.12	5,02,545.13
Other Assets	10	1,11,075.00	-	-	1,11,075.00	1,06,000.43	506.57	-	1,06,507.00	4,568.00	5,074.57
Computer & Computer peripheral	3	47,32,459.91	1,05,972.20	-	48,38,432.11	41,78,500.60	3,14,461.06	-	44,92,961.66	3,45,470.45	5,53,959.31
<b>Total (A) TANGIBLES</b>		<b>54,01,65,504.98</b>	<b>11,48,338.35</b>	-	<b>54,13,13,843.33</b>	<b>22,57,12,950.43</b>	<b>3,62,07,404.07</b>	-	<b>26,19,20,354.63</b>	<b>27,93,93,488.70</b>	<b>31,44,52,554.42</b>
Previous Year Tangible total		<b>53,05,53,070.36</b>	<b>96,12,434.62</b>	-	<b>54,01,65,504.98</b>	<b>18,37,62,668.23</b>	<b>4,19,50,282.20</b>	-	<b>22,57,12,950.43</b>	<b>31,44,52,554.42</b>	<b>34,67,90,402.12</b>
<b>B. Capital WIP</b>											
Capital WIP		7,32,611.00	-	-	7,32,611.00	-	-	-	-	7,32,611.00	7,32,611.00
<b>Total (B)</b>		<b>7,32,611.00</b>	-	-	<b>7,32,611.00</b>	-	-	-	-	<b>7,32,611.00</b>	<b>7,32,611.00</b>
<b>Previous Year WIP Total</b>		<b>7,32,611.00</b>	-	-	<b>7,32,611.00</b>	-	-	-	-	<b>7,32,611.00</b>	<b>7,32,611.00</b>
<b>Grand Total</b>		<b>54,08,98,115.98</b>	<b>11,48,338.35</b>	-	<b>54,20,46,454.33</b>	<b>22,57,12,950.43</b>	<b>3,62,07,404.07</b>	-	<b>26,19,20,354.63</b>	<b>28,01,26,099.70</b>	<b>31,51,85,165.42</b>
<b>Previous Year</b>		<b>53,12,85,681.36</b>	-	-	<b>54,08,98,115.98</b>	<b>18,37,62,668.23</b>	<b>4,19,50,282.20</b>	-	<b>22,57,12,950.43</b>	<b>31,51,85,165.42</b>	<b>34,75,23,013.13</b>

(i) Lease and Sale deed for Land and Building at Mohan has been executed in the name of Company as on 26/03/2019.

(ii) Lease of Land of Mohan is for 90 years. Therefore proportionate amount of Rs. 11,851.00 is being written off every year.

(iii) Lease of Land of Rannagar is for 30 years. Therefore proportionate amount of Rs. 14,909.00 is being written off every year.

(iv) Depreciation is calculated on a W.D.V. basis over the estimated useful lives of assets.

(v) The Company has written a letter to the Additional Chief Conservator of Forest & Model Officer, Forest Department, Dehradun to Surrender Rannagar Land, on the direction of legal advisor / law firm i.e. M/s MV Kini as decided in Evaluation Committee Meeting held on 10/10/2019 regarding the strategic disinvestment of IMPC.

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**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**

**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**Notes to the Financial Statement for the year ended on 31st March 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

**11. DEFERRED TAX ASSETS**

**(Amount in ₹)**

<b>Particulars</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
WDV As per Companies Act, 2013	27,93,93,488.70	314,452,554.57
WDV As per Income Tax Act, 1961	28,37,57,658.19	(43,64,169.49)
<b>DTL/ (DTA) related to fixed assets</b>	<b>(11,34,684.00)</b>	<b>(821,749.00)</b>
Provision for gratuity	1,58,66,708.00	9,97,70,49.00
Provision for Leave Encashment	32,54,857.00	100,685.00
Bonus Payable	18,10,417.00	880,332.00
	<u>1,97,97,298.00</u>	<u>10,958,066.00</u>
<b>DTL/(DTA) related to disallowance under the I.T. Act, 1961</b>	<b>(51,47,297.00)</b>	<b>(3,048,534.00)</b>
Total Direct Tax Liabilities / (Assets)	<b>(62,81,981.00)</b>	<b>(3,870,283.00)</b>
Less: Deferred Tax liability/(Assets) b/d	<u>(38,70,283.00)</u>	<u>(4,774,630.00)</u>
Provision for Deferred Tax for the year	<b>(24,11,698.00)</b>	<b>904,347.00</b>

**12. LONG TERM LOANS & ADVANCES**

**(Amount in ₹)**

<b>Particulars</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
<b>(Unsecured and considered good)</b>		
Security Deposits	27,81,784.96	27,81,784.96
Advance to creditors	8,55,869.10	790,461.00
<b>(Secured and considered good)</b>		
Advances for Capital Goods	6,01,550.00	601,550.00
<b>Total</b>	<b>42,39,204.06</b>	<b>41,73,795.96</b>

**13. INVENTORIES**

**(Amount in ₹)**

<b>Particulars</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
Finished goods	6,54,13,923.14	35,275,195.57
Work-in-progress	10,15,04,352.70	77,030,435.96
Stock Loan License	63,31,291.52	11,507,263.08
Raw Material	7,95,28,769.35	7,47,02,610.81
Packing Material	1,53,29,726.02	15,436,543.45
Diesel	2,42,214.00	377,137.00
Electrical Items	2,63,556.00	324,098.00
Engg Items	6,57,170.00	619,825.00
Consumable & Housekeeping Items	74,594.00	99,335.00
Printing & Stationary	2,54,143.00	245,894.00
Building Material	1,18,915.50	163,415.00
<b>Total</b>	<b>26,97,18,655.23</b>	<b>215,781,752.87</b>





**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**

**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**Notes to the Financial Statement for the year ended on 31st March 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

Details of Inventory	(Amount in ₹)		(Amount in ₹)	
	As at 31st March 2020		As at 31st March 2019	
	Opening	Closing	Opening	Closing
<u>L.L. Purchase Item in Stock</u>				
Broad category 1	1,15,07,263.08	63,31,291.52	-	11,507,263.08
Other	-	-	-	-
<b>Total</b>	<b>1,15,07,263.08</b>	<b>63,31,291.52</b>	<b>-</b>	<b>11,507,263.08</b>
<u>Finished Goods</u>				
Broad category 1	3,52,75,195.57	6,54,13,923.14	59,349,366.96	35,275,195.57
Other	-	-	-	-
<b>Total</b>	<b>3,52,75,195.57</b>	<b>6,54,13,923.14</b>	<b>59,349,366.96</b>	<b>35,275,195.57</b>
<u>Work in progress</u>				
Broad category 1	7,70,30,435.96	10,15,04,352.70	52,992,399.00	77,030,435.96
Other	-	-	-	-
<b>Total</b>	<b>7,70,30,435.96</b>	<b>10,15,04,352.70</b>	<b>52,992,399.00</b>	<b>77,030,435.96</b>
Raw Material	7,47,02,610.81	7,95,28,769.35	45,675,054.00	74,702,610.81
Packing Material	1,54,36,543.45	1,53,29,726.02	9,114,222.90	15,436,543.45
Stores	18,29,704.00	16,10,592.50	1,406,281.63	1,829,704.00
<b>Total</b>	<b>9,19,68,858.26</b>	<b>9,64,69,087.87</b>	<b>56,195,558.53</b>	<b>91,968,858.26</b>
<b>Grand Total</b>	<b>21,57,81,752.87</b>	<b>26,97,18,655.23</b>	<b>168,537,324.49</b>	<b>215,781,752.87</b>

**14. TRADE RECEIVABLE**

(Amount in ₹)

Particulars	As at 31/03/2020	As at 31/03/2019
<b>(Unsecured; considered good unless stated otherwise)</b>		
a) Trade Receivable Outstanding for a period exceeding 6 months from the date they were due for payment:		
-Considered good	20,67,09,589.26	24,91,09,473.86
-Considered doubtful	-	-
b) Others	15,69,51,346.51	31,80,57,296.26
<b>Total</b>	<b>36,36,60,935.77</b>	<b>56,71,66,770.12</b>

**15. CASH AND CASH EQUIVALENTS**

(Amount in ₹)

Particulars	As at 31/03/2020	As at 31/03/2019
<b>Cash and Cash Equivalents</b>		
Cash in Hand	8,079.00	7,141.00
Postage Stamp in Hand	5,516.00	7,638.00
Balances with SBI Mohan	26,64,59,894.84	3,33,38,729.48
Balances with SBI New Delhi	78,41,106.12	2,82,792.16
Balances with Corporation Bank (Haridwar Plant)	57,21,810.22	2,30,344.00
Balances with Axis Bank Ltd. (Ramnagar)	72,09,412.65	38,59,183.81
Balances with SBI Mohan A/c (Project Fund)	3,36,95,893.09	3,69,74,628.50
Balances with SBI CC Account Mohan	1,98,68,722.75	-
Fix Deposit with 3 months (Free)	7,03,57,287.00	31,00,394.00
Fix Deposit with 3 months (Lien)	3,20,000.00	5,31,000.00
<b>Other Bank Balances</b>		
Fix Deposit with more than 3 months but less than 12 months maturity (Free)	16,29,685.78	12,49,585.78
Fix Deposit with more than 3 months but less than 12 months maturity (Lien)	49,87,665.00	49,87,665.00
Fix Deposit with more than 12 months maturity (Free)	1,06,329.00	78,117.00
Fix Deposit with more than 12 months maturity (Lien)	3,00,000.00	3,00,000.00
<b>Total</b>	<b>41,85,11,401.45</b>	<b>8,49,47,218.73</b>

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**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**

**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**Notes to the Financial Statement for the year ended on 31st March 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

**16. SHORT TERM LOANS & ADVANCES**

**(Amount in ₹)**

Particulars	As at 31/03/2020	As at 31/03/2019
<b>(Unsecured and considered good)</b>		
Advance to Staff	51,174.18	50,824.00
Festival advance to Staff	3,82,000.00	466,202.00
Medical advance to Staff	3,95,279.00	2,64,000.00
Other Receivables (EPFO)	1,12,57,094.00	-
Prepaid Expenses	12,48,963.82	32,91,901.68
Advance Tax and TDS	2,22,28,630.00	2,35,66,832.00
<b>Total</b>	<b>3,55,63,141.00</b>	<b>2,76,39,759.68</b>

**17. OTHER CURRENT ASSETS**

**(Amount in ₹)**

Particulars	As at 31/03/2020	As at 31/03/2019
Interest accrued on FDR	2,84,220.00	2,62,459.00
Duty & Taxes (Refundable)	9,85,77,499.46	5,01,31,727.80
Mat Credit	-	-
Other Receivable	1,58,634.00	-
Tax of Reverse Charge (Receivable)	54,554.00	-
TDS on GST (Receivable)	81,79,129.62	44,632.00
<b>Total</b>	<b>10,72,54,037.08</b>	<b>5,04,38,818.80</b>

**18. REVENUE FROM OPERATIONS**

**(Amount in ₹)**

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
<b><u>Sales of Goods/Products</u></b>		
Finished Goods	97,04,06,221.01	86,82,73,631.13
<b><u>Other Operating Revenues</u></b>		
Scrap Sales	-	46,568.00
<b>Total</b>	<b>97,04,06,221.01</b>	<b>86,83,20,199.13</b>

Note : Current year scrap sales has been shown under note no. 19 (other income)

**19. OTHER INCOME**

**(Amount in ₹)**

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
Garden produce income	87,432.40	1,84,050.25
Interest on Bank FDR	14,15,256.00	55,41,695.00
Interest from others	60,300.00	57,980.00
Other Income	2,88,630.56	6,25,681.00
Scrap Sales	2,19,678.80	-
<b>Total</b>	<b>20,71,297.76</b>	<b>64,09,406.25</b>

**20. CONSUMPTION OF MATERIALS**

**(Amount in ₹)**

Particulars	Year ended 31/03/2020		Year ended 31/03/2019	
<b>a) Purchases</b>				
Raw Material	22,89,61,083.41		27,64,43,317.35	
Packing Material	5,86,37,326.19		7,28,54,463.69	
Purchase against Loan License	22,50,76,593.02		14,69,18,993.97	
Consumable Goods	3,90,462.28		3,90,349.82	
<b>Total Purchases (a)</b>	<b>51,30,65,464.90</b>		<b>49,66,07,124.83</b>	
<b>b) Closing Stock</b>	9,48,58,495.37		9,01,39,154.26	
Less: Opening Stock	9,01,39,154.26		5,47,89,276.90	
<b>Net Increase/(Decrease) (b)</b>	<b>47,19,341.11</b>		<b>3,53,49,877.36</b>	
<b>Materials consumed (a)-(b)</b>	<b>50,83,46,123.79</b>		<b>46,12,57,247.47</b>	
<b>Consumption of Raw Material</b>	<b>Year ended 31st March 2020</b>		<b>Year ended 31st March 2019</b>	
		%		%
Indigenous	22,41,34,924.87	100%	24,74,15,760.54	100%
Imported *			-	0%
<b>Total</b>	<b>22,41,34,924.87</b>	<b>100%</b>	<b>24,74,15,760.54</b>	<b>100%</b>

\* Includes incidental cost of purchase

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**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.**

**Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715**

**Notes to the Financial Statement for the year ended on 31st March 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

	<b>(Amount in ₹)</b>	
<b>Consumption of Packing Material</b>	<b>Year ended 31st March 2020</b>	<b>Year ended 31st March 2019</b>
Indigenous	5,87,44,143.62	6,65,32,143.14
Imported *	-	-
<b>Total</b>	<b>5,87,44,143.62</b>	<b>6,65,32,143.14</b>
<b>Consumption of Consumable Items</b>	<b>Yr. Ended 31/03/2020</b>	<b>Yr. Ended 31/03/2019</b>
Indigenous	3,90,462.28	3,90,349.82
Imported *	-	-
<b>Total</b>	<b>3,90,462.28</b>	<b>3,90,349.82</b>
<b>Consumption of Loan License Material/Items</b>	<b>Year ended 31st March 2020</b>	<b>Year ended 31st March 2019</b>
Indigenous	22,50,76,593.02	14,69,18,993.97
Imported *	-	-
<b>Total</b>	<b>22,50,76,593.02</b>	<b>14,69,18,993.97</b>

\* Includes incidental cost of purchase

**21. CHANGE IN INVENTORIES**

**(Amount in ₹)**

<b>Particulars</b>	<b>Year ended 31/03/2020</b>	<b>Year ended 31/03/2019</b>
<b>(a) Opening Stock :</b>		
Finished Goods	3,52,75,195.57	5,93,49,366.96
Work in progress	7,70,30,435.96	5,29,92,399.00
L.L. Purchase Item in Stock	1,15,07,263.08	-
<b>Total (a)</b>	<b>12,38,12,894.61</b>	<b>11,23,41,765.96</b>
<b>(b) Closing Stock :</b>		
Finished Goods	6,54,13,923.14	3,52,75,195.57
Work in progress	10,15,04,352.70	7,70,30,435.96
L.L. Purchase Item in Stock	63,31,291.52	1,15,07,263.08
<b>Total (b)</b>	<b>17,32,49,567.36</b>	<b>12,38,12,894.61</b>
<b>Increase / (decrease) in Inventories (a-b)</b>	<b>(4,94,36,672.75)</b>	<b>(1,14,71,128.65)</b>

**22. EMPLOYEES BENEFIT EXPENSES**

**(Amount in ₹)**

<b>Particulars</b>	<b>Year ended 31/03/2020</b>	<b>Year ended 31/03/2019</b>
Salaries & wages #	16,05,05,462.18	9,83,33,516.32
Contribution to Provident and other funds	1,07,23,767.00	62,65,409.00
Gratuity	1,86,87,972.00	37,95,966.00
Leave Encashment	46,03,417.00	685.00
Staff welfare expenses	28,14,421.96	23,35,906.13
<b>Total</b>	<b>19,73,35,040.14</b>	<b>11,07,31,482.45</b>

#Includes Directors salary and Remuneration : NIL

Note : Employee benefit expenses, includes Pay Revision Arrear of Rs. 4,89,92,753.52 for the period 01-01-2017 to 31-08-2019.

**23. FINANCE COST**

**(Amount in ₹)**

<b>Particulars</b>	<b>Year ended 31/03/2020</b>	<b>Year ended 31/03/2019</b>
<b>Interest on :</b>		
Interest on CC A/c on SBI Mohan	344,090.00	13,37,096.00
Penal Interest on CC A/c on SBI Mohan	194.00	12,925.00
<b>Total</b>	<b>3,44,284.00</b>	<b>13,50,021.00</b>

SEAL

SEAL

**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.****Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715****Notes to the Financial Statement for the year ended on 31st March 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

**24. OTHER EXPENSES****(Amount in ₹)**

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
Freight Inward	3,94,162.66	524,950.70
Fees & Charges	3,25,065.24	172,436.03
Advertisement	2,68,288.00	545,288.00
Security Expenses	24,07,612.96	22,55,653.44
Postage, Courier, Telephone & Internet Exp.	6,07,400.01	4,30,030.25
Printing & Stationery	4,76,824.78	4,59,741.04
Lease Rent	2,72,14,467.00	1,90,96,369.00
Loading & Unloading Charges	8,580.88	3,00,698.00
Job Work Charges	-	8,13,406.00
Manufacturing Expenses	2,22,305.00	1,05,185.00
Festival Expenses	39,50,205.25	29,30,707.79
Auditors Remuneration (Statutory Audit Fees)	30,000.00	30,000.00
Housekeeping & Gardening Expenses	4,32,120.55	5,62,898.65
Late Fee, Interest on PF, TDS, Income Tax, GST & Service Tax	1,27,488.00	11,21,052.00
Bank Charges	38,646.12	4,39,168.22
Penalties (Service Tax & Others)	14,775.00	-
<b><u>Power &amp; Fuel</u></b>		
(i) Electricity Charges	76,60,684.27	71,13,773.32
(ii) Fuel Expenses (Diesel)	57,24,167.20	85,41,522.74
(iii) Special Fuel (Fire wood & Kanda)	43,27,200.90	40,73,884.80
<b><u>Traveling &amp; Conveyance</u></b>		
(i) Directors' Traveling	-	-
(ii) Foreign Traveling	-	30,263.00
(iii) Others	16,31,305.20	13,84,518.20
Lab Maintenance & Testing Charges	26,25,615.70	21,99,180.20
Staff Recruitment & Training Expenses	18,409.00	22,004.08
<b><u>Insurance</u></b>		
(i) Insurance Stock & Building	2,38,889.20	1,84,590.38
(ii) Transit Insurance inwards	-	-
Workmen Compensation Insurance	3,55,292.49	1,61,965.80
Legal & Professional Charges	8,64,710.00	3,38,800.00
Miscellaneous Expenses	-	39.59
Office Expenses	8,34,499.62	3,79,283.51
Entertainment Expenses	1,38,335.00	96,782.00
<b><u>Repair &amp; Maintenance</u></b>		
(i) Building	12,82,663.41	6,43,735.46
(ii) Machinery	20,78,613.86	14,11,335.51
(iii) Others	1,57,830.41	1,90,823.67
Rates & Taxes	71,787.00	1,04,390.00
<b><u>Selling &amp; Distribution</u></b>		
(i) Rebate, Discount, & Commission	15,32,03,279.36	9,53,81,115.94
(ii) Transit Insurance Outwards	3,52,977.00	4,19,482.00
(iii) Loss in Transit	-	-
(iv) Kit, Packing and C&F Charges	3,64,31,490.05	2,02,62,260.79
(v) Late Delivery Charges	61,232.00	-
(vi) Short Supply	2,00,990.00	35,043.00
(vii) Business Promotional Expenses	96,197.00	97,640.00
(viii) Freight Outward	2,86,85,216.72	2,16,66,246.26
<b>Total</b>	<b>28,35,59,326.84</b>	<b>19,45,26,264.37</b>

SEAL

SEAL

**M/S INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD.****Mohan, Distt.-Almora (Via Ramnagar) Uttarakhand-244715****Notes to the Financial Statement for the year ended on 31st March 2020**

(Annexed to and forming part of the Statement of Profit and Loss for the year ended on 31st March 2020 and the Balance sheet as on 31st March 2020)

**25. Prior Period Income (Net)****(Amount in ₹)**

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
<b>1- Prior Period Income</b>		
Excess Provision for Income Tax in F.Y. 2014-15 now reversed	-	186,640.00
Excess Provision of Earlier Years written off	82,04,406.52	-
<b>2- Prior Period Expenditure</b>		
TDS with Interest Payable	(48,815.00)	-
<b>Prior Period Income / (Loss) (net) (1-2)</b>	<b>81,55,591.52</b>	<b>186,640.00</b>

**26. EARNINGS PER SHARE**

Particulars	As at 31/03/2020	As at 31/03/2019
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	45,04,838.20	5,58,09,662.54
ii) Weighted Average number of equity shares used as denominator for calculating EPS(Basic)	5,19,80,000.00	5,19,80,000.00
iii) Weighted Average number of equity shares and all dilutive potential equity shares as denominator for calculating EPS (Diluted)	5,19,80,000.00	5,19,80,000.00
iv) Face Value per equity share	10.00	10.00
v) Basic Earnings per share	0.09	1.07
vi) Diluted Earnings per share	0.09	1.07

**27. CONTINGENT LIABILITIES/COMMITMENTS****A. CONTINGENT LIABILITIES**

VAT/CST Demand for F.Y. 2010-11	-	278,057.00
VAT/CST Demand for F.Y. 2011-12	-	1,014,442.00
VAT/CST Demand for F.Y. 2012-13	-	349,685.00
VAT/CST Demand for F.Y. 2013-14	-	9023.00
EPFO-Haldwani (Liabilities under 7A Proceeding)	1,12,57,094.00	-
GST-Almora (GST Demand under Vehicle Protest)	1,34,300.00	-
Income Tax Demand for A.Y. 2015-16	23,23,311.00	23,23,311.00
Income Tax Demand for A.Y. 2012-13	13,38,644.00	16,73,344.00
Income Tax Demand for A.Y. 2013-14	7,65,207.00	9,56,607.00
Income Tax Demand for A.Y. 2016-17	52,232.00	52,232.00
Income Tax Demand for A.Y. 2017-18	4,34,249.00	-
Income Tax Demand for A.Y. 2019-20	3,32,376.00	-

**B. LATE DELIVERY CHARGES**

Director Ayurvedic Dept. Ajmer (Rajasthan)	79,38,728.00	-
Punjab Health Systems Corporation Ltd., Punjab	4,71,476.04	-
Director of Health Services M.S. Mumbai, Maharashtra	48,38,515.00	-
Director Ayurvedic Officer, Himanchal Pradesh	20,61,686.00	-
Director ISM & H Tibbia College, New Delhi	37,184.00	-

**C. COMMITMENTS**

Capital commitment under modernization project	23,04,914.50	23,04,914.50
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**28. IMPACT OF PENDING LITIGATIONS ON ITS FINANCIAL POSITION**

Litigation pending against/for the company does not seem to create any obligation on financial position of the Company.

**For M/S Indian Medicines Pharmaceutical Corporation Ltd.****Place : Mohan****Date: 11.11.2020**

As per our report of even date attached  
**For Anil Shalini & Associates**  
Chartered Accountants  
Firm Registration No. : 009960C

(Sign.)	(Sign.)	(Sign.)	(Sign.)
Arvind Kumar Aggarwal	Pankaj Kumar Jha	Mukesh Kumar	Vikram Singh
(Chief Manager F&A)	(Company Secretary)	(Managing Director)	(Director)
Membership No. 32501	Membership No. A27214	DIN No. 08792177	DIN No. 08559981

**(Anil Kumar Shukla)**  
Senior Partner  
Membership No. 075418  
Place : Delhi

## **B. NOTES ON ACCOUNTS:**

### **29.1 METHOD OF ACCOUNTING**

Except the method of accounting disclosed hereunder, the Accounts of the Company have been prepared on accrual basis.

### **29.2 MEDICINES FOR SAMPLES:**

The inventory of finished goods has been taken after adjustment of amount of Rs.1, 28,796.37 towards samples (previous year Rs.1, 50,535.26)

### **29.3 SHORTAGE/WASTAGE AND SPOILAGE OF STOCK:**

The difference in the closing stock of Raw material, Packing material, finished goods etc. between quantity as per Stock Register and physically in hand is treated as Shortage/Wastage/Spoilage. The same is considered as material consumed and is not separately shown in the Manufacturing, Trading and Profit & Loss Account.

### **29.4 VAT/CST ASSESSMENTS:**

The VAT/CST Assessments up to 31st March, 2017 has been completed.

### **29.5 PROVISION FOR INCOME TAX:**

a) Provision of Income-Tax has been made during the year as per rules under Income- Tax Act. Return of Income up to A. Y. 2019-20 has been filed by the company.

#### **b) INTEREST ON INCOME-TAX:**

The interest on Income Tax has been provided separately in compliance with guidance notes of ICAI. The Amount provided is Rs 46,323/- (Previous Year Rs.11, 20,898/-.)

### **29.6 REMUNERATION TO MANAGING DIRECTOR:**

Remuneration to the Managing Director is Rs. NIL (Previous year NIL including E.P.F.). The personal traveling expenses through official car are Rs. NIL. (Previous year Rs. NIL.)

### **29.7 AUDIT FEE & EXPENSES:**

The provision for Audit Fee of Rs. 30,000/- has been made for the year 2019-20 (Previous Year Provision Rs. 30,000/-)

### **29.8 PAYMENT FOR GRATUITY:**

During the year the Company has paid Rs.89, 54,454.00 towards Gratuity (Previous year Rs.88, 67,430.00)

### **29.9 BONUS:**

Bonus Rs. 18, 17,417.00 for F. Y.2019-20 (previous year Rs. 8, 80,331.51) has been charged to the Manufacturing Trading and P & L Accounts towards Bonus payment. The Amount within the permissible limit as provided under Payment of Bonus Act, 1965 i.e. 8.33% to 20 % has been provided.



**29.10 SECURED LOANS:**

Company issuing cash credit limit of Rs. 300.00 lac with S.B.I. Mohan. The said limit is secured against hypothecation of stock & Debts receivable.

**29.11 TRADE RECEIVABLES:**

Almost 95% of Trade receivables consist of Govt. Agencies. Hence all Trade Receivables are unsecured but considered good.

**29.12 CONFIRMATION OF BALANCES:**

Confirmation of Balances of Trade receivables, Trade payables and advance from certain parties are yet to be received.

**29.13 INTEREST TO M.S.M.E. UNITS**

In respect of the interest on delayed payments for the prescribed (small scale and Ancillary) Industries, no such case has been reported, no interest was paid by the Company.

**29.14 a) ENVIRONMENT:**

The Factory is located in a thick forest area. In view of nature of the product of the Company and being a small project, environment conditions have been maintained

**b) WATER CESS LIABILITY:**

Water Cess Liability for F.Y.2013-14 to F.Y. 2014-15 has been paid along with Air Pollution Cess Liability. No further bill/claim has been received till date.

**29.15 SHAREHOLDING PATTERN:**

The Govt. of India's Shareholding during the year was 98.11% of the Share Capital (i.e.Rs.51.00 Crore) and 1.89% (i.e. Rs.0.98 Crore) of the Share was held by M/s Kumaon Mandal Vikas Nigam Ltd. Nainital (A State Public Sector Enterprise).

**29.16 EARNING PER SHARE:**

The company has gained Profit of Rs. 0.45 Crore during the year. The basic & diluted EPS has been calculated Rs. 0.09.

**The calculation/reconciliation of basic and weighted share is as follows:**

Basic	2019-20
Profit for the year after tax (Rs.)	45,04,838.20
Weighted average number of Shares (No.)	51980000
Earnings Per Share (Rs.)	0.09
Nominal Value Per Share (Rs.)	10.00
Diluted	2019-20
Profit for the year after tax (Rs.)	45,04,838.20
Weighted average number of Shares (No.)	51980000
Earnings Per Share (Rs.)	0.09
Nominal Value Per Share (Rs.)	10.00

**Reconciliation of Weighted Average Shares 2019-20****Weighted Average Shares (Basic)**

Share Allotment Date	Amount	No. of Shares	No. of Days	No. of Shares	Weighted Average
Opening Balance	51,98,00,000	51,98,00,00	365	365	5,19,80,000
<b>Total</b>	<b>51,98,00,000</b>	<b>51,98,00,00</b>			<b>5,19,80,000</b>



### Weighted Average Shares (Diluted)

Share Allotment Date	Amount	No. of Shares	No. of Days	No. of Shares	Weighted Average
Opening Balance	51,98,00,000	5,19,80,000	365	365	5,19,80,000
<b>Total</b>	<b>51,98,00,000</b>	<b>5,19,80,000</b>			<b>5,19,80,000</b>

### 29.17 RELATED PARTIES DISCLOSURE:

According to the provisions of Accounting Standard-18. The Related Parties are as under:

- (i) **Related Parties as associates:** Kumaon Mandal Vikas Nigam Limited, Nainital (A State Public Sector Enterprise).

(ii) **Details of Transactions:**

	Opening Balance	Addition	Subtraction	Closing Balance
Raw Drugs Purchase	1,19,556.70 CR	26, 421.00 CR	1,45,977.70 DR	NIL
Receiving Services	82,345.00 CR	0.00	0.00	82,345.00 CR
Construction Work (Not completed)	4,00,000.00 DR	7,17,680.00 CR	5,67,572.00 DR	2,49,892.00 DR

In addition, some payments towards lodging charges have been made by us.

(iii) **Other related Parties: (Key management personnel-Managing Director)-**

1. Prof. (Vaidya) P.K.Prajapati, M.D.Incharge (24th Sep, 2018 to 06 th July, 2020)
2. Dr. Mukesh Kumar, M.D. (06th July, 2020 to till date)
3. Shri Pankaj Kumar Jha, Company Secretary.

(iv) **Details of Transactions:**

	Key management personnel
Payment of Salaries	14,55,047 .00
Payment of Sitting Fee	0.00

**29.18** As per MoU between company and K.M.V.N.Ltd., Nainital approx. 4.5 acre land has been provided to set up Medico tourism centre by the company and K.M.V.N.Ltd. has not started the said centre.

### 29.19 COST ACCOUNTING

The price list is being vetted by the office of Chief Adviser Cost, Ministry of Finance, (Govt. of India) New Delhi by following necessary costing procedure and by maintaining required records in this behalf of all the products.

### 29.20 MODERNIZATION:

The Company has assigned the work to HLL Life care Limited for implementing the modernization in the company. Construction work and installation/commissioning of the Machines have been completed. Total Fund Available under Project was Rs.42.28 Cr. Total Expenses booked under PROJECT Rs 42.05 Cr. Till 31st Mar, 2020. Balance amount of Rs. 0.23 cr. Shown under Capital Commitment.





**29.21 SEGMENT REPORTING:**

The Company is engaged in Pharmaceutical Business only and there are no separate reportable segments as per accounting Standard-17 on “Segment Reporting” issued by the council of the Institute of Chartered Accountants of India.

**29.22 LIABILITY NOT ACKNOWLEDGED AS DEBT**

Following Demand has been raised by UK Vat department which has now been rectified.

Year	Demand	Remarks
2010-11	Rs. 2,78,057.00	Case has been finalized with no pending demand.
2011-12	Rs.10,14,442.00	Case has been finalized and demand of Rs. 9,38,276.29 has been paid in Nov-2020
2012-13	Rs. 3,49,685.00	Case has been finalized with no pending demand
2013-14	Rs. 9,023.00	Case has been finalized Error has been rectified with no pending demand.
2014-15	NIL	Case has been finalized with no pending demand
2015-16	NIL	Case has been finalized with no pending demand
2016-17	NIL	Case has been finalized with no pending demand

Following Demand has been raised by Income Tax Department which has not been accounted in books of account. Demand has been shown under Contingent Liabilities.

Ass. Year	Demand	Remarks	Status
2012-13	Rs. 13, 38,644.00	20% amount i.e Rs. 3, 34,700/- of Total Demand of Rs. 16, 73,344/- already paid in April, 2019.	Appeal is pending with CIT (A).
2013-14	Rs. 7, 65,207.00	20% amount i.e Rs. 1, 91,400/- of Total Demand of Rs. 9, 56,607/- already paid in April, 2019.	
2015-16	Rs. 23, 23,311.00	20% amount i.e Rs. 5, 80,850/- of Total Demand of Rs. 29, 04,161/- already paid in Jan, 2019.	
2016-17	Rs. 52,232.00	20% amount i.e Rs. 11,100/- & Rs. 2000/- of Total Demand of Rs. 55,332 & Rs. 10,000/-respectively already paid in Jan, 2019.	
2017-18	Rs. 4, 34,249.00	20% amount i.e Rs. 1, 08,570/- of Total Demand of Rs. 5, 42,819/- already paid in Dec, 2019.	
2019-20	Rs. 3, 32,376.00	As per Intimation u/s 143(1) dated 30.04.2020, demand of Rs. 3, 32,376/- has been raised by Income Tax Dept.	Rectification request has already been submitted

**29.23 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**29.24 OTHER INFORMATION:**

- I. Expenditure on employees, who are in receipt of remuneration aggregating not less than Rs.60, 00,000/- per financial year, if employed throughout the year or at a rate not less than Rs.5,00,000/- per month, if employed for part of the year. – NIL.



**II. Licensed/Installed capacity and actual production of Mohan Unit:**

S.No.	ITEM	UNIT	INSTALLED CAPACITY		ACTUAL PRODUCTION	
			2019-20	2018-19	2019-20	2018-19
1	Tablets/Pills	KG.	200000.00	200000.00	66120.600	126513.20
2	Capsules	KG.	50000.00	50000.00	2731.000	1052.70
3	Choorna	KG.	600000.00	600000.00	176485.300	187660.40
4	Syrups	LTRS.	300000.00	300000.00	51868.700	67388.60
5	Arka	LTRS.	50000.00	50000.00	18887.400	27666.30
6	Asava	LTRS.	500000.00	400000.00	261856.000	355726.00
7	Taila	LTRS.	300000.00	300000.00	63553.900	94069.45
8	Marham	KG.	30000.00	30000.00	2811.500	11346.75
9	Avaleha	KG.	250000.00	250000.00	123129.500	182360.68
10.	Bhasma	KG.	50000.00	50000.00	3236.800	8394.00
	<b>TOTAL</b>		<b>2330000.00</b>	<b>2230000.00</b>	<b>770680.700</b>	<b>1062178.08</b>

**III. Licensed/Installed capacity and actual production of Imlikhera (Haridwar) Unit:**

S.No.	ITEM	UNIT	INSTALLED CAPACITY		ACTUAL PRODUCTION	
			2019-20	2018-19	2019-20	2018-19
1	Tablets/Pills	KG.	22000.00	22000.00	9504.10	214.93
2	Capsules	KG.	14000.00	14000.00	---	---
3	Choorna	KG.	380000.00	380000.00	73820.90	33158.50
4	Syrups	LTRS.	145000.00	145000.00	7736.50	---
5	Arka	LTRS.	---	---	---	---
6	Asava	LTRS.	360000.00	360000.00	261142.80	32060.00
7	Taila	LTRS.	145000.00	145000.00	13736.30	---
8	Marham	KG.	23000.00	23000.00	---	---
9	Avaleha	KG.	25000.00	25000.00	281.80	---
10.	Bhasma	KG.	3000.00	3000.00	254.70	---
	<b>TOTAL</b>		<b>1117000.00</b>	<b>1117000.00</b>	<b>366477.10</b>	<b>65433.43</b>

**Production has been started in Imlikhera (Haridwar) Unit in Feb, 2019.**

**Note:**

1. Installed Capacities are subject to variation depending upon the product mix.
2. The Installed Capacities are on single shift basis.
3. Licensed and Installed Capacities are certified by the Management and accepted by the Auditors without verification being a technical matter.

**IV. Value of import calculated on C.I.F. Basis:**

		2019-2020	2018-2019
(i)	Raw material	NIL	NIL
(ii)	Components & spare parts	NIL	NIL
(iii)	Capital Goods	NIL	NIL

**V. Expenditure in Foreign Currency:**

		2019-2020	2018-2019
(i)	On account of Royalty, know-how professional, consultation fees, interest and other matters.	NIL	NIL





**VI. Consumption of Raw Material, Spare parts and Components:**

Particulars	For the Year 2019-20			For the Year 2018-19		
	Qty. (Kg. /Ltr.)	Value (Rs. P.)	%	Qty. (Kg. /Ltr.)	Value (Rs. P.)	%
<b>Raw Material</b>						
(i) Imported	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Indigenous	14,66,821.84	22,41,34,924.87	100%	14,82,007.61	24,74,15,760.54	100%
<b>Packing Material</b>						
(i) Imported	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Indigenous	*	5,87,44,143.62	100%	*	6,65,32,143.14	100%
<b>Spare parts and Components</b>						
(i) Imported	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Indigenous	**	3,90,462.28	100%	**	3,90,349.82	100%
<b>Loan License Material</b>						
(i) Imported	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Indigenous	*	23,02,52,564.58	100%	*	13,54,11,730.89	100%
<b>TOTAL :</b>						

\*Not ascertainable \*\* Being small value spare parts components taken in repair and maintenance.

**VII. Earnings in Foreign Exchange:**

		2019-2020	2018-2019
(i)	Export of Goods calculated on FOB basis	NIL	NIL
(ii)	Royalty, know-how professional and consultation fees, interest and dividend	NIL	NIL
(iii)	Other Income		

**VIII. Amount remitted in Foreign Currency Dividends:**

		2019-2020	2018-2019
(i)	No. of non-resident shareholders	NIL	NIL
(ii)	No. of shares held by non-resident	NIL	NIL

**IX. Losses Of Finished Goods/Shortages/Spoilage:**

	Qty. (kg./Ltr.)		Value (Rs.)	
	2019-20	2018-19	2019-20	2018-19
Loss during packing process	16,070.758	13,871.305	54,48,245.62	74,53,047.49
Shortage/Excess during verification	116.630	61.655	40,912.98	54,007.09
Spoiled	30.528	3.898	7,276.71	618.42
<b>TOTAL :</b>	<b>16,217.916</b>	<b>13,936.858</b>	<b>54,96,435.31</b>	<b>75,07,673.00</b>

Note: - The inventory of finished goods has been taken after adjusting as above Losses/shortages/spoilage.



X. Statement of Sales, Opening Stock and Closing Stock for the year ended 31-03-2020								
Sl.No.	Product/units	Units	Sales during the year		Opening Stock of Finished Goods		Closing Stock of Finished Goods	
			Quantity	Amount	Quantity	Amount	Quantity	Amount
1	Tablets/Pills	Kg.	132530.903	258,320,472.62	9620.186	14,825,723.22	10537.571	18,540,763.73
			154647.767	289,044,953.40	13309.192	21,066,355.37	9620.186	14,825,723.22
2	Capsules	Kg.	4503.750	19,775,963.54	274.800	449,956.06	144.140	306,614.47
			2357.420	7,343,173.64	274.410	683,052.21	274.800	449,956.06
3	Choorna	Kg.	367229.950	238,147,266.90	12643.857	6,945,185.47	38897.274	22,072,778.20
			231502.756	156,716,948.42	11583.690	10,582,369.41	12643.857	6,945,185.47
4	Syrups	LTRS	147492.400	38,770,409.25	13396.850	2,182,305.31	7150.400	1,249,392.52
			120979.300	31,649,994.07	12842.050	2,178,957.26	13396.850	2,182,305.31
5	Arka	LTRS	56900.795	6,138,872.14	3342.680	363,902.95	4536.500	373,606.50
			48729.705	4,792,874.87	3745.760	505,166.78	3342.680	363,902.95
6	Asava	LTRS	489750.600	113,462,019.72	23650.450	3,639,530.00	38250.450	6,061,660.66
			431238.600	95,037,928.46	32809.850	5,040,233.79	23650.450	3,639,530.00
7	Taila	LTRS	125256.665	128,178,111.96	10894.332	8,321,832.87	10412.171	10,823,756.84
			112016.328	120,560,578.34	13483.370	9,056,924.09	10894.332	8,321,832.87
8	Marham	Kg.	7630.650	6,802,738.39	1622.930	1,268,664.23	664.530	592,206.30
			7122.140	6,704,438.78	1008.680	551,213.78	1622.930	1,268,664.23
9	Avalcha	Kg.	285987.520	148,028,848.75	16599.418	6,890,254.78	20972.278	10,004,400.38
			254332.130	130,280,772.88	20627.230	8,940,546.82	16599.418	6,890,254.78
10	Bhasma	Kg.	8029.605	12,781,517.74	2323.834	1,895,103.76	1427.193	1,720,035.06
			12244.710	26,141,968.27	1344.820	744,547.81	2323.834	1,895,103.76
TOTAL :			1625312.838	970,406,221.01	94369.337	46,782,458.65	132992.507	71,745,214.66
			1375170.856	868,273,631.13	111029.052	59,349,367.32	94369.337	46,782,458.65

(Figures in Bold are in respect of previous year)



**29.25 REIMBURSEMENT AGAINST FOREIGN TOUR EXPENSES FROM MINISTRY OF AYUSH:**

Amount of Rs. 3,50,000/- has been paid to ITPO towards space booking at FIME, Florida, USA. Due to some reasons, IMPCL Officials was not able to travel and booked space has been used by Ministry of Ayush, Hence Amount of Rs. 3,50,000/- has been received during the year 2019-20 from Ministry of Ayush.

**29.26 PENALTY**

Service Tax Penalty of Rs. 9,775/- and Van Vibhaag (Forest Dept) penalty of Rs. 5000/- has been booked during the year 2019-20.

**29.27 LATE DELIVERY CHARGES:**

Late delivery charges of Rs. 61,232.00 of 'Chandigarh Administration' have been booked during the year. Further, Five State Govt Dept has imposed the Late Delivery Charges of Rs. 1,54,08,821/- due to delayed supply of medicines by the Company during the year 2013-14 to 2016-17. The company is pursuing the matter with concern State Government departments. However, amount has been shown in Contingent Liabilities.

**29.28 DISCOUNT & COMMISSION:**

As per agreement with Liaisoners, Company recognizes the 'Rebate, Discount & Commission' expenses in P&L A/c only on occurring of actual sales and receipt of amount from debtors. During the year, Company has booked Rebate, Discount & Commission of Rs. 15,32,03,279.36 (Previous Year Rs. 9,53,81,115.94). Further, Kiting Packing and Forwarding expenses are booked on occurring of actual sales during the year. Company has booked KIT Packing and C&F Charges of Rs. 3,64,31,490.05 (Previous Year Rs. 2,02,62,260.79) and Freight Outward charges of Rs. 2,86,85,216.72 (Previous Year Rs. 2,16,66,246.26) during the year.

**29.29 COST AUDIT REPORT:**

Company's turnover is more than Rs. 50 Crore. Hence in compliance of section 148 of Companies Act, 2013, read with Companies (Cost Record and Audit) Rules, 2014 Company has engaged Cost Auditor firm for cost audit for the F.Y.2019-20. Further, Company is maintaining cost records. Cost Audit up to F.Y. 2017-18 has been completed.

**29.30 BANK GUARANTEE:**

Company has issued Performance Bank Guarantees of Rs. 56,07,665/- against FDRs value of Rs. 7,77,00,966.78.

**29.31 PROCEEDING U/S 7A OF EMPLOYEES' PROVIDENT FUND & PROVISION ACT, 1952:**

In the matter of proceedings under section 7A of the Employees' Provident Fund and Miscellaneous Provision Act, 1952 for determination of dues for the period of November, 2008 to November, 2014 in respect of contractual employees of M/s IMPCL, EPFO has issued the order for the recovery of Rs. 1,12,57,094/- on 07.05.2019 and recovered the same on 10.06.2019 through IMPCL SBI Account.

The Company has already paid all the PF dues for the period Nov, 2008 to Nov, 2014 to related Contractors along with their monthly bill, hence Company has filed the case against this recovery with "Before the Hon'ble Central Govt. Industrial Tribunal (CGIT), Aliganj, Lucknow (U.P.) and shown the amount under 'Other Receivables' Note No. 16 Short Term Loans and Advances of Annual Accounts.



**29.32 LEASE RENT FOR LEASED UNIT AT IMPCL IMLIKHERA, HARIDWAR:**

The Company has taken a manufacturing unit in Imlikhera, Haridwar in July 2018 on monthly Lease Rent of Rs. 22 lacs (GST Extra), which started its functions in January, 2019. Lease Rent for the year 2019-20 of Rs. 2.72 Crore (Rs. 22 lacs per month for Imlikhera Plant for 12 months and Rs. 8,14,467/- of Mohan Unit for 2019-20) has been shown in Note No. 24 Other Expenses.

**29.33 PAY REVISION**

Department of Public Enterprises (DPE) vide its OM No. W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 3rd August, 2017 approved the Pay Revision of Board level and below Board level executives and Non-Unionized Supervisors of CPSEs w.e.f. 01.01.2017. Acknowledging the conditions stipulated in DPE OM of 2017, The Board of Director, IMPCL accorded approval for implementation of pay revision for board level and below board level executives and Non-Unionized Supervisors w.e.f. 01.01.2017 in its 182nd Board meeting,

On 16th September 2019, the Administrative Ministry (MoA, Y&N, U, S and H) of IMPCL accorded the approval to the pay revision of Board level and below Board level executives and Non-Unionized Supervisors with effect from 01.01.2017.

The Company has implemented the Pay Revision of Board level and below Board level executives and Non-Unionized Supervisors during the year 2019-20 w.e.f 01st January 2017. Note No.22 'Employee Benefit Expenses' includes the Pay Revision arrear of Rs.4,89,92,753.52 for the period 01st Jan, 2017 to 31st Aug, 2019.

**29.34 IMPACT OF COVID-19 PANDEMIC ON IMPCL :**

Consumption of Ayurvedic medicines has been increased during COVID-19 Pandemic. IMPCL has recorded growth in a particulars segment due to supply of Immuno Boosting Ayurvedic medicines to counter pandemic Covid-19 which contributed in sizable manner in our turnover.

**29.35 Previous Year's Figures/words have been regrouped/rearranged wherever necessary****29.36 Note 3 to 29.36 forms an integral part of the Balance Sheet and has been authenticated by the Management.**

**For M/S Indian Medicines Pharmaceutical Corporation Ltd.**

**Place : Mohan**

**Date: 11.11.2020**

As per our report of even date attached  
**For Anil Shalini & Associates**  
Chartered Accountants  
Firm Registration No. : 009960C

(Sign.)	(Sign.)	(Sign.)	(Sign.)
Arvind Kumar Aggarwal	Pankaj Kumar Jha	Mukesh Kumar	Vikram Singh
(Chief Manager F&A)	(Company Secretary)	(Managing Director)	(Director)
Membership No. 32501	Membership No. A27214	DIN No. 08792177	DIN No. 08559981

**(Anil Kumar Shukla)**  
**Senior Partner**  
**Membership No. 075418**  
Place : Delhi



**ANIL SHALINI & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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PHASE-2, DELHI-110091  
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E-MAIL : anilshaliniandassociates@gmail.com  
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## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD  
MOHAN, DISTT ALMORA, UTTARAKHAND

### Report on the Financial Statements

We have audited the accompanying financial statements of "INDIAN MEDICINES PHARMACEUTICAL CORPORATION LTD, MOHAN, DISTT ALMORA" which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

1. The balances of Other Current Liabilities, Long Term Loans Advances, & Trade Receivables as shown in Note 8, 12, & 14 respectively are subject to confirmation of the respective parties.
2. Company is in a joint venture with Kumaon Mandal Vikas Nigam Ltd. For Medical Tourism according to Point no 6.2 page no 9 of the memorandum of understanding 'Terms of Payment: The payments in respect of the memorandum of understanding shall made as follows.
  - (a) The "Second Party" KMVN shall submit the Annual Accounts on agreed terms after meeting all revenue expenditure the income will be shared in the ratio of 70:30 between the "Second Party" KMVN and the 'First Party' IMPCL respectively and the amount will be released in next month of closing of the financial year.

Point no 3.5 page no. 8 of the memorandum of understanding

The accounts and records in respect of the Memorandum of understanding shall be maintained by the "Second Party" KMVN & Audited by auditors' appointment by First Party.

The profit or loss of this Memorandum of understanding is not considered in preparation of final accounts of the company and auditor for this Memorandum of understanding is also not appointment by the company.

This is only partially disclosed in Related Party Disclosure according to AS-18 Note no 29.17

3. In case of AS- 28, Loss due to impairment of assets has not been worked out. Note no 2.





4. Internal control needs to be strengthened specially in area of effective procurement & production process management , man and machine hour utilization , timely realization from debtor's, follow up for penalties levied in supplies, normal losses ratio for production process, storage and transit of inventories should be decided to control the pilferage an abnormal loss refer clause (ii) of Annexure referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements".
5. Penalties Rs 48,38,515/-, 20,61,686/- & 37,184/- imposed by State of Maharashtra, State of Himachal Pradesh and Tibbia College, New Delhi respectively in F.Y. 2015-16 towards delay in supply are liabilities for company. No provision is made for such liabilities by the company. However, Company has disclosed the same under Contingent Liabilities.
6. Penalties Rs 79,38,728/- imposed by Director, Ayurvedic & Unanni, Ajmer, Rajsthan in F.Y. 2013-14 towards delay in supply is liability for company. No provision is made for such liability by the company. However, Company has disclosed the same under Contingent Liabilities.
7. Penalties Rs 4,71,476.04 imposed by Punjab Health Systems Corporation Limited in F.Y. 2016-17 towards delay in supply is liability for company. No provision is made for such liability by the company. However, Company has disclosed the same under Contingent Liabilities.
8. In the books, Rs 21,30,572/- is shown as Advance Tax & TDS (IT Refundable) for AY 2012-13(FY 2011-12). But as per Income Tax Order, No refund is due instead a demand of Rs 3,280/- is outstanding, which was paid by the company in FY 2018-19. So accumulated IT refundable for AY 2012-13 (FY 2011-12) is increased to Rs.21,33,852/- in the Books of the company. Further penalty notice of Rs. 16,73,344/- has been received on 26.03.2019, which was not accounted for in the Books of the Company and an appeal is filed against this penalty order with CIT(A) on 23.04.2019 for this a 20% deposit of Rs. 3,34,700/- is deposited resulting accumulated IT refundable Rs. 24,68,552/- under "Other Current Assets" head of the company. However, balance 80% demand of Rs.13,38,644/- has been shown in Notes to accounts under contingent head of liability.
9. Penalty notice of Rs.9,56,607/- for AY 2013-14(FY 2012-13) has been received by the company on dated 28.03.2019, which was not accounted for in the Books of the Company. An appeal is filed against this penalty order on dated 23.04.2019 with CIT(A) and 20% of demand of Rs. 1,91,400/- was deposited, which is appearing under head IT refundable (AY 2013-14) (FY2012-13). However balance 80% demand of Rs. 7,65,207/- has been shown in Notes to accounts under contingent head of liability.



10. In the AY 2015-16 (FY 2014-15) income tax demand of Rs. 31,54,080/- raised by the department against which Rs. 2,49,920/- was deducted by the department out of Refund of (FY 2012-13) and sent notice of net demand of Rs. 29,04,160/- on 09.01.2019. Company has filed an appeal against this order with CIT(A) and 20% of demand of Rs. 5,80,850/- was deposited on 15.01.2019, resulting accumulated IT refundable for AY 2015-16 Rs. 8,30,770/- is appearing under "Other Current Assets" head of the company. However the balance 80% demand of Rs. 23,23,311/- has been shown in Notes to accounts under contingent head of liability.
11. In the books, Rs 29,88,503/- is shown as Advance Tax & TDS (I.T. Refundable) for AY 2016-17. Earlier, Company has filed the return with claiming Refund of Rs. 1,12,60,922.00, this has been revised with claiming of enhanced refund of Rs. 1,18,12,350/- against which refund of Rs. 88,23,847/- has been received by the company. Further company has been received assessment order dated 18.12.2018 with tax demand of Rs.55,332/- and penalty order of Rs. 10,000/- on (dated 10.10.2018) those have not been accounted for in the Books of the company. Company has filed an appeal against these orders with CIT(A) and 20% of demand of Rs. 13,100/- was deposited on 08.01.2019, resulting accumulated IT refundable for AY 2016-17 Rs. 30,01,603/- is appearing under Other current assets head of the company. However the balance 80% demand of Rs. 52,232/- has been shown in Notes to accounts under contingent head of liability.
12. In AY 2017-18 income tax department raised demand of Rs. 5,42,819/- and demand notice served as on 27.11.2019, Company has filed appeal against this order and 20% of demand Rs. 1,08,570/- has been deposited. No provision is made for the total demand of Rs. 5,42,819/- for AY 2017-18 in books of accounts of the Company. The IT refundable for AY 2017-18 Rs. 1,08,570/- is appearing under Other current assets head of the company. However the balance 80% demand of Rs. 4,34,249/- has been shown in Notes to accounts under contingent head of liability.
13. In AY 2019-20(FY 2018-19) assessment intimation u/s 143(1) of the Income tax Act, 1961 has been received by the company with demand of Rs. 3,32,376/- on dated 30.04.2020. The rectification request has been submitted by the company. No provision is made in this respect in the books of accounts of the Company. However same is shown under Contingent Liability (Note-27).
14. TDS liability towards Short Payment, Interest on delay payment and late fee etc. Rs. 6,09,895/- is appearing in TDS-TRACES portal which are shown in books as Other Payable instead of Statutory Dues.
15. GST demand order on impounding of vehicle for Rs. 1,34,300/- is shown other advance head and no provision for the same has been made in the Books of Accounts of the Company. However the amount has been shown in Notes to accounts under contingent head of liability.





16. Regional PF Commissioner, Haldwani (Uttarakhand) has recovered Rs. 1,12,57,094/- through their recovery notice U/S 8F of the EPF & Miscellaneous Provision Act, 1952 served on State Bank of India, Mohan, towards EPF liability in respect of Contractual labour engaged by the company for the period 2008-2014, and no provision for the same has been made in the Books of Accounts of the Company. However the amount has been shown in Notes to accounts under contingent head of liability.
17. Gross Block of Fixed Assets as well as Opening Balance of Accumulated Depreciation is overvalued due to past accounting policy of grant in aid.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2020, its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to

- (1) Note No 13 of Financial Statements "Inventories" which describes that value of inventory at the year end, the holding period of inventory works out to approximately 188 days which seems to be on higher note (Inventory value at year end\*365/Cost of Goods sold)(26.97\*365/52.29)(Cost of goods sold = sales-GP i.e. 97.04-44.75=52.29)
- (2) Note No 2.3 of financial statement "Significant Accounting Policies" to the financial statements which describes that cost of work in process inventory is valued at estimated cost as per regular practice.
- (3) Note No 29.24 of financial statement "Shortage/Wastage and Spoilage" to the financial statements shows losses are not bifurcated into normal and abnormal losses which can be useful for management purposes.
- (4) After going through the liasioner and C&F agreement for the year 2019-20, we have observed that following crucial para/point are missing in the agreement of C&F parties, "The execution of supply orders will be subject to availability of stock, IMPCL reserve the right of execution of supply in part or in full. The Service charge, slab wise extra commission, cash discount, wherever applicable and any other charges what so ever will be offered to the Institutional Agent on the net executed sales only."
- (5) Our opinion is not qualified in respect of these matters.



### **Other of Matter**

- (1) Company is maintaining accounts manually as well as accounts on computer software (Tally ERP 9) printout of books maintained on computer software is not taken, we conducted our audit around computer on the basis of print out of trial balance taken from computer.
- (2) There are three legal cases pending for & against the company, No provision for contingent liability is made for the legal cases pending for & against the company. As per management representation no material liability of contingent will arise on account of these legal cases.
- (3) Balance of GST Tax Credit is subject to reconciliation from GST Return.
- (4) Cost Audit process is delayed. Cost audit for FY 2018-19 is under process.
- (5) Our opinion is not qualified in respect of these matters. .

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the effects of matter described in the bases for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the effects of matter described in the bases for qualified opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) In view of Notification No. GSR 463 (E), the provision of Section 164(2) of the Companies Act regarding disqualification of directors are not applicable to the company as the company is a Government Company.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigation which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
3. As required by the Directions issued by the Office of the Principal Director of Commercial Audit & Ex- Officio Member, Audit Report –IV, New Delhi under section 143 (5) of the Companies Act, we give in the Annexure a statement on the directions specified in Order, to the extent applicable.

FOR ANIL SHALINI & ASSOCIATES  
*Chartered Accountants*  
Firm Registration No. : 009960C

(Anil Kumar Shukla)  
Senior Partner  
Membership No.: 075418  
Place: Delhi/Ramnagar  
Date: 17.11.2020



## Annexure ' A' to the Independent Auditors' Report

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Indian Medicines Pharmaceuticals Corporation Ltd, Mohan Distt Almora on the accounts of the company for the year ended 31st March, 2020]**

Based on audit procedure performed for the purpose of reporting a true and fair view on the financial statements of the company and taking in to consideration the information and explanations given to us and the books of account and other records examined by us during normal course of our audit, we report that:

- (i) (a) The company is properly maintaining Fixed Assets Register and records showing quantitative details except situation of fixed assets.  
(b) Physical verification of the fixed assets by the management is pending.  
(c) As per information and records provided to us company is situated on lease hold land for 90 year lease is executed between company and SIDCUL(UK).
- (ii) (a) As explained to us, physical verification of inventory has been conducted annually by the management. CA Certificate has been obtained in case of inventory lying with agents.  
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) Company is maintaining proper records of inventory and discrepancy noticed on verification between physical stock and book record has been treated as consumption as per continuous accounting policy of the Company and the same has been shown as shortage, spoiled and expired goods by way of Notes to the Accounts. No policy for identification of normal & abnormal loss exists at present.
- (iii) As stated by the management, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,
  - (a) Particulars of this clause are not applicable to the company.
  - (b) Particulars of this clause are not applicable to the company.
  - (c) Particulars of this clause are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanation given to us, the company has not received any public deposits during the year hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the companies Act, According to the information and explanation given to us and on the basis of our broad review of records, Company is maintaining cost accounting records.



- (vii)(a) The company is regular in depositing the undisputed statutory dues including provident fund, income tax, sale tax, service tax, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrear as at 31 March, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax (GST) outstanding on account of any dispute subject to following :-

- (1) As per Traces report downloaded on 16.09.2020, TDS liability towards Short Payment, Interest on delay payment and late fee etc. Rs. 6,09,895/- is appearing in TDS-TRACES portal which are shown in books as Other Payable instead of Statutory Dues.
- (2) In the books, Rs 21,30,572/- is shown as Advance Tax & TDS (IT Refundable) for AY 2012-13 (FY 2011-12). But as per Income Tax Order, No refund is due instead a demand of Rs. 3,280/- is outstanding, which was paid by the company in FY 2018-19. So accumulated IT refundable for AY 2012-13 (FY 2011-12) is increased to Rs. 21,33,852/- in the Books of the company. Further penalty notice of Rs. 16,73,344/- has been received on 26.03.2019, which was not accounted for in the Books of the Company and an appeal is filed against this penalty order with CIT(A) on 23.04.2019 for this a 20% deposit of Rs. 3,34,700/- is deposited resulting accumulated IT refundable Rs. 24,68,552/- under other current assets head of the company. However balance 80% demand of Rs. 13,38,644/- has been shown in Notes to accounts under contingent head of liability.
- (3) Penalty notice of Rs. 9,56,607/- for AY 2013-14 (FY 2012-13) has been received by the company on dated 28.03.2019, which was not accounted for in the Books of the Company. An appeal is filed against this penalty order on dated 23.04.2019 with CIT(A) and 20% of demand of Rs. 1,91,400/- was deposited, which is appearing under head IT refundable (AY 2013-14) (FY 2012-13). However balance 80% demand of Rs. 7,65,207/- has been shown in Notes to accounts under contingent head of liability.
- (4) In the AY 2015-16 (FY 2014-15) income tax demand of Rs. 31,54,080/- raised by the department against which Rs. 2,49,920/- was deducted by the department out of Refund of (FY 2013-14) (FY 2012-13) and sent notice of net demand of Rs. 29,04,160/- on 09.01.2019. Company has filed an appeal against this order with CIT(A) and 20% of demand of Rs. 5,80,850/- was deposited on 15.01.2019, resulting accumulated IT refundable for AY 2015-16 Rs. 8,30,770/- is appearing under Other current assets head of the company. However the balance 80% demand of Rs. 23,23,311/- has been shown in Notes to accounts under contingent head of liability.
- (5) In the books, Rs 29,88,503/- is shown as Advance Tax & TDS (I.T. Refundable) for AY 2016-17. Earlier, Company has filed the return with claiming Refund of Rs. 1,12,60,922.00, this has been revised with claiming of enhanced refund of Rs. 1,18,12,350/- against which refund of Rs. 88,23,847/- has been received by the company. Further company has been received assessment order dated 18.12.2018 with tax demand of Rs. 55,332/- and penalty order of Rs. 10,000/- on dated 10.10.2018 those have not been accounted for in the Books of the company. Company has filed an appeal against these orders with CIT(A) and 20% of demand of Rs. 13,100/- was deposited on 08.01.2019, resulting accumulated IT refundable for AY 2016-17 Rs. 30,01,603/- is appearing under Other current assets head of the company. However the balance 80% demand of Rs. 52,232/- has been shown in Notes to accounts under contingent head of liability.

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- (6) In AY 2017-18 income tax department raised demand of Rs. 5,42,819/- and demand notice served as on 27.11.2019, Company has filed appeal against this order and 20% of demand Rs. 1,08,570/- has been deposited. No provision is made for the total demand of Rs. 5,42,819/- for AY 2017-18 in books of accounts of the Company. The IT refundable for AY 2017-18 Rs. 1,08,570/- is appearing under Other current assets head of the company. However the balance 80% demand of Rs. 4,34,249/- has been shown in Notes to accounts under contingent head of liability.
- (7) In AY 2019-20(FY 2018-19) assessment intimation u/s 143(1) of the Income tax Act, 1961 has been received by the company with demand of Rs. 3,32,376/- on dated 30.04.2020. The rectification request has been submitted by the company. No provision is made in this respect in the books of accounts of the Company. However same is shown under Contingent Liability (Note-27).
- (8) GST demand order on impounding of vehicle for Rs. 1,34,300/- is shown other advance head and no provision for the same has been made in the Books of Accounts of the Company. However the amount has been shown in Notes to accounts under contingent head of liability.
- (9) Regional PF Commissioner, Haldwani (Uttarakhand) has recovered Rs. 1,12,57,094/- through their Recovery Notice U/S 8F of the EPF & Miscellaneous Provision Act, 1952 served on State Bank of India, Mohan, towards EPF liability in respect of Contractual labour engaged by the company for the period 2008-2014, and no provision for the same has been made in the Books of Accounts of the Company. However the amount has been shown in Notes to accounts under contingent head of liability.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. Company has not taken any loan from government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion, as company is a government company, section 197 is not applicable to the company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR ANIL SHALINI & ASSOCIATES  
Chartered Accountants  
Firm Registration No. : 009960C

(Anil Kumar Shukla)  
Senior Partner  
Membership No.: 075418

Place: Delhi/Ramnagar  
Date: 17.11.2020



**“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of Indian Medicines Pharmaceuticals Corporation Ltd, Mohan Distt Almora**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **M/S Indian Medicines Pharmaceuticals Corporation Ltd, Mohan Distt Almora** as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of the India”.

FOR ANIL SHALINI & ASSOCIATES  
Chartered Accountants  
Firm Registration No. : 009960C

(Anil Kumar Shukla)  
Senior Partner  
Membership No.: 075418

Place: Delhi/Ramnagar  
Date: 17.11.2020



## Annexure to the Independent Auditors' Report

[Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Indian Medicines Pharmaceuticals Corporation Ltd, Mohan Distt Almora on the accounts of the company for the year ended 31st March, 2020]

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

Sl.No.	Directions	Auditor Remark
1	Whether the company has systems in place to process all the accounting transactions through IT Systems? If yes the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	In our opinion and based on the information and explanation given to us, we found that the company has maintained its books of accounts in computer environment in tally package of software and all accounting transactions are recorded therein, other than this no other system in vogue.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	In our opinion and according to the information and explanation given to us, there is no such case.
3	Whether funds received/receivable for specific schemes from the central/state agencies were properly accounted for/utilized as per its term and conditions? List the case of deviation.	In our opinion and according to the information and explanation given to us, no funds received/receivable for any specific schemes by the company during the year.

FOR ANIL SHALINI & ASSOCIATES  
Chartered Accountants  
Firm Registration No. : 009960C

(Anil Kumar Shukla)  
Senior Partner  
Membership No.: 075418

Place: Delhi/Ramnagar  
Date: 17.11.2020





कार्यालय प्रधान निदेशक लेखा परीक्षा (स्वास्थ्य, कल्याण एवं ग्रामीण विकास)  
OFFICE OF THE DIRECTOR GENERAL OF AUDIT (Health, Welfare and Rural Development)  
इन्द्रप्रस्थ इस्टेट, नई दिल्ली - 110 002  
Indraprastha Estate, New Delhi - 110 002

P.D.A. (H.W.&R.D.)/ A.M.G. I / PSU-IMPCL/2020-21 /603

Dated : 09.02.2021

To

**The Managing Director,  
Indian Medicines Pharmaceutical Corporation Limited  
Mohan- District - Almora,  
(Via Ramnagar) - 244715 (Uttarakhand)**

**Sub.: Comments of the Comptroller & Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the accounts of Indian Medicines Pharmaceutical Corporation Limited for the year ended 31st March 2020.**

Sir,

I am to enclose herewith Comments Certificate of the comptroller and Auditor General of India under 143 (6)(b) of the Companies Act, 2013 on the accounts of **Indian Medicines Pharmaceutical Corporation Limited** for the year ended 31st March 2020.

The receipt of the letter may kindly be acknowledged.

Encl : As above

Yours faithfully,

**(P.K. Saxena)  
Deputy Director  
(A.M.G. I)**

Ph. : 91-1123702254  
Fax : 91-1123702271

DGACR, Building, I.P. Estate, New Delhi- 110002  
Email : pdahwrd@cag.gov.in

**COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF INDIAN MEDICINES PHARMACEUTICAL  
CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.**

The preparation of financial statements of **Indian Medicines Pharmaceutical Corporation Limited** for the year ended 31<sup>st</sup> March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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 **17<sup>th</sup> November 2020**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Indian Medicines Pharmaceutical Corporation Limited** for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

**A. Comments on Financial Position**

**Assets**

**Current Assets**

**Trade Receivables (Note 14) : ₹36.37 crore**

The above includes ₹1.53 crore due to non-provisioning of amount receivable against penalties which were imposed by five State Government departments due to delayed supply of medicines by the company during 2013-14 to 2016-17. The company has recognised these receivables as doubtful of recovery, however no provision for doubtful trade receivable was made in the books of accounts.

Non-provisioning has resulted in overstatement of trade receivables and profit for the year by ₹1.53 crore.

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

**Place: New Delhi**

**Date: 10.02.2021**

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