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Ind-Swift
ISO 9001:2008

ANNUAL REPORT

2015-16

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Ind-Swift

An ISO 9001:2008
Certified

Corporate Information



Ind-Swift Limited

....Because Life is Precious

Mr. S. R. Mehta
Executive Chairman

Mr. N. R. Munjal
Non-Executive
Vice Chairman

Dr. Gopal Munjal
Managing Director & CEO

Dr. V. R. Mehta
Joint Managing Director

Mr. Himanshu Jain
Non-Executive Director

Mr. Rishav Mehta
Non-Executive Director

Dr. R. S. Bedi
Independent Director

Mr. S.P. Sharma
Independent Director

Dr. V.K. Arora
Independent Director

Mr. B.M. Padha
Nominee Director (PNB)

Prof. A.D. Ahluwalia
Independent Director

Mrs. Veena Dadwal
Independent Director

Mr. Ashok Kumar Gupta
Independent Director

General Manager
(Finance & Accounts)
Mr. Arun K. Seth

Company Secretary &
Compliance Officer
Simrat Kaur

Auditors
J. K. Jain & Associates
Chartered Accountants

S.C.O. 1132-33, Sector 22-B
Chandigarh 160 022

Legal Advisors
P. K. Goklaney & Company
Advocates
38, Sector 16-A, Chandigarh

Bankers

Punjab National Bank
Sector 28, Chandigarh.

State Bank of India
SCO 103-106, Sector-17,
Chandigarh.

Canara Bank
SCO 311-314, Sector 35-B,
Chandigarh.

IDBI Bank
Sector-17, Chandigarh.

Registered Office :-

781, Industrial Area, Phase II
Chandigarh-160 002
Tel :- +91-172-2638781-786
Fax:- +91-172-2652242

Registrar & Share Transfer
Agents
M/S Alankit Assignments Ltd.
2E/21, Jhandewalan
Extension,
New Delhi-110 055

Works

123, Industrial Area 1,
Panchkula 134 109
(Haryana).

Plot. No. 23, Sector 2, (Unit I),
Parwanoo (H.P.)

Plot No. 17 B, Sector 2, (Unit II)
Parwanoo (H.P.)

Village Malku Majra, (Unit III &
IV) Baddi, (H.P.)

Village Jawaharpur, (Global Bus-
ness Unit
Teh. Dera Bassi (Punjab).

Industrial Growth Centre,
Sambha, Jammu (J&K)

Village Makkarwali
Teh. Sirmour, Dist. Nahan (HP)



Sh. S.R. Mehta
Chairman

Chairman Message

“ We truly believe that delivering good health requires more than just good products. ”

Dear Shareowners,

In the recent years the Indian Economy has continued to deliver a standout performance and grow at a rapid pace. At the same time, however, ensuring access to quality healthcare remains a primary challenge for governments and communities. We truly believe that delivering good health requires more than just good products. In order to deliver good health, we must build a business which is robust, around processes that are best-in-class, and with a mindset that is long-term, while investing in high-quality assets and the best people.

The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years and has significant growth opportunities. However, for the industry to sustain this robust growth rate till 2020, companies will have to rethink their business strategy. They will have to adopt new business models and think of innovative ideas to service their evolving customers faster and better.

Despite of the challenges being faced by the Company, during current Financial Year, the Company has been able to explore new markets and improve its Exports Performance. While things are changing, the journey is still a long one. I am confident that the Company will manage to survive through these challenging times with the positive approach and relentless efforts of the Management and the Employees of the Company.

The Board and I are truly grateful for the support that we continue to receive from all our stakeholders.

With Regards

S.R. Mehta
Chairman



Dr. Gopal Munjal
Managing Director & CEO

Managing Director & CEO's Message

Dear Shareowners,

During the year under review, your Company has reported 50% growth as overall industry is concerned. The IVAC recognized your company as reviving strongly from October, 2015 onwards and is on the way to achieve same glory as it used to have before 2012.

During the year turnover from Gynecology & Pediatric Segments has increased upto 15.7% and 14% (approx). We are planning to add new molecules in these two segments in coming 2-3 years. In Healthcare division, we are mainly concentrating on Dermatology range of products and Neutaceuticals. There has been double digit growth in the above products i.e 11% and more than 18% respectively during the year under review. The Company is having strong footing in the above products and we have received tremendous response from the market about the new additions of products in the above fields being made by us during the year under review.

“Your Company has grown in Gynecology and Pediatric Segment significantly with an increase in sales upto 15.7% and 14% (Approx) respectively. We are targeting that in coming three years we bring your company on the 2nd Position once again as it used to be before the year 2012 from the present 6th position in Gynecology segment and in top 10 companies from the present ranking of being in top 20's in Pediatric segment.”

In Exports the Company has bounced back from a setback which we got due to MHRA Audit Report. In 2015 we again got the approval from MHRA after removing the technical snags and have streamlined our exports to European market from mid of September, 2015 onwards. We are on the path of achieving the earlier position and will be touching our projected figures in a span of next three years. Even during the Audit failure tenure, the European customers stood by our side which speaks of our Quality Management system and all our previous customers are intact and we are also adding new customers.

Apart from European market your company is concentrating on Middle East, South Africa and Russia which would give positive results in the current and coming years. We are expecting dossier approvals from various countries which will give further boost to our export contribution.

Your Company is known for its R & D innovations especially in reverse engineering and the new doses development for patient Compliances. In the past, your company has given new technologies to the market which include Tablet in Tablet technology, Mouth dissolving tablets, sustained/extended release in different molecules and taste masking technologies. We are working in the same direction for our Export and domestic customers. Our area of concentration is Diabetology, Cardiology and Anti- Infective. Few products are in pipeline from the above components which are to be introduced in the market in phased manner in next three years.

During the year, Company has paid a sum of Rs 28.39 Crores towards Direct/ Indirect Taxes/ Interest/ Statutory dues. The Company in this year has also been able to reduce its Fixed Deposit exposure from Rs 40.82 Crores in the year 2014-15 to Rs 32.12 Crores in 2015-16.

The financials of the Company continued to be under stress. Your company achieved a turnover of Rs. 316.83 crores against the turnover of Rs. 419.03 crores in the FY 2014-15. The net loss during the year was Rs. 199.94 crores as against the net loss of Rs. 145.13 crores in 2014-15. Exports are emerging as the mainstay of the Company as it grew from Rs. 50.93 crores to 99.15 crores.

Your Company is facing tough time while resolving the issues with the banks and financial Institutions. The Company had to make a reference to BIFR during the year as its network has been eroded. We are making all sincere efforts to resolve the issues with the banks and FIs and hope that in coming times we are able to come out of this embroglio.

Thanks to all my shareholders who remain with us in critical time & I am confident that we will be able to serve you better in the time to come.

(Dr Gopal Munjal)
Managing Director & CEO

Management Discussion & Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian pharmaceutical market is the third-largest in terms of volume and 13th largest in terms of value in the world. 2015 was a year of growth in the domestic market. The year 2016 is seen as a year of hope as further growth is expected due to better export and domestic markets. While the long term outlook continues to be positive driven by these mega trends, in the short run, recent policy decisions are adversely impacting the industry.

Pharma companies will continue to grow both organically and inorganically through alliances and partnerships. They will continue to focus on improving operational efficiency and productivity. Developments in the health insurance, medical technology and mobile telephony can help the growth of the pharma industry by removing financial and physical barriers to healthcare access in India.

RISKS AND CONCERN

Generic competition, less margins is a concern. Regulatory constraints pose a threat. The Management is fully acquainted with these risks and concerns associated with the industry and continue to address them from time to time as required.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control system commensurate with its size and complexity. The Internal Financial Control System of the Company is being regularly monitored by the Internal Audit team of the Company. Any deficiency in the controls is viewed seriously and corrective actions are taken to avoid repetition. The Internal Audit team monitors the efficiency of the internal controls/compliance with SOPs and provides required information to the Audit Committee. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. These controls are regularly monitored by the Internal Audit team to check effectiveness of the controls. The Audit Committee Members/ Board of Directors are regularly updated on the same. The financial statements are prepared in conformity with the established Accounting Standards and Principles.

FINANCIAL PERFORMANCE AND ANALYSIS

The Company has achieved a turnover of Rs. 3168.38 Million against turnover of Rs. 4171.66 Million in the previous Financial Year. The Company has focused primarily in increasing the exports and achieved Export Turnover of Rs. 986.68 Million against Rs. 509.28 Million in the previous Financial Year, resulting in an increase of 90% in exports of the Company. The net loss for the year was Rs. 1999.40 Million against Rs. 1451.28 million during the previous financial year.

OPERATIONS REVIEW & COMPANY'S OUTLOOK

During the year, Ind-Swift has grown in Gynecology and Pediatric Segment significantly with an increase in sales upto 15.7% and 14% (Approx) respectively. It is targeting that in coming three years Ind-swift regains the 2nd Position from the present 6th position in Gynecology segment and in top 10 companies from the present ranking of being in top 20's in Pediatric segment. Company plans to add new molecules in these two segments in coming 2-3 years. In Healthcare division, Company is mainly concentrating on Dermatology range of products and Neutaceuticals. There has been double digit growth in the above products i.e 11% and more than 18% respectively during the year under review. The Company is having strong footing in the above products and we have received tremendous response from the market about the 10 new additions of products in the above fields being made by us during the year under review.

In Exports the Company has come up from a big setback which we got due to MHRA Audit Report. Exports touched a figures of Rs98.66 crores which came mainly from the European Market. Apart from European market your company is concentrating on Middle East, South Africa and Russia which would give positive results in the current and coming years. We are expecting dossier approvals from various countries which will give further boost to our export contribution.

HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS

The Industrial relations in all divisions of the Company are cordial and harmonious. The employee strength of the Company as on 31st March, 2016 in all of its units including the regular and contract workers was 1748. The Company encourages the employees to upgrade their knowledge and skills. The training sessions on various working parameters are conducted in routine apart from allowing employees for outside specialized training, wherever required.

ACCOUNTING TREATMENT

The current financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. The management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. This report may also contain certain statements that the company believes are or may be considered to be 'forward looking statements' which are subject to certain risks and uncertainties.

Director's Report

Dear Shareholders,

Your Directors presents the 30th Annual Report of the Company together with audited statement of accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

| (Rs. in Lacs) | | |
|---|---------------------------|---------------------------|
| Particulars | Year ending 31-03-2016 | Year ending 31-03-2015 |
| Total Turnover & other Income | 31683.79 | 41903.32 |
| Gross Profit (Loss) (Before interest and Depreciation) | (14444.06) | (6806.77) |
| Interest | 1896.79 | 3992.57 |
| Depreciation | 3635.15 | 3936.33 |
| Provision for deferred tax / MAT | (17.46) | (222.91) |
| Net Profit (Loss) | (19994.00) | (14512.76) |
| Balance c/f to balance sheet | (19994.00) | (14512.76) |

REVIEW OF BUSINESS OPERATIONS

The financial year 2015-16 continued to be tough year for the company. During financial year 2015-16, your company achieved a turnover of Rs. 31683.79 lacs against the turnover of Rs. 41903.32 Lacs during financial year 2014-15. Company suffered a loss of Rs. 19994 lacs during 2015-16 against loss of Rs.14512.76 lacs in 2014-15.

Global Business Unit (GBU)

During the year Company made steady growth in the Exports of the Company which grew from Rs. 50.93 Cr in the year 2014-15 to Rs. 99.15 Cr in 2015-16. The same was achieved through the Global Business Unit of the Company which focused on the exports of the company's products.

Your Company recovered from the big setback due to regulatory conditions of (European Drug Regulatory Authority) MHRA Audit Report. In 2015 Company receive the MHRA approval and it has now streamlined the exports to European markets. Apart from European market your company is concentrating on Middle East, South Africa and Russia which would give positive results in the current and coming years. We are expecting more dossier approvals in the coming years from various countries which will give further boost to our export contribution.

REFERENCE TO BIFR

Due to erosion of the net worth of the Company due to continuous losses, the Company has filed a reference to Board for Industrial and Financial Restructuring (BIFR), New Delhi, under the Sick Industrial Companies Act (SICA).

DIRECTORS

During the year under review, there is no change in the directorship of the Company.

Pursuant to the provisions of Section 152 of the Act, Dr Gopal Munjal (DIN No. 00005196) and Dr Vikrant Rai Mehta (DIN No. 00010756) retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends their re-appointment.

Director's Report

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the applicable provisions of Section 149 of the Companies Act, 2013.

During the year, five Board meetings were held on 04th May 2015, 10th August, 2015, 07th November 2015, 12th February, 2016, and 12th March, 2016. The details regarding the meetings are given in the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of it's knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual financial statements for the year ended March 31, 2016; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter-alia*, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, *inter-alia*, the performance of non- Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

In compliance with the provisions of Section 177(9) of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board

Director's Report

and its Powers) Rules, 2014 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has in place a "Whistle Blower Policy" which provides an opportunity to the directors and employees to raise concerns about unethical and improper practices or any other wrongful conduct in or in relation to the company. The details of the Whistleblower Policy are stated in the Corporate Governance Report and the said Policy has been uploaded on the Company's website www.indswiftltd.com and the web link to the same is www.indswiftltd.com/whistle-blower-policy.php.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2016 the Company does not have any Subsidiary or Joint venture.

The company has M/s Ind Swift Laboratories Limited as its Associate Company

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of the financial statements, performance and financial position of associate is given in Form AOC – 1 enclosed as **Annexure 1** to this report. The Company has framed a policy for determining material subsidiaries, which has been uploaded on the Company's website and the web link to the same is <http://www.indswiftltd.com/material-subsiadiary.php>.

DIVIDEND

In view of inadequacy of profits, the Board does not recommend any Dividend for the Financial Year 2015-16.

Unpaid dividend outstanding as on 31.03.2016 is Rs 8.34 Lakhs (Previous year Rs 12.98 Lakhs) During the Financial Year an amount of Rs 4,64,633/- was transferred to Central Government Account (Investor Education and Protection fund) on account of unpaid dividend for financial year 2007-08.

DEPOSITS

The details of fixed deposits during the year under review are furnished hereunder :

| | | |
|----|---|-------------------|
| 1 | Amount of Deposits at the beginning of Financial Year 2015-16 | Rs. 4082.39 Lakhs |
| 2 | Amount of deposits accepted or renewed during year | NIL |
| 3. | Amount of deposit repaid during the year | Rs. 870.62 Lakhs |
| 4. | Amount of deposits outstanding at the end of year | Rs. 3211.77 Lakhs |

The hon'ble Company. Law Board vide its order No. CP No. 27/02/2013 dated 30/09/13 has granted extension of time in repayment of deposits. Now the Company is making repayment to the fixed deposit holders in terms of the aforesaid order of hon'ble CLB.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. No related party transaction was in conflict with the interest of the Company. No materially significant related party transaction was made by the Company with the Key Managerial Personnel. As prescribed by Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of related party transactions are given in Form AOC-2, as "**Annexure 2**" to this Report. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website www.indswiftltd.com

RISK MANAGEMENT

Even though the provision of Regulation 21 of the SEBI (LODR) Regulations, 2015 regarding constitution of Risk Management Committee are not applicable on the Company, the Board has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Director's Report

HUMAN RESOURCE

Your Company is of the firm opinion that efficiency of its employees plays a key role in achieving set goals and building a competitive work environment.

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has constituted "Internal Complaints Committee" for prevention of sexual harassment of its women employees. During the year, the Committee has not received any complaint related to Sexual harassment.

CHANGES IN CAPITAL STRUCTURE AND LISTING OF SHARES

During the year under review, there was no change in either the Authorized or Paid up share capital of the company. The company has not issued any Employee Stock Option Plans (ESOP).

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) and are actively traded.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report

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

Pursuant to the provisions of Section 134(3)(g) of the Companies Act, 2013 (Act), particulars of loans/guarantees/ investments/securities given under Section 186 of the Act are given in the notes to the Financial Statements forming part of the Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, extract of the Annual Return in Form MGT-9 is given in 'Annexure 3' to this Report.

NOMINATION AND REMUNERATION POLICY

The Company has a Nomination and Remuneration Policy. In compliance with the provisions of Sections 134(3)(e) and 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015, the Nomination & Remuneration Committee:

- i) has formulated criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board, Policy relating to remuneration for directors, KMP and other employees;
- ii) has formulated the evaluation criteria for performance evaluation of independent directors and the Board;
- iii) has devised a policy on Board diversity.
- iv) identifies persons who are qualified to become directors or may be appointed in Senior Management in accordance with criteria laid down and recommend to the Board their appointment and removal;
- v) recommends to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Director's Report

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in **Annexure 4**.

AUDIT COMMITTEE

The Audit Committee comprises of Dr V.K. Arora, Chairman and Dr. R.S Bedi, Independent Director, Mr. S.P Sharma, Independent Director, Dr Gopal Munjal, Permanent Invitee. The functions performed by the Audit Committee and the particulars of meetings held and attendance thereat are given in the Corporate Governance Report.

STATUTORY AUDITORS

The Statutory Auditors of the Company M/s J.K. Jain & Associates, Chartered Accountants (Regd. No.004025N) retire at the conclusion of ensuing Annual General Meeting. They have confirmed their eligibility and willingness to accept the office of Auditors, if reappointed for the year 2016-17. The Audit Committee and the Board of Directors recommend the appointment of M/s J.K. Jain & Associates as Statutory Auditors of the Company for the financial year 2016-17 for shareholders approval.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS IN THEIR REPORT.

Regarding observations/ qualifications made by the Auditors, the Directors have to state as under:-

1. In view of the financial crisis being faced by the company, Company is finding difficulties in making payment of dues to the banks/ financial institutions i.e. interest and installments in terms of the CDR package approved by CDR EG vide letter dated 27.12.2012. Hence, accounts pertaining to Cash Credit (CC), Term Loans (TL), Working Capital Term Loans (WCLT), and Funded Interest Term Loans (FITL) with some banks have been declared as NPAs by respective banks due to non payment of dues on time. Such banks have not charged interest on CC, TL, WCLT & FITL accounts post such accounts becoming NPAs. The interest on such loan accounts will be accounted for by the company as and when the bank charges the same in account.
2. Interest Accrued on fixed deposit during the year for Rs 289.93 lacs has not been provided in accounts as the same is payable to fixed deposit holders at the time of maturity of fixed deposits as per the scheme approved by the Company Law Board as mentioned above.
3. The impairment study is still an ongoing process and no estimation is possible at this stage.

COST-AUDITORS AND THEIR REPORT

M/s. V. Kumar & Associates, Cost Accountants have been duly appointed as Cost Auditors of the Company for audit of cost accounting records which are covered under the Cost Audit Rules for current financial year ending March 31, 2017.

Director's Report

As required by Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by the Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2017.

The Cost Audit Reports are required to be filed within 180 days from the end of the financial year. The Cost Audit Reports for the financial year 2014-15 issued by M/s V. Kumar and Associates, Cost Auditors, was filed with Ministry of Corporate Affairs. The Cost Audit Reports for the financial year ended March 31, 2016 will be filed within the prescribed period.

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Vishal Arora, Practising Company Secretary, was appointed as Secretarial Auditor of the Company for the financial year 2015-16 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **Annexure 5** and forms part of this report. There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2015-16 which call for any explanation from the Board of Directors.

CORPORATE GOVERNANCE

A Report on Corporate Governance forms a part of this Report. The Auditors' certificate certifying compliance with the conditions of Corporate Governance under Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 is annexed as **Annexure 6** to this Report.

PARTICULARS OF EMPLOYEES

Particulars of employees required to be furnished pursuant to the provisions of Section 197 of the Companies Act, 2013 (Act), read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as an Annexure to this Report. However, pursuant to the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the Members excluding the aforesaid Annexure. Members, who are interested in the information, may write to the Company Secretary at the registered office of the Company.

The statement of particulars of appointment and remuneration of managerial personnel pursuant 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 7** to this Report.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude for the assistance and co-operation received from the Bankers and Government Authorities and also thanks the Shareholders for the confidence reposed by them in the Company and Look forward to their valuable support for the future plans of the Company. Directors also thank its distributors, agents, stockiest, retail traders, medical professionals, employees and customers for their continued patronage of the company products.

On behalf of the Board of Directors

Place: Chandigarh

Date: 03.09.2016

S.R. Mehta
Chairman

Annexure 1

Information Pursuant to First Proviso to Sub Section (3) of Section 129 of Companies Act, 2013

Form AOC-I

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

(Rs. in Crores)

Part A : Subsidiaries NIL

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---------|--------------------|--|--|---------------|--------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|--------------------|
| Sl. No. | Name of Subsidiary | Reporting period of the subsidiary concerned, if different from the holding company's reporting period | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed dividend | % of Share holding |
| 1. | | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | | |

Part B: Associates and Joint Ventures

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

| | Name of Associate | IND-SWIFT LABORATORIES LIMITED |
|---|---|--------------------------------|
| 1 | Latest audited Balance Sheet Date | 31-March-2015 |
| 2 | Shares of Associate held by the company on the year end | |
| | No. | 94,99,720 |
| | Amount of Investment in Associate | Rs 9,49,97,200/- |
| | Extent of Holding (%) | 23.19% |
| 3 | Description of how there is significant influence | Due to Voting power |
| 4 | Reason why the Joint venture is not consolidated | NA |
| 5 | Networth attributable to Shareholding as per latest Audited Balance Sheet | Rs 53.30 Crore |
| 6 | Profit/Loss for the year (Share of Group) | |
| | i. Considered in Consolidation | NA |
| | ii. Not Considered in Consolidation | NA |

Annexure 2

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and

Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended March 31, 2016, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

| S. No. | Particulars | DETAILS | | | | | | | |
|--------|---|---|---|---|---|---|---|---|--|
| a) | Name(s) of Related Party | Essix Biosciences Ltd | Ind Swift Laboratories Ltd | Fortune (I) Constructions Ltd | Mansa Print & Publishers Ltd | Swift Fundamental Ed. & Res. Society | Dashmesh Medicare Pvt Ltd | Halcyon Lifesciences P Ltd | 3M Adv. & Pub. Ltd |
| b) | Nature of Relationship | Group Company | Associated Company | Group Company | Group Company | Group entity | Group Company | Group Company | Group Company |
| c) | Nature of contracts / arrangements / transaction | Purchase/ Sale of goods | Purchase/ Sale of goods/ services | Investment | Purchase of goods | Loans & Advances | Debtors/ Creditors | Sale of goods | Purchase of goods/ Services |
| d) | Duration of the contracts/ arrangements / transaction | ongoing | ongoing | ongoing | ongoing | ongoing | ongoing | ongoing | ongoing |
| e) | Salient terms of the contracts or arrangements or transaction including the value (Rs. In lacs) | As per Transfer pricing guidelines Rs. 46.43 | As per Transfer pricing guidelines Rs.930.29 | As per Transfer pricing guidelines ----- | As per Transfer pricing guidelines Rs.563.34 | As per Transfer pricing guidelines ----- | As per Transfer pricing guidelines ----- | As per Transfer pricing guidelines Rs.249.53 | As per Transfer pricing guidelines Rs.12.84 |
| f) | Date of approval by the Board | 10-08-2015 | 10-08-2015 | 10-08-2015 | 10-08-2015 | 10-08-2015 | 10-08-2015 | 10-08-2015 | 10-08-2015 |
| h) | Amount paid as advances, if any, (Rs. in lacs)* | ----- | ----- | 0.55 | ----- | 6147.80 | ----- | ----- | ----- |

On behalf of the Board of Directors

S.R. Mehta
Chairman

Place : Chandigarh
Date : 03/09/2016

Annexure 3

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016
[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 | L24230CH1986PLC006897 |
| ii) | Registration Date | 06-06-1986 |
| iii) | Name of the Company | IND-SWIFT LIMITED |
| iv) | Category / Sub-Category of the Company | Company having Share Capital |
| v) | Address of the Registered office and contact details | 781, Industrial Area, Phase -II, Chandigarh-160002 Ph: 0172-2638781/4680800 Fax: 0172-2652242/ 2655406 Email : companysec@indswift.com |
| vi) | Whether listed company | Yes (Listed in BSE and NSE) |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Alankit Assignments Ltd. 205-208 Anarkali Extension Jhandewalan Extension, New Delhi- 110055 Tel:- +91-11-42541965, 42541953 Fax:- +91-11-41540064 E-mail: info@alankit.com Website: www.alankit.com |

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/ services | % to Total turnover of the company |
|---------|---|-----------------------------------|------------------------------------|
| 1 | Manufacture of formulations | 21002 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES;

| S.NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN/UIN | HOLDING/SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|------|---------------------------------|-----------------------|-------------------------------|------------------|--------------------|
| 1 | IND-SWIFT LABORATORIES LIMITED | L24232CH1995PLC015553 | ASSOCIATE | 23.19% | 2(6) |

Annexure 3

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

(i) Category-wise Share Holding

| | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares |
|------------|--|------------------------|------------------------|--|--|
| | | | | | As a percentage of (A+B) ¹ |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| (A) | Shareholding of Promoter and PAIC | | | | |
| 1 | Indian | | | | |
| (a) | Individuals | 21 | 13056971 | 10199829 | 25.93 |
| (c) | Bodies Corporate | 7 | 13215721 | 13215721 | 26.25 |
| | | | | | |
| | Sub Total(A)(1) | 28 | 26272692 | 23415550 | 52.18 |
| 2 | Foreign | | | | |
| a | Individuals (Non-Residents Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.00 |
| b | Bodies Corporate | 0 | 0 | 0 | 0.00 |
| c | Institutions | 0 | 0 | 0 | 0.00 |
| d | Any Others(Specify) | 0 | 0 | 0 | 0.00 |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A) (1) + (A)(2) | 28 | 26272692 | 23415550 | 52.18 |
| (B) | Public shareholding | | | | |
| 1 | Institutions | | | | |
| (a) | Mutual Funds/ UTI | 2 | 4500 | 0 | 0.01 |
| (b) | Financial Institutions / Banks | 1 | 500 | 500 | 0.00 |
| (c) | Central Government/ State Government(s) | 0.00 | 0.00 | 0.00 | 0.00 |
| (d) | Venture Capital Funds | 0.00 | 0.00 | 0.00 | 0.00 |
| (e) | Insurance Companies | 1 | 996900 | 996900 | 1.98 |
| (f) | Foreign Institutional Investors | 1 | 700209 | 700209 | 1.39 |
| (g) | Foreign Venture Capital Investors | 0.00 | 0.00 | 0.00 | 0.00 |
| (h) | Any Other (specify) | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub-Total (B)(1) | 5 | 1702109 | 1697609 | 3.38 |

Annexure 3

| | | | | | |
|------------|---|--------------|-----------------|-----------------|---------------|
| B 2 | Non-Institutions | | | | |
| (a) | Bodies Corporate | 302 | 6009769 | 5490769 | 11.94 |
| (b) | Individuals | | | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 14415 | 14499994 | 13973632 | 28.80 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 10 | 1474731 | 1474731 | 2.93 |
| (c) | NRI/OCB | 96 | 387646 | 387646 | 0.77 |
| | Sub-Total (B)(2) | 14823 | 22372140 | 21326778 | 44.44 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 14828 | 24074249 | 23024387 | 47.82 |
| | TOTAL (A)+(B) | 14856 | 50346941 | 46439937 | 100.00 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | |
| 1 | Promoter and Promoter Group | 0 | 0 | 0 | 0 |
| 2 | Public | 0 | 0 | 0 | 0 |
| | Sub-Total (C) | 0 | 0 | 0 | 0 |
| | GRAND TOTAL (A)+(B)+(C) | 14856 | 50346941 | 46439937 | 100.00 |

(ii) Shareholding of Promoters& Persons acting in concert

| Sr. No. | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | |
|-----------|---------------------------|------------------------|---------------------------------------|-----------------------|---|
| | | Number of shares held | As a % of grand total (A) + (B) + (C) | No. | As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) |
| (I) | (II) | (III) | (IV) | (V) | (VII) |
| Promoters | | | | | |
| 1 | Dr. Gopal Munjal | 1957199 | 3.89 | 645770 | 1.28 |
| 2 | N. R. Munjal | 611700 | 1.21 | 611700 | 1.21 |
| 3 | S. R. Mehta | 2035871 | 4.04 | 607300 | 1.21 |
| 4 | Himanshu Jain | 495300 | 0.98 | 495300 | 0.98 |
| 5 | Dr. V. R. Mehta | 1921361 | 3.82 | 492790 | 0.98 |
| 6. | Rishav Mehta | 111700 | 0.22 | 111700 | 0.22 |
| 7. | Essix Biosciences Limited | 9215721 | 18.30 | 9215721 | 18.30 |
| 8. | AKJ Portfolio Pvt Ltd | 675000 | 1.34 | 675000 | 1.34 |
| 9. | NRM Portfolio Pvt Ltd. | 675000 | 1.34 | 675000 | 1.34 |
| 10. | GM Portfolio Pvt. Ltd | 675000 | 1.34 | 675000 | 1.34 |

Annexure 3

| | | | | | |
|---------------------------|-------------------------|-----------------|--------------|-----------------|--------------|
| 11. | VRM Portfolio Pvt. Ltd | 675000 | 1.34 | 675000 | 1.34 |
| 12. | VKM Portfolio Pvt. Ltd. | 650000 | 1.29 | 650000 | 1.29 |
| 13. | SRM Portfolio Pvt. Ltd. | 650000 | 1.29 | 650000 | 1.29 |
| Persons acting in Concert | | | | | |
| 1. | Sunita Jain | 1812400 | 3.60 | 1812400 | 3.60 |
| 2. | Ravi Mehta | 634470 | 1.26 | 634470 | 1.26 |
| 3. | Neeta Munjal | 578600 | 1.15 | 578600 | 1.15 |
| 4. | Nidhi Munjal | 502970 | 1.00 | 502970 | 1.00 |
| 5. | Meenakshi Mehta | 398310 | 0.79 | 398310 | 0.79 |
| 6. | Neera Mehta | 1547050 | 3.07 | 1547050 | 3.07 |
| 7. | Ishav Mehta | 44200 | 0.09 | 44200 | 0.09 |
| 8. | Bhanavi Mehta | 30300 | 0.06 | 30300 | 0.06 |
| 9. | Annie Mehta | 158630 | 0.32 | 158630 | 0.32 |
| 10. | Sahil Munjal | 116,010 | 0.23 | 116,010 | 0.23 |
| 11. | Saurabh Munjal | 51700 | 0.10 | 51700 | 0.10 |
| 12. | Dipti Munjal | 34200 | 0.07 | 34200 | 0.07 |
| 13. | Divya Munjal | 15000 | 0.03 | 15000 | 0.03 |
| TOTAL | | 26272692 | 52.18 | 22104121 | 43.90 |

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

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

| Sl. No. | Name of shareholder | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|---------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | United India Insurance Co. Ltd | 996900 | 1.98 | 996900 | 1.98 |
| 2. | Justin Pharmaceuticals Pvt. Ltd | 850000 | 1.68 | 860000 | 1.71 |
| 3. | Gravity System Pvt Ltd. | 750000 | 1.50 | 750000 | 1.50 |
| 4. | Albula Investment Fund Ltd | 704209 | 1.40 | 700209 | 1.39 |
| 5. | Adarsh Fashions Pvt. Ltd | 600000 | 1.19 | 600000 | 1.19 |
| 6. | Plasma Investments Pvt. Ltd | 500000 | 0.99 | 500000 | 0.99 |
| 7. | SPS Marketing Network Pvt Ltd | 500000 | 0.99 | 500000 | 0.99 |
| 8. | MSD Laboratories Pvt. Ltd | 500000 | 0.99 | 500000 | 0.99 |
| 9. | Druchem India Ltd | 498000 | 0.98 | 498000 | 0.98 |
| 10. | Globe Capital Market Ltd | - | - | 244235 | 0.49 |

Annexure 3

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-----------------------|------------------------|---|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | MR. SANJEEV RAI MEHTA | Chairman | 2035871 | 4.04 | 2035871 | 4.04 |
| 2 | MR. NAV RATTAN MUNJAL | Vice- Chairman | 611700 | 1.21 | 611700 | 1.21 |
| 3 | DR. GOPAL MUNJAL | Managing Director& CEO | 1957199 | 3.89 | 1957199 | 3.89 |
| 4 | DR. VIKRANT RAI MEHTA | Jt. Managing Director | 1921361 | 3.82 | 1921361 | 3.82 |
| 5 | MR. HIMANSHU JAIN | Director | 495300 | 0.98 | 495300 | 0.98 |
| 6 | MR. RISHAV MEHTA | Director | 111700 | 0.22 | 111700 | 0.22 |
| 7 | Mr. Arun Seth | CFO | NIL | NIL | NIL | NIL |
| 8. | Mr. R.K.Sood* | Company Secretary | NIL | NIL | NIL | NIL |

* Resigned w.e.f. 12.03.2016

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for Payment(Rs. In lacs)

| | Secured loans Excluding deposits, Working Capital | Unsecured Loans | Deposits | Total Indebtedness |
|--|---|-----------------|-----------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| (i) Principal Amount | 63692.75 | 1239.45 | 4082.39 | 69014.59 |
| (ii) Interest due but not paid | | | | |
| (iii) Interest accrued but not due | | | 1263.34 | 1263.34 |
| Total (i+ii+iii) | 63692.75 | 1239.45 | 5345.73 | 70277.93 |
| Change in Indebtedness during the financial year | | | | |
| • Addition - | | | | |
| (i) Principal Amount | 299.20 | 288.09 | - | 994.72 |
| (ii) Interest due but not paid | 1570.15 | 179.57 | 304.78 | 2054.50 |
| • Reduction | | | | |
| (i) Principal Amount | 343.28 | 247.19 | 870.63 | 1868.53 |
| (ii) Interest due but not paid | 130.88 | 84.56 | 355.67 | 571.11 |
| Net Change | 1395.19 | 135.91 | (921.52) | 609.58 |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal Amount | 65087.93 | 1375.36 | 3211.76 | 69675.05 |
| (ii) Interest due but not paid | | | | |
| (iii) Interest accrued but not due | | | 1212.45 | 1212.45 |
| Total (I + ii+ iii) | 65087.93 | 1375.36 | 4424.21 | 70887.50 |

Annexure 3

VI REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S.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 | 120.00 | 6.01 | 15.07 | 141.08 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission - as % of profit - others, specify... | NIL | NIL | NIL | NIL |
| 5 | Others, please specify (Provident Fund) | NIL | 0.16 | 0.12 | 0.28 |
| | Total | 120.00 | 6.17 | 15.19 | 141.36 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Annexure 4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

1. CONSERVATION OF ENERGY

a. Steps taken for conservation of Energy and their impact.

The contract demand has been reduced from 1200 KVA to 800 KVA in Baddi Unit-I & 1250 KVA to 1050 KVA in Baddi Unit – II during the FY 2015-16.

b. Steps taken by the Company for utilizing alternate sources of energy.

--- NA ---

c. Capital Investment on energy conservation equipments

No major capital investments have been made by the Company. However, various benefits have been derived by making changes in the processes related to power generation.

- Development of formulation going off patent in regulatory Markets with opportunity to be first among others players by developing non infringing processes.
- Cost effective development of formulation for semi regulated markets.
- Up gradation of existing technologies/ products ongoing basis.

Benefits derived as a result of above R&D:

- Improved productivity / process efficiencies
- Internationally competitive prices and product quality.
- Safe and environment friendly processes.
- Enhanced Global presence/ visibility.

Future plan of action

- Continue developing innovative, commercially viable process know-how for Formulation
- Continue strengthening the Research Infrastructure and capabilities complying international GLP/GCP norms.
- Enhance national and international research networking and strategic alliances.
- Collaborative Research.
- Development of Non-infringing processes
- Contract Research and manufacturing Services (CRAMS)

2. TECHNOLOGY ABSORPTION

a. Efforts, in brief made towards technology, absorption, adaptation and innovation.

- To continue developing innovative and commercially viable process know-how for formulation.
- Research & Development (R&D).

b. Benefits derived as a result of above efforts e.g. product improvements; cost reduction, product development etc.

- Cost reduction, quality improvement for formulation.
- No. of products commercialized have been increased.
- R&D Centre is recognized by DSIR, New Delhi.

c. Information in case of imported technology.

During the year, the Company did not import any specific technology. The Company developed technology through efforts of its in-house Research & Development.

Expenditure on R & D during the year 2015-2016

| | 2015-16 |
|---|----------|
| a. Capital | 163003 |
| b. Revenue | 31019593 |
| Total | 31182596 |
| c Total R&D expenditure as percentage of total turnover | 1.03% |

3. RESEARCH & DEVELOPMENT

Specific area in which R&D carried out by the company:

The focus of research efforts are:

During the year foreign exchange outgo was Rs. 10, 25, 91,862 and the earnings in Foreign Exchange were Rs. 1,00,94,11,283. The details have been given in Note 27 of Notes to Accounts.

Annexure 5

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

TO THE MEMBERS, IND SWIFT LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IND SWIFT LIMITED** (hereinafter referred to as "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **IND SWIFT LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IND SWIFT LIMITED** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015
- (vi) **OTHER APPLICABLE ACTS :**
 - (a) Pharmacy Act, 1948
 - (b) The Finance Act, 2015
 - (c) Prevention of **Money Laundering Act**, 2002 and the Prevention of Money-Laundering (Amendment) Act 2012
 - (d) Payment of Wages Act, 1936 and rules made thereunder

Annexure 5

- (e) The Minimum Wages Act, 1948 and Rules made thereunder
- (f) The Employee State Insurance Act, 1948 and Rules made thereunder
- (g) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
- (h) The Payment of Bonus Act, 1956 and Rules made thereunder
- (i) The Payment of Gratuity Act, 1972
- (j) Indian Contract Act, 1872
- (k) The Apprentices Act, 1961
- (l) The Workmen's Compensation Act, 1923
- (m) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- (n) The Factories Act, 1948 (Act No 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987)
- (o) The drugs (Control) Act, 1950.
- (p) The Environment (Protection) Act, 1986
- (q) Drugs & Cosmetics Act, 1940
- (r) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- (s) Narcotic Drugs and Psychotropic Substances Act, 1985
- (t) Conservations of Foreign Exchange And Prevention of Smuggling Activities Act, 1974
- (u) The Medicinal & toilet Preparations Substances (Excise Duties) Act, 1955
- (v) The Indian Copyright Act, 1957
- (w) The Patents Act, 1970
- (x) The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange (NSE)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.

PLACE: CHANDIGARH

DATE: 10.08.2016

SD/-
(VISHAL ARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645

Annexure-5A

TO

THE MEMBERS,

IND SWIFT LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE: CHANDIGARH

DATE: 10.08.2016

**SD/-
(VISHAL ARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645**

Annexure 6

Auditor's Certificate on Corporate Governance

To

the Members of

Ind-Swift Limited

We have examined the compliance of conditions of Corporate Governance by **M/s Ind-Swift Laboratories Limited** for the year ended 31st March 2016 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **J.K.JAIN & ASSOCIATES**
Chartered Accountants

Place: Chandigarh

Date: 10.08.2016

Sd/-
(J.K. JAIN)
Partner
Membership No. 083140

Annexure 7

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Rule | Particulars | | | | |
|--------|---|---|---|-----------------------|---------------------|
| (i) | The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | a | Dr G. Munjal, Managing Director | | 82:1 |
| | | b | Mr. Vikrant Rai Mehta, Jt Managing Director | | 82:1 |
| | | c | Mr. Sanjeev Rai Mehta, Chairman | | 82:1 |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year. | a | Dr G. Munjal, Managing Director | | NIL |
| | | b | Mr. Vikrant Rai Mehta, Jt Managing Director | | NIL |
| | | c | Mr. Sanjeev Rai Mehta, Chairman | | NIL |
| | | d | Mr. Arun Seth, Chief Financial Officer | | NIL |
| | | e | Mr. R K Sood, Company Secretary | | NIL |
| (iii) | The percentage increase in the median remuneration of employees in the financial year. | 15.90% | | | |
| (iv) | The number of permanent employees on the rolls of the company as on 31 st March, 2016. | 1337 | | | |
| (v) | The explanation on the relationship between average increase in remuneration and company performance. | Average increase is based on the Remuneration Policy of the Company that is designed to attract, motivate and retain the talent. | | | |
| (vi) | Comparison of the remuneration of the Key Managerial Personnel against the performance of the company. | Due to continuous losses, there is no increase in the Remuneration of the Executive Directors. The increase given to other KMPs is normal as per the Remuneration Policy of the Company | | | |
| (vii) | Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer. | Financial Year Ended | Closing share Price (NSE) | Market Capitalization | Price Earning Ratio |
| | | 31.03.2015 | 5.30 | 266.84 Lakhs | (0.18) |
| | | 31.03.2016 | 5.10 | 256.77 Lakhs | (0.13) |
| (viii) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | 7.97% | | | |
| | | NA | | | |
| (ix) | The key parameters for any variable component of remuneration availed by the Directors. | NA | | | |
| (x) | The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year. | 0.88:1 | | | |
| (xi) | It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company. | | | | |

Report on Corporate Governance

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to maximize the wealth of its stakeholders on the one hand and to protect the interest of customers, employees and associates on the other. In furtherance of this objective, the company has internalized sound principles of corporate governance incorporating the higher standard of professionalism, integrity, accountability and fairness. These are aligned to corporate values of transparency at all levels, social responsiveness, and high business ethics while accomplishing the company's business objectives. The Company strongly believes that a system of good corporate governance protects the interest of all stakeholders by inculcating a strong sense of accountability within the management. Through appropriate organization structures, the company has put in place various system and internal control measures for corporate governance. Transparency, openness, accountability and truth are the cornerstones of effective corporate governance within the company.

BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the company. The composition of the Board of Directors is governed by the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Articles of Association of the company. The Board of Directors has an optimum combination of executive and non-executive directors and presently comprises of **13** Directors, out of which **10** are non-executive Directors. The Company has an executive promoter Chairman and **6** Independent Directors and one nominee, thus complying with the Corporate Governance Regulations as to the composition of the Board as on **31st March, 2016**.

None of the Directors on the Company's Board is member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a director. All the directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on the Board hold office of Director in more than 20 companies.

The Board of the Company met 5 times during the financial year on the following dates:

| | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 04.05.2015 | 10.08.2015 | 07.11.2015 | 12.02.2015 | 12.03.2016 |
|-------------------|-------------------|-------------------|-------------------|-------------------|

The maximum time gap between any 2 consecutive meetings did not exceed One Hundred and Twenty days.

Detail of Composition and category of Directors, their attendance at the Board Meetings, Annual General Meeting and shareholding of each Director is as follows: -

Report on Corporate Governance

| Name of Director | Category | FY 2015-16 Attendance | | No. of Directorship(s)/Membership(s)/ Chairmanship(s) held in other companies | | | Share- Holding |
|---------------------|-----------------------------------|-----------------------|----------------------|---|------------|----------|----------------|
| | | BM | Last AGM 30.09.15 | No. of D'ships # | Committees | | |
| | | | | | Member | Chairman | |
| Mr. S.R. Mehta | Chairman, Promoter | 5 | Yes | 4 | 1 | Nil | 2035871 |
| Dr. G. Munjal | Managing Director & CEO, Promoter | 5 | Yes | 4 | Nil | Nil | 1957199 |
| Dr. V.R. Mehta | Jt. Managing Director, Promoter | 5 | Yes | 3 | Nil | Nil | 1921361 |
| Mr. N.R. Munjal | Vice-Chairman, Promoter | 4 | Yes | 3 | 3 | 1 | 611700 |
| Mr. Himanshu Jain | Non Executive Director, Promoter | 4 | Yes | 4 | 1 | Nil | 495300 |
| Mr. Rishav Mehta | Non Executive Director, Promoter | 5 | Yes | 2 | Nil | Nil | 111700 |
| Mr. S P Sharma | Independent Director | 5 | Yes | Nil | Nil | Nil | Nil |
| Dr. R S Bedi | Independent Director | 1 | Yes | 1 | Nil | Nil | Nil |
| Dr. V K Arora | Independent Director | 5 | Yes | 1 | Nil | Nil | Nil |
| Mr. B M Padha | Nominee Director | - | - | Nil | Nil | Nil | Nil |
| Mr. A K Gupta | Independent Director | 2 | Yes | Nil | Nil | Nil | Nil |
| Prof. A D Ahluwalia | Independent Director | 4 | Yes | Nil | Nil | Nil | Nil |
| Mrs. Veena Dadwal | Independent Director | 4 | Yes | 1 | 2 | Nil | Nil |

excludes private limited companies.

Appointment /Re-appointment of Directors

Dr. Gopal Munjal, and Dr. V.R. Mehta are retiring by rotation in the forthcoming Annual General Meeting and seek re-appointment. The required information regarding these directors is given with the notice of the Annual General Meeting.

Code of Conduct

The board of directors have approved and adopted code of conduct for board members and senior management. The managing director has affirmed that each board member and senior management acknowledged the receipt of the code of conduct and has affirmed compliance with this code. The company has also adopted a code of conduct for prevention of insider trading. All the directors, senior management and other employees who have access to the unpublished price sensitive information of the company are governed by this code. During the period under review, there has been adequate compliance with said code.

Performance evaluation of Independent Directors

The Board of Directors upon recommendation of Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors.

In compliance with Regulation 25 of the SEBI (LODR) Regulations, 2015, the performance evaluation of all the Independent Directors has been done by the entire Board, excluding the Director being evaluated.

On the basis of the performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever their respective term expires.

Report on Corporate Governance

Separate Meeting of the Independent Directors

The Independent Directors of the Company met separately on 12th February, 2016 without the presence of Non-Independent Directors and the members of management. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the SEBI (LODR) Regulations, 2015, following matters were, inter-alia, discussed in the meeting:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part.

The details regarding the familiarization programme are available on Company's website: www.indswiftd.com and the web link thereto is:

<http://www.indswiftd.com/familiarisation-programme.php>

COMMITTEES OF THE BOARD

The Board Committees appointed by the Board focus on specific areas and make informed decisions within the authority delegated. Each Committee of the Board is guided by its Charter, which defines the composition, scope and powers of the committee. The Committees also make specific recommendations to the Board on various matters from time-to time. The Company has following Statutory and Non Statutory Committees:

AUDIT COMMITTEE

The terms of reference of Audit Committee have been adopted in line with the provisions of Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. There was no change in the composition of the Committee during the year.

The details regarding constitution, new terms of reference and meetings held/ attendance is as under: -

I. Constitution of the Committee

The Audit committee of the Company consists of four Directors and majority consists of independent and non-executive Directors. Dr. Gopal Munjal, MD & CEO is permanent special invitee to the committee. The chairman of Audit Committee is Dr. V.K.Arora who has experience of financial matters and management. Four meetings of audit committee were held during the period 1st April 2015 to 31st March 2016. The constitution of audit committee and attendance of each member are as under:-

Report on Corporate Governance

| Name | Designation | Category | No of Meetings Attended |
|------------------|-------------------|----------------------------|-------------------------|
| Dr. V K Arora | Chairman | Non-Executive, Independent | 4 |
| Dr. R S Bedi | Member | Non-Executive, Independent | 1 |
| Sh. S P Sharma | Member | Non-Executive, Independent | 4 |
| Dr. Gopal Munjal | Permanent Invitee | Executive, Promoter | 3 |

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

The Company Secretary acts as Secretary of the Audit Committee.

The minutes of the Audit Committee Meeting forms part of Board papers circulated for Board meetings. In addition, the Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meeting.

II. Terms of Reference/ Role of Audit Committee: -

1. The terms of reference/ role of the Audit Committee inter alia, includes the following:
 - i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - ii. Recommendation to the Board for appointment, reappointment, remuneration and terms of appointment and, if required, the replacement or removal of statutory auditors of the company.
 - iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
 - v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 - vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

Report on Corporate Governance

- viii. Approval of transactions with related parties or any subsequent modification thereof and recommend such transactions, if required, to the Board for its approval.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the company, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.
- xii. Reviewing, with the management, performance of statutory, cost and internal auditors, adequacy of the internal control systems.
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xiv. Discussion with internal auditors of any significant findings and follow up there on.
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xviii. To review the functioning of the Whistle Blower mechanism.
- xix. Recommend to the Board for approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- xx. Recommending to the Board the terms of appointment, reappointment and if required, the replacement or removal of cost auditors and internal auditors & fixation of their audit fees & fees for other services.
- xxi. To review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
 - f) Statement of deviations, if any.
- xxii. Investigate any matter referred to it by the Board or within its terms of reference.
- xxiii. To review the financial statements, in particular, the investments made by the unlisted subsidiary companies of the Company.

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- In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, SEBI (LODR) Regulations or any other applicable law.
- The Committee shall have full access to information contained in the records of the Company and can seek information from any employee of the Company. The Committee may access external professional and legal advice, if so required in discharge of its functions.
- The Audit Committee may make recommendations to the Board on any matter within its purview, by passing appropriate resolutions in its meetings."

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been constituted to specifically look into transfer/transmission/demat/remat of shares, issue of duplicate/split/consolidation of share certificates, notices and to attend shareholder's complaints. This Committee meets fortnightly or as may be required. The Company Secretary of the Company Acts as secretary/ Compliance Officer to the committee .The Company Secretary is authorized to authenticate the transfers/transmissions/issue of duplicate share certificates etc. All requests for dematerialization of shares are processed and confirmed by M/s Alankit Assignments Ltd, Registrars and Share Transfer Agents of the Company. The members of the committee are as follows:-

| Name | Designation | Category |
|-------------------|-------------|--------------------------------|
| Dr. V K Arora | Chairman | Non Executive and Non Promoter |
| Dr. V R Mehta | Member | Executive and Promoter |
| Sh. Himanshu Jain | Member | Non-Executive and Promoter |

RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee to monitor and review the risk management plans and policies of the Board. The composition of the Risk Management Committee is as follows:

| Name | Designation | Category |
|------------------|-------------|--------------------------------|
| Dr. V K Arora | Chairman | Non Executive and Non Promoter |
| Dr. Gopal Munjal | Member | Executive and Promoter |
| Dr. R S Bedi | Member | Non Executive and Non Promoter |

NOMINATION AND REMUNERATION COMMITTEE

In compliance to the requirements of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board of the Company has constituted "Nomination and Remuneration Committee".

The details regarding constitution, terms of reference and meetings held/ attendance is as under: -

I. Constitution of the Committee

The Nomination and Remuneration Committee presently comprises of four members: -

| Name | Designation | Category |
|----------------|-------------|--------------------------------|
| Dr. V K Arora | Chairman | Non Executive and Non Promoter |
| Sh. S P Sharma | Member | Non Executive and Non Promoter |
| Sh. N R Munjal | Member | Non Executive and Promoter |
| Sh. B M Padha | Member | Nominee Director |

Report on Corporate Governance

II. Terms of Reference

The terms of reference of this Committee is as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
5. The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.
6. To undertake related activities, functions and duties as the Board of Directors may from time to time, after deliberations, prescribe or as may be required to be undertaken in terms of any statutory or regulatory provisions including Companies Act, 2013 and rules made thereunder and Listing Agreement with stock exchanges.
7. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.

Remuneration of Directors

Executive Directors

The remuneration of Executive Directors is recommended by the Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors as approved by the shareholders. Remuneration of the Executive Directors in respect of the financial year 2015-16 is given below:

| (Rs. in Lacs) | | | | | |
|------------------|-------------------------|--|--------------------------------|-------------|--------|
| Director | Designation | Remuneration for the year ended 31 st March, 2016 | | | |
| | | Salary * | Contribution to Provident Fund | Perquisites | Total |
| Sh. S R Mehta | Chairman | 120.00 | Nil | Nil | 120.00 |
| Dr. Gopal Munjal | Managing Director & CEO | 120.00 | 0.22 | Nil | 120.22 |
| Dr. V R Mehta | Jt. Managing Director | 120.00 | 0.22 | Nil | 120.22 |

Note: The Contribution to Gratuity Fund has not been shown in the above table in respect of Managing Directors & Whole Time Directors.

*Including salary paid or provided in the books, in terms of the Companies Act, 2013. The application for the payment of remuneration/ waiver is pending with the Central Government.

No options under the ESOP were granted to the Executive Directors during the year.

The terms of appointment of whole time directors are governed by resolution of Board of directors/ Shareholders and applicable rules of the company. None of the directors are entitled to severance fees.

Report on Corporate Governance

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:-

Apart from receiving sitting fees for attending the meetings of the Board/Committees, there are no pecuniary relationships or transactions between the company and independent directors. The Non Executive Directors are entitled for fee of Rs. 1000/- per Board/ Committee meeting attended by them.

SCORES (SEBI Complaints Redressal System): SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

GENERAL BODY MEETINGS FOR LAST THREE YEARS

The Location and the time of the Annual General Meetings held during the last three years are as under: -

| Financial year | Annual Meeting | General | Date | Time | Venue | No. of special Resolution |
|----------------|----------------------|---------|----------------------------------|-----------|--------------------------------------|---------------------------|
| 2014-15 | 29 TH AGM | | 30 TH September 2015 | 3:30 PM | PHD Chamber Sector 31, Chandigarh | 1 |
| 2013-14 | 28 th AGM | | 30 TH September 2014 | 3.30 P.M | PHD Chamber Sector 31, Chandigarh | 8 |
| 2012-13 | 27 th AGM | | 30 th September, 2013 | 03.30 P.M | PHD Chamber Sector 31, Chandigarh | 2 |

AGM – Annual General Meeting

In respect of the businesses to be transacted at the Annual general Meeting, e-voting facility was extended to the members of the Company. In respect of shareholders who could not cast their votes through e-voting, polling facility through ballot paper was provided at the venue of the Annual General Meeting. All the resolutions were passed with overwhelming majority. The Company had not passed any resolution through postal Ballot.

During the financial year 2015-16 the following mentioned Special Resolutions were passed seeking approval of shareholders: -

- In the AGM held on 30th September, 2013 Ordinary Resolution regarding appointment of Sh. R.K. Ummat as Director and two Special Resolution regarding to confirm the Corporate Debt Restructuring Agreement & Ratify the terms of the Master Restructuring Agreement and approval for issue of 41,68,571 Equity Shares to the promoters Directors on preferential basis.
- In the AGM held on 30th September 2014 special resolution regarding issue of shares on preferential basis to promoters as per CDR requirements, enhancement of borrowing powers and payment of remunerations to Dr. Gopal Munjal, Dr. V.R. Mehta and Sh. S.R. Mehta were passed.

Report on Corporate Governance

- In the AGM held on 30th September 2015 special resolution regarding issue of shares on preferential basis to promoters as per CDR requirements

MEANS OF COMMUNICATION

The Company has adopted following means of communication:

- Quarterly and annual financial results published in
 - Financial Express (English)
 - Jansatta (Hindi)
- Uploading of Annual Reports, Shareholding Pattern, financial results etc at the official website of company viz. www.indswiftltd.com.
- The press releases of relevance to the investors are also made available on website for a reasonable period of time.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

- Date 30/09/2016
- Time 01.00 P M
- Venue PHD Chamber of Commerce and Industry,
PHD House, Sector 31A, Chandigarh 160031

Financial Calendar

Financial reporting for the financial year 2015-16 for

- **Quarter ending
June 30, 2016** **Already adopted on 10th August, 2016**
- **Quarter ending
September 30, 2016** **By 14th November, 2016**
- **Quarter ending
December 31, 2016** **By 14th February, 2017**
- **Financial Year ending
March 31, 2017- Audited Results** **By 30th May 2017
(As Audited Results will be considered)**
- **Annual General Meeting
for the year ending
March 31, 2017** **By 30th September 2017**

Report on Corporate Governance

Date of Book Closure -

The Company's Register of Members and Share Transfer Books will remain closed from 22nd September, 2016 to 30th September, 2016 (both days inclusive).

Dividend

In view of the financial losses, no dividend has been proposed for the Year ended 31st March, 2016.

Listing of Equity Shares on Stock Exchanges

The Company's shares are listed at The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Limited (NSE).

Stock Code: The Stock Code for the Company's shares are as follows: -

| Name o Name of the Stock Exchange | : | CODE |
|--|---|------------|
| BSE Limited | : | 524652 |
| National Stock Exchange of India Limited | : | INDSWFTLTD |

The ISIN Nos. for the Company's Shares in Demat Mode – INE788B01028

Monthly Share Price movement:

The high and low prices of the company's share (of Rs. 2/-each) at BSE and NSE on Monthly Basis from 1st April 2015 to 31st March 2016 are as under:

| Month | BSE | | | NSE | | |
|-----------------|-----------|----------|------------------|-----------|----------|------------------|
| | High (Rs) | Low(Rs.) | Volume of Shares | High (Rs) | Low(Rs.) | Volume of Shares |
| April, 2015 | 7.30 | 5.55 | 172996 | 7.15 | 5.55 | 73552 |
| May, 2015 | 7.38 | 4.84 | 96738 | 7.25 | 4.85 | 134277 |
| June, 2015 | 5.05 | 4.06 | 87015 | 5.20 | 4.00 | 86391 |
| July, 2015 | 5.11 | 4.05 | 148640 | 5.10 | 4.00 | 77802 |
| August, 2015 | 6.03 | 4.45 | 271954 | 5.85 | 4.35 | 128574 |
| September, 2015 | 5.09 | 4.17 | 66490 | 4.95 | 4.10 | 65848 |
| October, 2015 | 6.94 | 4.36 | 213884 | 6.85 | 4.35 | 72843 |
| November, 2015 | 6.15 | 4.66 | 185085 | 6.45 | 4.70 | 81441 |
| December, 2015 | 6.19 | 4.97 | 353378 | 6.30 | 4.85 | 224802 |
| January, 2016 | 8.40 | 5.68 | 452626 | 8.55 | 5.70 | 276614 |
| February, 2016 | 7.49 | 5.28 | 81523 | 7.50 | 5.10 | 89427 |
| March, 2016 | 6.28 | 5.06 | 82494 | 6.15 | 5.00 | 178669 |

(Source: www.bseindia.com & www.nseindia.com)

Registrar and Transfer Agent

Transfer Agent for physical transfer and Demat of Shares:

M/s Alankit Assignments Ltd.

205-208 Anarkali Market, Jhandewalan Extension,

New Delhi-110 055

Tel:- +91-11-42541965, 42541953, Fax:- +91-11-41540064

E-mail: info@alankit.com , Website: www.alankit.com

Report on Corporate Governance

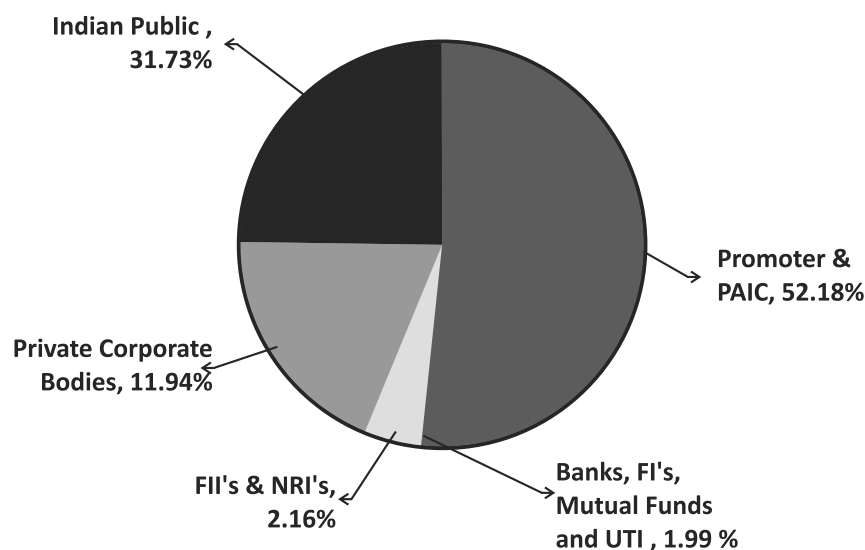
Share Transfer System

- The Share Transfer/shareholders Grievance Committee approves the transfer and transmission of shares, issue of duplicate share certificates and related matters. The transfers received are processed within 15 days of the receipt of the same subject to the transfer document being complete and valid in all respects. The Committee also monitors the redressal of Investor's grievances. As on 31st March, 2016, there were no shares pending for transfer.
- The practicing Company Secretary appointed by the Board is conducting Share Capital Audit of the Company on quarterly basis and report is being filed with the stock exchanges.
- M/s Alankit Assignments Ltd., Registrar and Transfer Agent appointed by the Company have adequate infrastructure to carry out the share transfer, transmission and other related assignments.
- The Company has during the year under review received 10 complaints from shareholders and all the complaints have been duly settled. There was no unsettled complaint as on 31st March, 2016.

Distribution of Equity Shareholding as on March 31, 2016.

| Category | No. of Shares Held | %age of Shareholding |
|--|--------------------|----------------------|
| Promoters & PAIC | 2,62,72,692 | 52.18 |
| Banks, FI's, Mutual Funds, UTI and Insurance Company | 10,01,900 | 1.99 |
| FII's & NRI's | 10,87,855 | 2.16 |
| Private Corporate Bodies | 60,09,769 | 11.94 |
| Indian Public | 1,59,74,725 | 31.73 |
| Total | 5,03,46,941 | 100.00 |

Shareholding Pattern as on 31.03.2016



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Distribution Schedule as on 31st March 2016

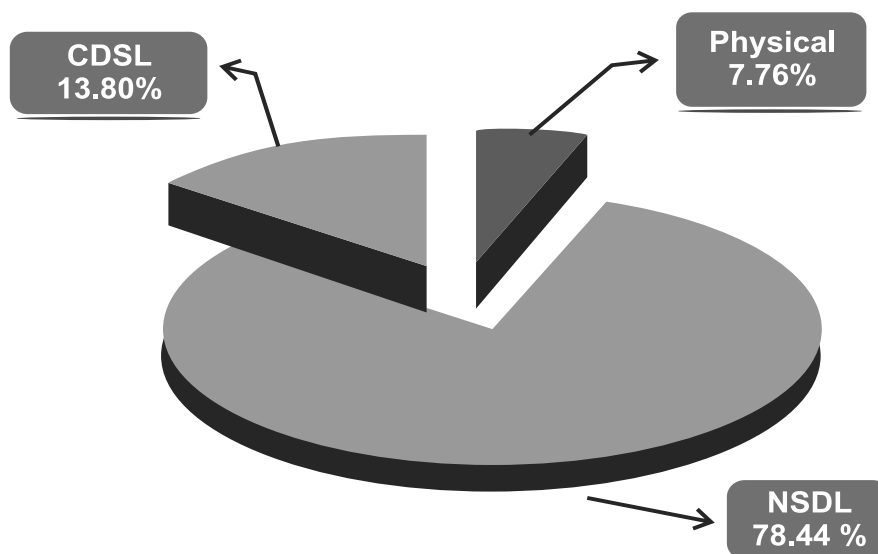
| Shares or Debenture holding of Nominal Value of | No. of Share Holders | % age of Total Holders | Shares/ Debenture Amount | % age of Total Equity |
|---|----------------------|------------------------|--------------------------|-----------------------|
| Up to 5000 | 14271 | 96.06 | 8645649 | 17.17 |
| 5001 to 10,000 | 327 | 2.20 | 2406764 | 4.78 |
| 10,001 to 20,000 | 130 | 0.88 | 1878249 | 3.73 |
| 20,001 to 30,000 | 36 | 0.24 | 883548 | 1.75 |
| 30,001 to 40,000 | 15 | 0.10 | 518254 | 1.03 |
| 40,000 to 50,000 | 15 | 0.10 | 688936 | 1.37 |
| 50,001 to 1,00,000 | 16 | 0.11 | 1146339 | 2.28 |
| 1,00,001 to Above | 46 | 0.31 | 34179202 | 67.89 |
| TOTAL | 14856 | 100.00 | 50346941 | 100 |

Dematerialization of Shares

The Company has ensured connectivity with both Depositories viz. the National Securities Depository Limited and the Central Depository Services (India) Limited. As on **31st March 2016**, 46439937 equity shares of the company, forming 92.24% of the share capital of the company, stand dematerialized.

| Mode of Shares | Number of Shares | % |
|----------------|------------------|---------------|
| Physical | 3907004 | 7.76 |
| NSDL | 39491888 | 78.44 |
| CDSL | 6948049 | 13.80 |
| Total | 50346941 | 100.00 |

Shares held in Physical Form and Dematerialized Form as on 31.03.2016



Report on Corporate Governance

Optionally Convertible Warrants

There are no Outstanding Warrants for Conversion.

Registered office Ind-Swift Limited
781, Industrial Area-II, Chandigarh – 160002
Ph.: 0172-2638781, 2638782, 2638786
Fax: 0172-2652242
Website: www.indswiftltd.com

Company Secretary & Compliance officer SIMRAT KAUR
781, Industrial Area-II, Chandigarh – 160002
e-mail: companysec@indswift.com

Plant Locations:-

- 123, Industrial Area, Phase-I, Panchkula 134109(Haryana)
- Plot No. 23, Sector – 2, Parwanoo (H.P.)(Unit-1)
- Plot No. 17-B, Sector-2, Parwanoo (H.P.)(Unit-II)
- Village Malku Majra, Baddi (H.P.)(Unit III & IV)
- Village Jawaharpur, Teh. Derabassi, (Punjab)
- Industrial Growth Centre, Sambha, Jammu(J&K)

OTHER DISCLOSURES

Related Party Transactions

Transactions with related parties are disclosed in **Note No. 44** of Notes to the accounts in the Financial Statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

The Company has formulated a policy on dealing with related party transactions and the same is available on the website of the Company www.indswiftltd.com. The weblink for the same is given below:

<http://www.indswiftltd.com/party-transaction.php>

Compliances by the Company

During the **last three years**, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

Whistle-Blower Policy / Vigil Mechanism

The Company promotes ethical behavior in all its business activities and in line with the best international governance practices, Ind-Swift Limited has established a system through which Directors, employees, business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has set up a Direct Touch initiative, under which all Directors, employees, business associates have direct access to the Chairman of the Audit Committee, and also to the Ethics Counselor designated for the same purpose. The Whistle- Blower Protection Policy aims to:

Report on Corporate Governance

- Allow and encourage stakeholders to bring to the management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.indswiftltd.com at the web link:

<http://www.indswiftltd.com/whistle-blower-policy.php>

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. The Committee has, in its Report, affirmed that no personnel have been denied access to the Audit Committee.

Mandatory & Non-Mandatory Clauses

The Company has complied with all the mandatory requirements laid down by SEBI (LODR) Regulations, 2015. The non-mandatory requirements complied with has been disclosed at relevant places.

Risk Management

The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Board of directors periodically reviews the risk management framework of the company.

Certification By Chief Executive Officer Of The Company

I declare that all Board Members and Senior Management have affirmed compliance with the code of conduct for the financial year 2015-16.

Place : Chandigarh

Date : 10.08.2016

Dr Gopal Munjal
Managing Director & CEO

Independent Auditor's Report

**To the Members of
Ind-Swift Limited,
Chandigarh.**

Report on the Financial Statements

We have audited the accompanying financial statements of Ind-Swift Limited, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2016 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 with respect to the preparation of 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 Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies Accounts Rules 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of 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 rules made there under.

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 control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Basis for the Qualified Opinion

1. The company has not provided interest on cash credit, term loans, working capital term loans and funded interest term loans with some banks since these banks have not charged interest on these accounts post such accounts becoming NPAs. The unaccounted interest liability in respect of the same for the financial year is Rs. 111.21 cr. (Refer Note No.36 of Notes to Accounts)

Had the provision for the same been made, the loss for the year and accumulated losses would have been higher by Rs. 111.21 cr.

Our opinion is qualified in respect of above.

2. The company has not booked Accrued Interest on Fixed Deposit during the year for Rs. 289.93 Lacs as per the scheme approved by Company Law Board. (Refer Note No.35 (ii) of Notes to Accounts)

Had the provision for the same been made, the loss for the year and accumulated losses would have been higher by Rs. 289.93 lacs.

Our opinion is qualified in respect of above.

Independent Auditor's Report

3. The management is in process of getting an impairment study done in respect of units where the activities have been suspended (refer note no. 39 of notes to accounts). In view of this impairment loss in respect of these units have not been provided in accounts, being not ascertainable.

Our opinion is qualified in respect of above.

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 the Qualified Opinion paragraph above, 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 2016 and its loss and its cash flow for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 .
 - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

- f) With respect to adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B; and
- g) With respect to the other matters included in the audit report in accordance with rule 11 of the companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- (i) The company has disclosed the impact of pending litigations on it's financial position in it's financial statements.
- (ii) The company has made provision, as required under the applicable law or accounting standards for material foreseeable losses if any, on long term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

for **J. K. Jain & Associates**
Chartered Accountant
J. K. Jain

Place: Chandigarh
 Date : 30.05.2016

(Partner)

M. No. : 083140

Independent Auditor's Report

The Annexure "A" referred to in paragraph 1 of the Our Report of even date to the members of Ind-Swift Limited on the accounts of the company for the year ending on March 31, 2016.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations provided to us, the Company has a system of physical verification of all its fixed assets once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No serious discrepancies were noticed on such verification.
- (c) According to the information and explanation provided to us, all the immovable properties are held in the name of the company except the following where the title deeds are not in the name of the company:-

| S. No. | Particulars | Address | Lease Hold/ Free Hold | Gross Block (Rs in Lacs) | Net Block (Rs in Lacs) |
|--------|-----------------|--|-----------------------|--------------------------|------------------------|
| 1 | Land & Building | Plot No. 781, Ind-Area, Ph-2, Chandigarh | Leasehold | 12.00 | 4.59 |
| 2 | Land & Building | Plot No. 42, Ind-Area, Ph-2, Chandigarh | Leasehold | 18.25 | 8.30 |

- (ii) As explained to us, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and book records.
- (iii) According to the information and explanation given to us, the Company has granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
- a) In our opinion the terms and conditions of the grant of such loans are not prejudicial to the interest of the company.
- b) The principle and interest due on loan to Swift Fundamental Research & Education Society (SFRE) are

not received by the company as stipulated during the year and no interest has been provided on loan to SFRE during the year.

- c) According to the information & explanations given to us, the company has taken reasonable steps to recover the amount from Swift Fundamental Research & Education Society and such loan is overdue by Rs. 61.48 crores for more than 90 days.
- (iv) In our opinion and according to the information and explanations given to us, the company has provided advances to its directors during the year as per the company policy in this regard.
- (v) In our opinion and according to the information and explanations given to us, the company has not complied with the provisions of Section 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the repayment of the deposits accepted from the public and maintenance of liquid assets. The Hon'ble Company Law Board restructured Fixed Deposit Scheme of the company vide its order dated 30.09.2013. The Restructured Repayment schedule is being adhered to by the company. Company has filed an application to Central Government (Ministry of Corporate Affairs) for relaxation of provision to maintain liquid asset (15% of deposits maturing in the next financial year). The application is still pending.
- (vi) The Company is required to maintain cost records under sub-section (1) of section 148 the Companies Act, 2013 for the products of the company and according to the information & explanations given to us, the company has maintained proper records as prescribed by the Central Government but we have not carried out the examination of these records.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to it, with appropriate authorities. We are informed that there are some undisputed statutory dues as at the year end

Independent Auditor's Report

outstanding for a period of more than six months from the date they became payable, which are, Tax Deducted at Source under Income Tax Act for Rs31.15 lacs, Provident fund Rs 36.42 lacs, Employees State Insurance for Rs.64.24 lacs, Entry Tax for Rs. 118.89 lacs, Service tax Rs. 10.27 lacs and sales tax/work contract tax Rs. 1.32 lacs.

(b) According to the information and explanations given to us and the records of the company examined by us, there are following disputed dues as referred of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess:

| S.No. | Name of the Statute | Nature of Dues | Amount (Rs. In Lacs) | Period | Forum Where Dispute Is Pending |
|-------|---------------------|--------------------|----------------------|--------------------|---|
| 1 | Service Tax | Service Tax Demand | 33.00 | 2011-12 | CESTAT |
| 2 | Service Tax | Service Tax Demand | 7.82 | Apr 2014 to Sep 15 | Commissioner (Appeals) CE, Chd-II |
| 3 | Service Tax | Service Tax Demand | 8.92 | 2012-13 | Commissioner (Appeals) CE, Chd-II |
| 4 | Service Tax | Service Tax Demand | 47.87 | 2013-14 | Commissioner (Appeals) CE, Chd-II |
| 5 | Service Tax | Service Tax Demand | 3.17 | Oct 14 to Sep 14 | Office of the Assistant Commissioner, Derabassi |
| 6 | Service Tax | Service Tax Demand | 3.71 | Oct 14 to Mar 15 | Office of the Assistant Commissioner, Derabassi |
| 7 | Service Tax | Service Tax Demand | 23.44 | Apr 14 to Sep 14 | Office of the Assistant Commissioner, Derabassi |
| 8 | Service Tax | Service Tax Demand | 18.79 | Apr 14 to Sep 14 | Office of the Assistant Commissioner, Derabassi |
| 9 | Service Tax | Service Tax Demand | 16.75 | 2013-14 | Commissioner (Appeals) CE, Chd-II |
| 10 | Income Tax Act 1961 | Income Tax Demand | 425.47 | 2005-06 | Punjab & Haryana High Court |
| 11 | Income Tax Act 1961 | Income Tax Demand | 22.46 | 2007-08 | Income Tax Appellate Tribunal |
| 12 | Bengal VAT Act | Sales Tax Demand | 120.44 | 2009-10 | Sales Tax Tribunal |
| 13 | Bengal VAT Act | Sales Tax Demand | 90.48 | 2010-11 | Sales Tax Tribunal |
| 14 | Bengal VAT Act | Sales Tax Demand | 7.8 | 2011-12 | Sales Tax Tribunal |
| 15 | U.P. VAT Act | Sales Tax Demand | 2.72 | 2009-10 | Sales Tax Tribunal |
| 16 | U.P. VAT Act | Sales Tax Demand | 3.29 | 2010-11 | Sales Tax Tribunal |
| 17 | U.P. VAT Act | Sales Tax Demand | 6.36 | 2012-13 | Sales Tax Tribunal |
| 18 | U.P. VAT Act | Sales Tax Demand | 1.06 | 2014-15 | Sales Tax Tribunal |
| 19 | M.P. VAT Act | Sales Tax Demand | 19.23 | 2011-12 | The Commissioner Commercial Taxes |
| 20 | M.P. VAT Act | Sales Tax Demand | 8.71 | 2012-13 | The Commissioner Commercial Taxes |
| 21 | M.P. VAT Act | Sales Tax Demand | 5.54 | 2013-14 | The Commissioner Commercial Taxes |
| 22 | Chandigarh VAT Act | Sales Tax Demand | 590.53 | 2010-11 | Punjab & Haryana High Court |

Independent Auditor's Report

| | | | | | |
|----|--------------------------|------------------------|--------|---------|-----------------------------------|
| 23 | Himachal Pradesh VAT Act | Sales Tax Demand | 80.72 | 2006-07 | Detc (Appels) Shimla |
| 24 | Central Excise Act 1944 | Excise & Custom Demand | 681.43 | 2007-13 | Commissioner (Appeals) CE, Chd-II |
| 25 | Central Excise Act 1944 | Excise & Custom Demand | 133.39 | 2014-15 | Commissioner (Appeals) CE, Chd-II |
| 26 | Central Excise Act 1944 | Excise & Custom Demand | 19.37 | 2010-11 | CESTAT |

- (viii) According to the records of the company examined by us and the information and explanations given to us, the company during the year has defaulted in repayment of dues to Banks/ financial institutions. Lender wise detail of default is given below:

| Lenderwise detail of default in repayment of loans. | | | | |
|---|--|--|-------------------|--|
| Sr No. | Name of lender | Amount of default as on 31.03.2016 (Rs. In crores) | Period of Default | Remarks |
| 1 | BANK OF INDIA | 83.30 | More than 1 year | - |
| 2 | CANARA BANK | 69.48 | More than 1 year | - |
| 3 | PHOENIX ARC (P) LTD.: Catholic Syrian Bank | 36.62 | NA | Entire loan portfolio transferred to ARC. Hence period of default not applicable |
| 4 | CENTRAL BANK OF INDIA | 9.56 | More than 1 year | - |
| 5 | EXPORT IMPORT BANK | 22.64 | More than 1 year | - |
| 6 | PUNJAB NATIONAL BANK | 428.88 | More than 2 year | - |
| 7 | STATE BANK OF INDIA | 72.49 | More than 2 year | - |
| 8 | Edelweiss Asset Reconstruction Company Limited : (STATE BANK OF PATIALA) | 148.65 | NA | Entire loan portfolio transferred to ARC. Hence period of default not applicable |
| 9 | Edelweiss Asset Reconstruction Company Limited : (STATE BANK OF HYDERABAD) | 38.54 | NA | Entire loan portfolio transferred to ARC. Hence period of default not applicable |
| 10 | STATE BANK OF MYSORE | 8.00 | Less than 1 year | - |
| 11 | Edelweiss Asset Reconstruction Company Limited : (IFCI BANK) | 30.77 | NA | Entire loan portfolio transferred to ARC. Hence period of default not applicable |
| 12 | TATA CAPITAL | 10.61 | More than 2 year | - |

Independent Auditor's Report

- (ix) The company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanation given to us no fraud by the company or on the company by it's officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information given to us ,company has provided managerial remuneration in accounts in excess of the limits prescribed by the provisions of Section 197 read with Schedule V of the Companies Act, However company is in process of obtaining the approval of Central Government in this regard.
- (xii) In our opinion and according to the explanations and information given to us the company is not a NIDHI company. Accordingly paragraph 3(xii) of the order is not applicable
- (xiii) According to the explanations and information given to us and based on our examination of records of the company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) According to the explanations and information given to us and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the explanations and information given to us and based on our examination of records of the company, the company has not entered into non cash transactions with directors or persons connected with them. Accordingly the paragraph 3(xv) not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **J.K. JAIN & ASSOCIATES**
CHARTERED ACCOUNTANTS

Place: Chandigarh
Date: 30.05.2016

J. K. JAIN
(Partner)
M. No. 083140

Independent Auditor's Report

"Annexure B" to the independent Auditor's Report of even date on the Financial Statements of Ind-Swift Limited.

Report on the Internal Financial Controls under Clause (I) OF Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

To the Members of **Ind-Swift Limited**

We have audited the Internal financial controls over financial reporting of Ind-Swift Limited ("the Company") as of March 31, 2016 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 the 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.

Auditor's 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 as specified 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 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 judgement, 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 Internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal financial controls 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

Independent Auditor's Report

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 needs improvements in its Internal Financial Controls Systems in all material respects, 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.

for **J.K. JAIN & ASSOCIATES**
CHARTERED ACCOUNTANTS

Place: Chandigarh
Date: 30.05.2016

J. K. JAIN
(Partner)
M. No. 083140

Balance Sheet

AS AT 31-03-2016

| (Rs. In Lacs) | | | | |
|---------------|---|---------|---------------------|---------------------|
| | PARTICULARS | NOTE NO | AS AT 31-03-2016 | AS AT 31-03-2015 |
| I. | <u>EQUITY AND LIABILITIES</u> | | | |
| | <u>Shareholder's Funds</u> | | | |
| a) | Share Capital | 1 | 2,426.94 | 2,426.94 |
| b) | Reserves and Surplus | 2 | (27,043.06) | (7,045.02) |
| | Total (A) | | (24,616.12) | (4,618.08) |
| | Share Application Money Pending Allotment (B) | | 668.10 | 668.10 |
| | <u>Non-Current Liabilities</u> | | | |
| a) | Long -term borrowings | 3 | 67,165.24 | 54,140.93 |
| b) | Deffered Tax Liability (Net) | 4 | - | - |
| c) | Other Long term Liabilities | 5 | 563.86 | 622.64 |
| d) | Long term provisions | 6 | 204.02 | 139.99 |
| | Total (C) | | 67,933.12 | 54,903.56 |
| | <u>Current Liabilities</u> | | | |
| a) | Short-term borrowings | 7 | 37,125.34 | 36,901.88 |
| b) | Trade Payables | 8 | 17,538.15 | 15,026.21 |
| c) | Other Current Liabilities | 9 | 7,429.63 | 19,901.17 |
| | Total (D) | | 62,093.12 | 71,829.26 |
| | GRAND TOTAL (A+B+C+D) | | 106,078.22 | 122,782.84 |
| II. | <u>ASSETS</u> | | | |
| | <u>Non-current assets</u> | | | |
| a) | <u>Fixed Assets</u> | 10 | | |
| (i) | Tangible Assets | | 34,429.34 | 37,148.70 |
| (ii) | Intangible assets | | 2,985.07 | 3,216.88 |
| (iii) | Capital Work in Progress | | 221.75 | 221.75 |
| (iv) | Intangible assets under Development | | 144.99 | 167.49 |
| | Total (E) | | 37,781.15 | 40,754.82 |
| b) | Non-current Investments | 11 | 4,512.33 | 4,512.33 |
| c) | Long-term Loans and advances | 12 | 1,631.22 | 1,626.26 |
| d) | Other non-current assets | 13 | 989.00 | 2,095.54 |
| | Total (F) | | 7,132.55 | 8,234.13 |

Balance Sheet

AS AT 31-03-2016

| (Rs. In Lacs) | | | | |
|---------------------------------|---------|---------------------|---------------------|--|
| PARTICULARS | NOTE NO | AS AT 31-03-2016 | AS AT 31-03-2015 | |
| <u>CURRENT ASSETS</u> | | | | |
| Inventories | 14 | 9,094.05 | 11,336.72 | |
| Trade Receivables | 15 | 38,033.03 | 48,548.14 | |
| Cash and Cash equivalents | 16 | 1,738.96 | 1,698.30 | |
| Short-term loans and advances | 17 | 8,691.09 | 8,576.41 | |
| Other Current Assets | 18 | 3,607.39 | 3,634.32 | |
| Total (G) | | 61,164.52 | 73,793.89 | |
| GRAND TOTAL (E+F+G) | | 106,078.22 | 122,782.84 | |
| SIGNIFICANT ACCOUNTING POLICIES | | | | |
| NOTES ON FINANCIAL STATEMENTS | 1-44 | | | |

for and on behalf of the Board

AUDITOR'S REPORT

As per separate report of even date

For J.K. JAIN & ASSOCIATES

Chartered Accountants

S.R.MEHTA

Chairman

G.MUNJAL

Managing Director & CEO

J.K. JAIN

Partner

Membership No. 083140

ARUN K. SETH

General Manager (Finance & Accounts)

SIMRAT KAUR

Company Secretary

Place: Chandigarh

Date : 30.05.2016

Statement of Profit & Loss Account

for the year ended 31.03.2016

| | | (Rs. In Lacs) | |
|---|---------|--------------------------|--------------------------|
| PARTICULARS | NOTE NO | YEAR ENDED 31-03-2016 | YEAR ENDED 31-03-2015 |
| INCOME | | | |
| Revenue from operations | 19 | 30,433.29 | 41,716.65 |
| Other Income | 20 | 1,250.50 | 186.67 |
| TOTAL REVENUE (A) | | 31,683.79 | 41,903.32 |
| EXPENDITURE | | | |
| Cost of Material Consumed | 21 | 21,904.11 | 25,412.61 |
| Changes in inventories of Finished Goods/ | 22 | 143.69 | 9,930.34 |
| Employee Benefits Expenses | 23 | 4,036.98 | 4,287.14 |
| Financial Cost | 24 | 1,896.79 | 3,992.57 |
| Depreciation/Amortisation | 10 | 3,635.15 | 3,936.33 |
| Other Expenses | 25 | 20,043.61 | 9,080.00 |
| TOTAL EXPENSES (B) | | 51,660.33 | 56,638.99 |
| Profit/Loss Before Tax (A-B) | | (19,976.54) | (14,735.67) |
| Tax Expenses | | | |
| Provision for Tax | | - | - |
| Mat Credit Entitlement | | (17.46) | - |
| Provision for Defferred Tax (Net) | | - | (222.91) |
| Profit (Loss) for the period | | (19,994.00) | (14,512.76) |
| Basic Earning per Share | | -39.71 | -28.83 |
| Diluted Earning per Share | | -39.71 | -28.83 |
| Nominal Value per Share | | 2.00 | 2.00 |

for and on behalf of the Board

AUDITOR'S REPORT

As per separate report of even date

For J.K. JAIN & ASSOCIATES

Chartered Accountants

S.R.MEHTA

Chairman

G.MUNJAL

Managing Director & CEO

J.K. JAIN

Partner

Membership No. 083140

ARUN K. SETH

General Manager (Finance & Accounts)

SIMRAT KAUR

Company Secretary

Place: Chandigarh

Date : 30.05.2016

Cash Flow Statement

| | (Rs. in lacs) | |
|--|----------------------------------|----------------------------------|
| | For the Year ended 31.03.2016 | For the Year ended 31.03.2015 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax | (19976.54) | (14735.67) |
| Adjustment for Non Cash & Non Operating Items | | |
| i) Misc. Expenditure Written off | 1106.54 | 1181.05 |
| ii) Depreciation/Amortisation | 3635.15 | 3936.33 |
| iii) Interest Income | (16.63) | (20.42) |
| iv) Other non operating Income | 0.00 | (4.04) |
| v) Provision for doubtful debts | 10165.25 | 6.12 |
| vi) Loss on Sale of Assets | 0.00 | 2.67 |
| vii) Provision for Leave Encashment | 64.02 | (19.70) |
| viii) Interest Paid | 2168.14 | 3748.68 |
| ix) Exchange Loss | (271.36) | 243.89 |
| Operating Profit before Working Capital Changes | (3125.43) | (5661.09) |
| Adjustment for Current Items | | |
| i) Increase/ (Decrease) in current Liabilities | (9959.60) | 3244.76 |
| ii) (Increase)/Decrease in current Loan & Advances | (119.64) | 1442.64 |
| iii) (Increase)/Decrease in Trade Receivable | 355.98 | (4784.23) |
| iv) (Increase)/Decrease in Inventory | 2242.66 | 13998.88 |
| v) (Increase)/Decrease in other current Assets | 26.92 | 316.52 |
| Cash Flow from Operating Activities before Taxes | (10579.11) | 8557.48 |
| Taxes Paid | | |
| i) Income Tax Paid | 0.00 | 0.00 |
| Net Operating Activities (A) | (10579.11) | 8557.48 |
| B. Cash Flow from Investing Activities | | |
| i) Interest Received | 16.63 | 20.42 |
| ii) Net Increase/Decrease in Investments | 0.00 | 0.75 |
| iii) Net Purchase of Fixed Assets (Including Capital WIP) | (417.73) | (572.96) |
| Net Cash used in Investing activities (B) | (401.10) | (551.79) |

Cash Flow Statement

| | For the period ended on | |
|---|-----------------------------|-----------------------------|
| | (Rs. in lacs) 31.03.2016 | (Rs. in lacs) 31.03.2015 |
| C. Cash Flow from Financing Activities | | |
| i) Interest Paid | (2168.14) | (3748.68) |
| ii) Increase in Unsecured Loans | (793.50) | (823.78) |
| iii) Increase in Secured Loans | 13982.50 | (3524.51) |
| Net Cash Flow from Financing Activities (C) | 11020.86 | -8096.97 |
| Net increase in Cash or Cash Equivalents (A+B+C) | 40.65 | (91.28) |
| Add : Opening Balance of Cash & Equivalents | 1698.30 | 1789.58 |
| Closing Balance of Cash & Cash Equivalents | 1738.95 | 1698.30 |

for and on behalf of the Board

AUDITOR'S REPORT

As per separate report of even date

For J.K. JAIN & ASSOCIATES

Chartered Accountants

S.R.MEHTA

Chairman

G.MUNJAL

Managing Director & CEO

J.K. JAIN

Partner

Membership No. 083140

ARUN K. SETH

General Manager (Finance & Accounts)

SIMRAT KAUR

Company Secretary

Place: Chandigarh

Date : 30.05.2016

Significant Accounting Policies

1. Accounting Convention:

The Financial statements are prepared in accordance with applicable Accounting Standards in India. A summary of important Accounting Policies, which have been applied consistently, is set out below. Accounting Policies comprises Accounting Standards specified by the Central Government u/s 133 of the Companies Act 2013, other pronouncements of The Institute of Chartered Accountant of India and Guidelines issued by SEBI. The Financial Statement have also been prepared in accordance with relevant presentational requirements of the Companies Act 1956. The Financial Statements are rounded off to the nearest in Lacs.

2. Basis of Accounting:

The accounts are prepared under the historical cost convention and on the basis of going concern. All Expenses and incomes to the extent ascertained as payable and receivable respectively are accounted for on mercantile basis unless otherwise stated.

3. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

4. Fixed Assets and Depreciation

(a) All fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, fees and incidental expenses to bring the assets to its present condition and location and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

(b) The Company is following the useful life method of depreciation as per the useful life specified in part C of Schedule II of the Companies Act 2013.

On assets sold, discarded etc, during the year depreciation is provided up to the date of sale/discard.

(c) Premium on Lease hold land is amortised over the period of Lease.

5. Inventories are valued as under:-

(a) Stock of Raw Material and Packing Material :- At Cost or Net Realizable Value, whichever is lower (As per AS-2 "Valuation of Inventories"). Cost ascertained on FIFO basis, excluding recoverable rates and taxes.

(b) Stock of work in process: - At material cost plus apportioned manufacturing overheads or net realizable value whichever is lower.

(c) Stock of Finished Goods: - At Cost or Net Realizable Value, whichever is lower. Cost includes material cost plus apportioned manufacturing overheads and expenditure incurred in the normal course of business in bringing such inventories to its present location. It also includes excise duty paid or payable in accordance with Accounting Standard - 2 "Valuation of Inventories" issued by ICAI.

(d) Stock in Transit: At Cost

6. Investments

Investments are classified into current and long term Investments.

(a) Long term investments are stated at cost of acquisition. Provision for diminution is made only to recognize a decline other than temporary, if any, in the value of investments.

(b) Current investments are carried at lower of cost and fair market value.

7. Revenue Recognition

Revenue is recognized upon the transfer of title of goods and when all significant risks and rewards of ownership have been transferred to the buyer. Transfer of the title generally coincides with the delivery of the goods. Revenue is recognized when there is reasonable certainty of its ultimate realization.

Net Sales are exclusive of Excise Duty and net of VAT and trade discount.

Significant Accounting Policies

8. Foreign Exchange Transactions

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction and variation, if any, is accounted for on the date of payment, if squared up during the same accounting year.
- (b) Monetary items denominated in foreign currencies remaining unsettled at the year end if not covered by forward exchange contracts are translated at year end rates.
- (c) Any income/expense arising from foreign currency transactions is dealt in the profit and loss account for the year except in cases where they relate to acquisition of fixed assets in which case they are adjusted in the carrying cost of such assets.
- (d) Where company enters into a forward exchange contract, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract except in the case of fixed assets, in which case, such difference is adjusted in the carrying amount of respective fixed assets.

9. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalised as part of cost of such assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which incurred.

10. Employee Benefits:

- a) Short term Employee Benefits:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per company's schemes based on expected obligation on an undiscounted basis.

- b) Defined Contribution Plans:

Contributions paid/payable to defined contribution plans comprising of Gratuity and Provident Funds for employees covered under the respective schemes are recognised in the Profit & Loss Account each year.

11. Income Tax:

- a) Current tax: Provision is made for income tax, based on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment.
- b) Deferred Tax: Consequent to the Accounting Standard –22 "Accounting for taxes on income" becoming mandatory the differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another.

The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted regulations.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

- c) MAT: Minimum alternative tax payable under the provisions of the Income Tax Act, 1961 is recognized as an asset in the year in which credit becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates and shall be reversed in the year in which it lapses.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

Significant Accounting Policies

13. Government Grant

Government Grants are recognized in Profit & Loss account in accordance with the related schemes and in the period in which these are accrued.

Grants toward the specific assets are treated as deferred income in Profit & Loss Account are recognized on rational basis over the useful life of the depreciable asset

14. Intangible Assets

- (a) Intangible Assets are recognised only if they meet the recognition criteria as laid by Accounting Standard (AS) 26 on "Intangible assets".
- (b) Intangible assets are measured at cost and amortised over their useful life.
- (c) Expenditure on Research phase is recognised as an expense when it is incurred.
- (d) Expenditure on development phase is recognised as an Intangible Asset only if it meets the recognition criteria as laid by AS 26 issued by institute of Chartered Accountant of India on Intangible Assets. These assets are amortised over the useful period of life starting from the year when the asset first meets the recognition criteria.

15. Impairment of Assets

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

16. Leases

Finance lease, which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged as expenses in the profit and loss account.

17. Trade Receivable

Sundry debtors outstanding for more than three years at the balance sheet date will be written off/provided in the books of accounts except those debtors pertaining to related parties and disputed debtors having matter pending before different courts.

- 18. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) |
|--|---------------------|---------------------|
| PARTICULARS | AS AT 31-03-2016 | AS AT 31-03-2015 |
| NO-'1' | | |
| SHARE HOLDER'S FUNDS | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 7,50,00,000 (Previous Year 7,50,00,000) Equity Shares of Rs. 2/- Each | 1,500.00 | 1,500.00 |
| 25,00,000 (Previous Year 25,00,000) Cumulative Preference Share of Rs. 100/- Each | 2,500.00 | 2,500.00 |
| | 4,000.00 | 4,000.00 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 5,03,46,941 Equity Shares (Previous Year 5,03,46,941) of Rs.2/- Each Fully Paid up in Cash | 1,006.94 | 1,006.94 |
| 14,20,000 Cumulative Redeemable Preference Shares (Previous Year 14,20,000) of Rs.100/- each Fully Paid | 1,420.00 | 1,420.00 |
| | 2,426.94 | 2,426.94 |

1.1 Reconciliation of Equity & Pref. Shares as on 31.03.16

| | 2015-16 | | 2014-15 | |
|---------------------------------|-----------------|----------------|--------------|------------|
| Particulars | No of Shares | | No of Shares | |
| | Equity | Preference | Equity | Preference |
| Opening Balance | 50346941 | 1420000 | 50346941 | 1420000 |
| Add: No of Shares Issued | Nil | Nil | Nil | Nil |
| Closing Balance | 50346941 | 1420000 | 50346941 | 1420000 |

1.2. No. of shareholders holding 5% or more of share capital

| Name Of Shareholder | As on 31-03-2016 | | As on 31-03-2015 | |
|---------------------------|------------------|---------------|------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Essix Biosciences Limited | 9215721 | 18.30% | 9215721 | 18.30 |

1.3 The Preference Shares shall rank for dividends in priority to equity Shares for time being. These shares shall be entitled to rank in priority to equity shares as regards repayment of Capital and arrears of dividend declared, but shall not be entitled to any further participation in profit or assets of the Company.

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) | |
|---|--|---------------------|---------------------|
| PARTICULARS | | AS AT 31-03-2016 | AS AT 31-03-2015 |
| <u>NO-'2'</u> | | | |
| <u>RESERVES & SURPLUS</u> | | | |
| General Reserve | | 10,181.80 | 10,181.80 |
| Capital Reserve | | | |
| Opening Balance: | 410.26 | | |
| Less:Amortised during the year: | 4.04 | | |
| | | 406.22 | 410.26 |
| Securities Premium | | 6,516.23 | 6,516.23 |
| Surplus in Profit & Loss Account | | | |
| Profit b/f from previous year | (24,153.31) | | |
| Add: Current Year Profit/Loss | (19,994.00) | (44,147.31) | (24,153.31) |
| | | (27,043.06) | (7,045.02) |
| <u>NO -'3'</u> | | | |
| <u>LONG TERM BORROWINGS</u> | | | |
| (a) <u>SECURED LOANS</u> | | | |
| (i) From Banks | | 60,401.63 | 48,196.57 |
| (ii) From Financial Institutions | | 4,302.36 | 2,574.71 |
| (iii) Vehicle Loan | | - | 3.37 |
| | | 64,703.99 | 50,774.65 |
| 3.1 | Term Loan from Banks & Financial Institutions are secured by way of first pari-passu charge over entire fixed assets of the company,second pari-passu charge over the entire current assets of the company, personal guarantee of Directors to the extent of their respective net worth and by way of pledge of shares of promoters. Restructured Bill Discounting/Factoring facilities are secured by way of subservient charge over entire current assets of the company. Vehicles loans are secured by way of hypothecation of vehicles financed. | | |
| 3.2 | Since the Company is unable to repay the instalments and Banks have exited from the CDR mechanism, the instalments due and falling due in next twelve months have not been segregated as current liability. The entire loan amount has been shown as long term liability except loan accounts which are being repaid as per repayment schedule. | | |

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) | |
|-------------|---|---------------------|---------------------|
| PARTICULARS | | AS AT 31-03-2016 | AS AT 31-03-2015 |
| 6.1 | (b) UNSECURED LOANS | | |
| | Fixed Deposit from Public | 2,461.25 | 3,366.28 |
| | | 2,461.25 | 3,366.28 |
| | NO -'4' | Amount | Amount |
| | Deferred Tax Liability (Net) | (Rs.in Lacs) | (Rs.in Lacs) |
| | | 2015-16 | 2014-15 |
| | Opening Deferred Tax Liability | 0.00 | 286.79 |
| | Less: Deferred tax on old Depreciation | 0.00 | 63.88 |
| | Less: Dererred tax Asset | 0.00 | 222.91 |
| | | - | 0.00 |
| 6.1 | NO -'5' | | |
| | OTHER LONG TERM LIABILITIES | | |
| | Security Deposit Customers/Stockists | 563.86 | 622.64 |
| | | | |
| | NO -'6' | | |
| | LONG TERM PROVISIONS | | |
| | Provision for Employee Benefits | 204.02 | 139.99 |
| | Provision for Leave Encashment has been made as per rules of the Company without actuarial Valuation. | | |
| | NO -'7' | | |
| | SHORT TERM BORROWINGS | | |
| (i) | SECURED LOANS | | |
| | Bank borrowings for working capital are secured by a Pari-Passu, first charge by way of Hypothication of the company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to Plant and Machinery (Consumbale Stores & Spares), Bills Receivable & Book Debts and all other movables of the Company both present and future excluding such movables as may be permitted by the said Banks from time to time. The said facility is further secured by way of pari passu second charge on the company's immovable and movable properties (other than current assets) and personal guarantees of Directors to the extent of their respective net worth and by way of pledge of shares of promoters. | 34,999.47 | 34,946.32 |
| | | 34,999.47 | 34,946.32 |
| | | | |
| | (ii) UNSECURED LOANS | | |
| | SHORT TERM BORROWINGS | | |
| | From Banks | 323.80 | 254.11 |
| | From Financial Institution | 1,051.55 | 985.34 |
| | Fixed Deposit from Public | 750.52 | 716.11 |
| | | 2,125.87 | 1,955.56 |
| 8.1 | NO -'8' | | |
| | TRADE PAYABLES | | |
| | Trade Payables | 9,942.13 | 6,977.31 |
| | Trade Payables (Related Party) | 7,596.02 | 8,048.90 |
| | | 17,538.15 | 15,026.21 |
| | | | |
| | | | |
| | | | |
| | | | |
| | The Company has not received any information from its suppliers regarding regd. under The Micro Small and Medium Enterprises Development act 2006. Hence, the information required to be given in accordance with Section 22 of the said act is not ascertainable and not disclosed. | | |

Notes on Financial Statements

for the year ended 31.03.2016

| | | | (Rs. in Lacs) |
|------|---|---------------------|---------------------|
| | PARTICULARS | AS AT 31-03-2016 | AS AT 31-03-2015 |
| | NO - '9' | | |
| | OTHER CURRENT LIABILITIES | | |
| | Intt. Accrued But not Due | 1,212.45 | 1,263.34 |
| | Advance from Customers | 776.15 | 761.76 |
| | Other Payable | 5,048.74 | 4,944.98 |
| | Current Maturties of Long Term Debts | 381.00 | 12,903.28 |
| | Current Maturties of Vehicle Loan | 2.95 | 14.83 |
| | UnClaimed Dividend | 8.34 | 12.98 |
| | | 7,429.63 | 19,901.17 |
| 9.1 | The Unclaimed Dividend Payable does not include any amount to be credited to investor education and protection Fund | | |
| | NO - '11' | | |
| | NON-CURRENT INVESTMENTS (AT COST) | | |
| | Investment in Equity Instrument | | |
| | 9499720 (Previous Year 9499720) Equity Shares in M/s Ind Swift Laboratories Ltd | 4,005.53 | 4,005.53 |
| | 2000000 (Previous Year 2000000) Equity Shares of Fortune India Construction Ltd | 200.00 | 200.00 |
| | 300000 {Previous Year 300000} Equity Shares of Essix Biosciences Ltd. | 300.00 | 300.00 |
| | 67950(Previous Year 67950) Equity Shares of Mansa Print & Publisher Ltd @Rs.10/- Per Share | 6.80 | 6.80 |
| | | 4,512.33 | 4,512.33 |
| 11.1 | Total Cost of Quoted Investment is Rs. 4005.53 lacs(Market Value Rs.4384.12 lacs) and Unquoted Investment is Rs. 506.80 lacs | | |
| 11.2 | The shares of Ind Swift Laboratories Ltd are pledged to Banks as per the sanctioned Corporate Debts Restructuring Scheme of Ind Swift Laboratories Ltd. | | |
| 11.3 | Ind Swift Laboratories Ltd is Associate and Essix Biosciences Ltd, Fortune India Construction Ltd and Mansa Print and Publishers Pvt Ltd are related parties. | | |

| NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016 | | | | | | | | | | | |
|--|---------------------------|--------------------------------|--|--------------------------------|---------------------|---|-----------------------|----------------------|---|---------------------|---------------------|
| NOTE OF FIXED ASSETS AS ON 31/03/2016 | | | | | | | | | | | (Rs. in Lacs) |
| SNO | PARTICULARS | BALANCE AS ON 01/04/2015 | G R O S S B L O C K | | | D E P R E C I A T I O N / A M O R T I S A T I O N | | | | N E T B L O C K | |
| | | | ADDITIONS/ TRSF DURING THE YEAR | SALE/ TRANSFER/ IMPAIRED | AS ON 31/03/2016 | AS ON 31/03/2015 | DURING THE YEAR | ON ASSETS SOLD | TOTAL DEPRECIATION UPTO 31/03/2016 | AS ON 31/03/2016 | AS ON 31/03/2015 |
| (A) | TANGIBLE ASSETS | | | | | | | | | | |
| 1 | LAND | 694.53 | 0.00 | 0.00 | 694.53 | 0.00 | 0.00 | 0.00 | 0.00 | 694.53 | 694.53 |
| 2 | LEASEHOLD LAND | 34.99 | 0.00 | 0.00 | 34.99 | 19.98 | 0.22 | 0.00 | 20.20 | 14.80 | 15.01 |
| 3 | BUILDING | 12969.77 | 53.62 | 0.00 | 13023.40 | 2197.27 | 408.24 | 0.00 | 2605.51 | 10417.89 | 10772.50 |
| 4 | PLANT & EQUIPMENT | 29942.36 | 322.06 | 3.26 | 30261.16 | 6940.42 | 2170.66 | 0.00 | 9111.08 | 21150.08 | 23002.47 |
| 5 | FURNITURE & FIXTURE | 693.16 | 4.35 | 0.00 | 697.51 | 341.10 | 94.38 | 0.00 | 435.48 | 262.03 | 352.06 |
| 6 | VEHICLES | 1058.65 | 0.00 | 0.00 | 1058.65 | 705.16 | 75.16 | 0.00 | 780.32 | 278.32 | 353.49 |
| 7 | OFFICE EQUIPMENT | 882.40 | 17.71 | 0.67 | 899.44 | 779.54 | 48.85 | 0.00 | 828.39 | 71.05 | 102.86 |
| 8 | MISC FIXED ASSETS | 2374.77 | 11.44 | 0.05 | 2386.17 | 903.72 | 297.73 | 0.00 | 1201.45 | 1184.72 | 1470.52 |
| 9 | BUILDING (R&D) | 58.56 | 0.00 | 0.00 | 58.56 | 29.32 | 2.30 | 0.00 | 31.62 | 26.95 | 29.24 |
| 10 | FURNITURE & FIXTURE (R&D) | 31.07 | 0.00 | 0.00 | 31.07 | 22.44 | 1.60 | 0.00 | 24.04 | 7.02 | 8.63 |
| 11 | EQUIPMENT (R&D) | 1278.35 | 1.63 | 0.00 | 1279.98 | 1165.60 | 27.07 | 0.00 | 1192.66 | 87.32 | 112.75 |
| 12 | LAND (R&D) | 234.63 | 0.00 | 0.00 | 234.63 | 0.00 | 0.00 | 0.00 | 0.00 | 234.63 | 234.63 |
| (B) | INTANGIBLE ASSETS | | | | | | | | | | |
| 1 | PATENT & TRADE MARK | 47.40 | 0.00 | 0.00 | 47.40 | 35.75 | 0.00 | 0.00 | 35.75 | 11.66 | 11.66 |
| 2 | PRODUCT TECHNOLOGY | 4277.14 | 277.15 | 0.00 | 4554.29 | 2492.26 | 309.95 | 0.00 | 2802.21 | 1752.08 | 1784.88 |
| 3 | SOFTWARE | 1990.10 | 0.00 | 0.00 | 1990.10 | 569.76 | 199.00 | 0.00 | 768.76 | 1221.34 | 1420.34 |
| | TOTAL | 56567.90 | 687.96 | 3.98 | 57251.88 | 16202.32 | 3635.15 | 0.00 | 19837.47 | 37414.41 | 40365.58 |
| | TOTAL: P/Y (31/03/2015) | 55957.56 | 655.12 | 44.79 | 56567.90 | 11945.48 | 4271.60 | 14.76 | 16202.32 | 40365.58 | 44012.08 |
| (C) INTANGIBLE ASSETS UNDER DEVELOPMENT | | | | | | | | | | | |
| Particulars | Opening Bal. | Addition | Capitalised | Closing Bal. | | | | | | | |
| PRODUCT TECHNOLOGY | 167.49 | 144.99 | 167.49 | 144.99 | | | | | | | |
| TOTAL: P/Y (31/03/2015) | 222.22 | 167.49 | 222.22 | 167.49 | | | | | | | |
| (D) CAPITAL WORK IN PROGRESS | | | | | | | | | | | |
| Particulars | Opening Bal. | Addition | Capitalised | Closing Bal. | | | | | | | |
| CAPITAL WORK IN PROGRESS | 221.75 | 0.00 | 0.00 | 221.75 | | | | | | | |
| TOTAL: P/Y (31/03/2015) | 221.75 | 0.00 | 0.00 | 221.75 | | | | | | | |
| 10.1 The Leasehold land is being written off Over the Period of lease Proportionately. | | | | | | | | | | | |
| 10.2 Intangible Assets: | | | | | | | | | | | |
| a) Product Technology acquired by the company is recognized as an intangible asset and is amortised over its useful life of 10 years | | | | | | | | | | | |
| b) Product Technology addition forming part of Fixed Assets note consists of following: | | | | | | | | | | | |
| | | | | (Rs. In Lacs) | | | | | | | |
| Net Addition during the year | | | | 109.66 | | | | | | | |

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) | |
|--|---|---------------------|---------------------|
| PARTICULARS | | AS AT 31-03-2016 | AS AT 31-03-2015 |
| NO - '12' | | | |
| LONG TERM LOANS & ADVANCES | | | |
| (Unsecured but considered good) | | | |
| Advance against Capital Goods | | 1,078.00 | 1,460.75 |
| Security Deposits | | 169.48 | 165.51 |
| Advance to KMP | | 383.74 | - |
| | | 1,631.22 | 1,626.26 |
| NO - '13' | | | |
| OTHER NON CURRENT ASSETS | | | |
| (To the extent not written off/adjusted) | | | |
| Seed Marketing Expenses | | 988.07 | 2,094.15 |
| Software Development Expenses | | 0.93 | 1.39 |
| | | 989.00 | 2,095.54 |
| NO - '14' | | | |
| CURRENT ASSETS | | | |
| INVENTORIES | | | |
| (As taken, valued & certified by the Management) | | | |
| Raw Material | | 4,553.81 | 6,706.93 |
| Work- in- Progress | | 496.45 | 638.79 |
| Finished Goods | | 3,884.31 | 3,905.17 |
| Consumables | | 125.66 | 70.82 |
| Material in transit | | 33.82 | 15.01 |
| | | 9,094.05 | 11,336.72 |
| 14.1 | The Inventories are valued as per method described in Significant accounting policies | | |
| NO - '15' | | | |
| TRADE RECEIVABLES | | | |
| Debtors Outstanding for a Period Exceeding Six Months. | | | |
| Considered good | | 30,056.49 | 37,674.73 |
| Considered doubtful | | 10,165.25 | 6.12 |
| Other Debts | | 7,976.54 | 10,873.41 |
| (Unsecured but considered good by the management) | | 48,198.28 | 48,554.26 |
| Less: Provision for Doubtful Debts | | 10,165.25 | 6.12 |
| | | 38,033.03 | 48,548.14 |

Notes on Financial Statements

for the year ended 31.03.2016

| | | | (Rs. in Lacs) |
|------|---|---------------------|---------------------|
| | PARTICULARS | AS AT 31-03-2016 | AS AT 31-03-2015 |
| | NO - '16' | | |
| | <u>CASH & CASH EQUIVALENTS</u> | | |
| | Balance with Banks | 178.71 | 86.16 |
| | Cash in Hand | 538.81 | 481.14 |
| | Others (Imprest) | 921.06 | 1,087.83 |
| | Fixed Deposits with Banks | 100.38 | 43.17 |
| | | 1,738.96 | 1,698.30 |
| 16.1 | Fixed Deposits with banks are Rs.100.38 lacs (Previous Year Rs. 43.17lacs) out of which Rs. 100.31 lacs (Previous Year Rs. 43.11 lacs) are Pledged as margin money with banks. | | |
| 16.2 | Balance with Banks includes Balance on account of unpaid dividend of Rs. 8.34 lacs(Previous Year Rs. 12.98 lacs) | | |
| 16.3 | During the period the Company has Transferred a sum of Rs. 4.65 lacs to Investor Education and Protection Fund on account of Unclaimed dividend for Financial Year 2007-08 (Previous Year Rs. 4.58 lacs) | | |
| | NO - '17' | | |
| | <u>SHORT TERM LOANS & ADVANCES</u> | | |
| | (Unsecured but considered good by the management) | | |
| | Advances Recoverable in Cash Or | | |
| | In Kind Or For Value to be Received | 2,543.29 | 2,415.09 |
| | Advances to Related Parties | 6,147.80 | 6,161.32 |
| | | 8,691.09 | 8,576.41 |
| 17.1 | Interest on Advance to Related Party Swift Fundamental Research & Education Society has not been provided in the accounts. | | |
| | NO - '18' | | |
| | <u>OTHER CURRENT ASSETS</u> | | |
| | Mat Credit Entitlement | 2,283.01 | 2,300.48 |
| | Advance Income Tax /TDS | 19.30 | 12.87 |
| | Prepaid Expenses | 21.01 | 30.79 |
| | Others | 1,284.07 | 1,290.18 |
| | | 3,607.39 | 3,634.32 |
| 18.1 | In the opinion of the Board, the current assets,loans & advances shown in the Balance Sheet have a value of realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provision for all known and determined liabilities is adequate. | | |

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) | | | |
|---|--|--------------------------|--------------|--------------------------|----------|
| PARTICULARS | | YEAR ENDED 31-03-2016 | | YEAR ENDED 31-03-2015 | |
| NO - '19' | | | | | |
| REVENUE FROM OPERATIONS | | | | | |
| Sale of Products | | 30,548.72 | | 42,078.79 | |
| Less: Excise Duty | | 341.54 | | 489.39 | |
| Net Sale of Products | | 30,207.18 | | 41,589.40 | |
| Technology Transfer Fee | | 226.11 | | 127.25 | |
| | | 30,433.29 | | 41,716.65 | |
| NO - '20' | | | | | |
| OTHER INCOME | | | | | |
| Interest on FDR | | 13.89 | | 17.02 | |
| Interest Received | | 2.74 | | 3.40 | |
| Sundry Credit Balances written Back | | 1,017.24 | | - | |
| Other Income | | 216.63 | | 166.25 | |
| | | 1,250.50 | | 186.67 | |
| NO - '21' | | | | | |
| COST OF MATERIAL CONSUMED/SOLD | | | | | |
| Opening Stock | | 6,777.75 | | 8,098.07 | |
| Purchase | | 21,354.90 | | 24,226.87 | |
| | | 28,132.65 | | 32,324.94 | |
| Less :Spoilage & Expiry | | 1,399.43 | | 19.98 | |
| Less: Sale of Licenses | | 149.64 | | 114.60 | |
| Less :Closing Stock | | 4,679.47 | | 6,777.75 | |
| TOTAL (A) | | 21,904.11 | | 25,412.61 | |
| 21.1 Cost of Materials Consumed | | | | | |
| Raw Material | | AS AT 31-03-2016 | | AS AT 31-03-2015 | |
| | | Amount | % | Amount | % |
| | | (Rs in Lacs) | | (Rs in Lacs) | |
| Imported | | 763.05 | 3.48 | 419.18 | 1.65 |
| Indigenous | | 21141.06 | 96.52 | 24993.43 | 98.35 |
| NO - '22' | | | | | |
| INCREASE/(DECREASE) IN INVENTORY | | | | | |
| OPENING STOCK | | | | | |
| Work-in-Progress | | 638.79 | | 646.29 | |
| Finished Goods | | 3,905.17 | | 16,066.76 | |
| | | 4,543.96 | | 16,713.05 | |
| Less: Spoilage & Expiry/ Written off | | 19.51 | | 2,238.75 | |
| | | 4,524.45 | | 14,474.30 | |
| CLOSING STOCK | | | | | |
| Work-in-Progress | | 496.45 | | 638.79 | |
| Finished Goods | | 3,884.31 | | 3,905.17 | |
| | | 4,380.76 | | 4,543.96 | |
| TOTAL (B) | | (143.69) | | (9,930.34) | |
| TOTAL (A-B) | | 22,047.80 | | 35,342.95 | |

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) | |
|---|--|--------------------------|--------------------------|
| PARTICULARS | | YEAR ENDED 31-03-2016 | YEAR ENDED 31-03-2015 |
| NO '23' | | | |
| EMPLOYEE BENEFIT EXPENSES | | | |
| Director Remuneration | | 360.00 | 360.00 |
| Salary & Wages | | 3,421.74 | 3,663.91 |
| P.F & Other Funds | | 192.09 | 202.45 |
| Staff Welfare | | 62.98 | 60.58 |
| Contribution To Gratuity | | 0.17 | 0.20 |
| | | 4,036.98 | 4,287.14 |
| NO - '24' | | | |
| FINANCE COST | | | |
| Interest Expenses | | 2,121.67 | 3,614.26 |
| Other Borrowing Cost | | 46.48 | 134.42 |
| Exchange Fluctuation Expenses | | (271.36) | 243.89 |
| | | 1,896.79 | 3,992.57 |
| NO - '25' | | | |
| OTHER EXPESNES | | | |
| MANUFACTURING EXPENSES | | | |
| Power, Fuel & Water Charges | | 1,065.17 | 1,150.77 |
| Repair & Maint. -Machinery | | 110.92 | 67.94 |
| Repair & Maint. -Building | | 27.18 | 39.78 |
| Stock Written off/Loss of Stock Destruction | | 1,392.30 | 2,239.21 |
| Service Charges | | 398.25 | 304.43 |
| Insurance Charges | | 3.49 | 6.10 |
| Staff Liveries | | 1.44 | 2.69 |
| Lab Expenses/ETP Expenses | | 8.49 | 82.18 |
| Other Manufacturing Expenses | | 76.37 | 98.18 |
| | | 3,083.61 | 3,991.28 |

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) |
|---|--------------------------|--------------------------|
| PARTICULARS | YEAR ENDED 31-03-2016 | YEAR ENDED 31-03-2015 |
| <u>ADMINISTRATIVE EXPENSES</u> | | |
| Travelling & Conveyance | 417.73 | 434.24 |
| Audit Fees | 12.60 | 12.36 |
| Rent | 65.52 | 84.84 |
| Rates & Taxes | 16.43 | 21.03 |
| Telephone & Postage | 55.82 | 60.48 |
| Consumables | 14.13 | 5.80 |
| Repair & Maint.-Building | 0.33 | 17.16 |
| Repair & Maint.-General | 38.76 | 57.22 |
| Electricity & Power | 24.33 | 28.73 |
| Insurance Charges | 60.60 | 78.96 |
| Professional & Legal Exp. | 131.16 | 111.98 |
| Printing & Stationery | 49.48 | 45.42 |
| Loss on Sale of Assets | - | 2.67 |
| Security Expenses | 65.75 | 90.44 |
| Corporate & Other Administrative Expenses | 601.75 | 773.67 |
| | 1,554.39 | 1,825.00 |
| <u>SELLING & DISTRIBUTION EXPENSES</u> | | |
| Commission to C & F Agents | 74.41 | 176.55 |
| Travelling Expenses | 446.90 | 438.02 |
| Provision for Doubtful Debts | 10,165.25 | 6.12 |
| Breakage & Expiry | 2,651.82 | - |
| Transportation Charges | 563.90 | 439.67 |
| Sales Promotion | 230.72 | 56.01 |
| Depot/Stockist Expenses | 85.08 | 631.19 |
| Other Selling Expenses | 25.45 | 283.03 |
| | 14,243.53 | 2,030.59 |

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs. in Lacs) | |
|------|---|--------------------------|--------------------------|
| | PARTICULARS | YEAR ENDED 31-03-2016 | YEAR ENDED 31-03-2015 |
| | <u>RESEARCH & DEVELOPMENT EXP.</u> | | |
| | Salary & Wages (R&D) | 40.78 | 40.97 |
| | Consumables | 6.87 | 1.27 |
| | Other Administrative Expenses | 7.89 | 9.85 |
| | | 55.54 | 52.09 |
| | <u>MISC. EXPENDITURE WRITTEN OFF</u> | | |
| | Seed Marketing Expenditure | 1,106.08 | 1,180.04 |
| | Software Development Expenses | 0.46 | 1.00 |
| | | 1,106.54 | 1,181.04 |
| 25.1 | Expenses includes Rs.17.57 lacs (P/Y Rs. 142.76 lacs) as expenses relating to previous years. | | |
| 25.2 | Company has provided remuneration to Directors in excess of the limits prescribed in schedule V of Companies Act, 2013. However Company is in process of obtaining the approval from Central Government in this regard as required in schedule V of Companies Act, 2013 | | |

Notes on Financial Statements

for the year ended 31.03.2016

26. The previous year figures have been re-arranged and re-grouped wherever found necessary.

27.

| a) Earnings in Foreign Currency | | | (Rs.in Lacs) |
|--|----------------|---------|---------------------|
| Particulars | 2015-16 | 2014-15 | |
| FOB Value of Export | 9868.00 | 5092.78 | |
| Technology Transfer Fees | 226.11 | 127.25 | |

| b) Expenditure in Foreign Currency | | | (Rs.in Lacs) |
|---|---------------|---------|---------------------|
| Particulars | 2015-16 | 2014-15 | |
| Tours & Travels | 100.71 | 81.37 | |

| c) Value of imports calculated on CIF Basis: | | | (Rs.in Lacs) |
|---|---------------|---------|---------------------|
| Particulars | 2015-16 | 2014-15 | |
| Raw Material | 750.66 | 413.77 | |
| Packing Material /Cons. | 12.39 | 5.41 | |
| Finished Goods | 93.21 | Nil | |
| Equipments | 68.94 | Nil | |

| d) Auditor's Remuneration: | | | (Rs.in Lacs) |
|-----------------------------------|------------------|----------|---------------------|
| Particulars | 2015-16 | 2014-15 | |
| Audit Fee | Rs. 12.60 | Rs.12.36 | |

28. Contingent liabilities outstanding as on 31.03.2016 are as under:

a) Foreign Letter of Credit/Inland Letter of Credit/Bank Guarantee issued by Bankers:

| | | | (Rs.in Lacs) |
|-------------|--------------|---------|---------------------|
| Particulars | 2015-16 | 2014-15 | |
| FLC /ILC | Nil | 9.40 | |
| BG | 35.29 | 106.60 | |

Notes on Financial Statements

for the year ended 31.03.2016

- b) Arrears of Cumulative Dividend on cumulative Redeemable Preference Shares amounting to Rs. 71.00 Lacs Previous year (56.80Lacs).
 - c) In respect of Income Tax matters pending before appellate authorities/Tribunal/High Courts which the Company expects to succeed, based on decisions of Tribunals/Courts there is contingent liability amounting to Rs.447.93 Lacs.
 - d) In respect of Sale Tax matters pending before appellate authorities/Tribunal/High Courts which the Company expects to succeed, based on decisions of Tribunals/Courts there is contingent liability amounting to Rs.936.88 Lacs.
 - e) In respect of Service Tax matters pending before appellate authorities/Tribunal which the Company expects to succeed, based on decisions of Tribunals/Courts. There is contingent liability amounting to Rs.163.47 Lacs.
 - f) In respect of Central Excise matters pending before appellate authorities/Tribunal which the Company expects to succeed, based on decisions of Tribunals/Courts. There is contingent liability amounting to Rs.834.19 Lacs.
29. The debtors outstanding as on date of balance sheet aggregating to Rs. 380.33 crores are overdue out of total debtors of Rs.481.98 crores. Such debtor parties are creating disputes regarding quality/prices of materials/near expiry of goods supplied to them. The company is regularly following with these parties for recovery and also through appropriate legal measures. However as a matter of prudence a provision of Rs 101.65 crores has been made in accounts against such debtors which are doubtful of recovery during the financial year as per the company's policy.
30. (i) Loss for the year has increased by Rs. 1392.30 lacs being the stocks written off by the company on account of expired/spoilage of stocks of raw material which was identified by the management during the financial year, being not realizable in normal course of business.
- (ii) Loss for the year has increased by Rs. 2651.82 lacs being the stock of finished goods written off on account of breakage/expiry received back from customers during the year.
- (iii) Further, the management has also identified stocks of finished goods/raw material worth Rs 3897.31 lacs as slow moving/non moving stocks which has not been written off during the financial year. However the value of such stock has been taken at realizable value.
31. The accumulated losses exceeded net worth of the company as on 31.03.2015. In view of this, the company filed reference with BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 during the year.
32. R & D: Company is consistently undertaking Research & Development in new areas of Medicine. The R & D facility of the company is duly recognized by Deptt. of Science & Technology, Govt. of India. Company's team consisting of highly qualified scientists has proven their expertise in various areas of technology development. Expenses on Research phase are charged to Profit and Loss account and Expenses relating to development phase is recognised as an Intangible Asset only if it meets the recognition criteria as laid by AS 26 issued by institute of Chartered Accountant of India on Intangible Assets. These assets are amortised over the useful period of life starting from the year when the asset first meets the recognition criteria. Expenditure on R&D incurred by the Company during the Year is:

Notes on Financial Statements

for the year ended 31.03.2016

| | | (Rs.in Lacs) |
|----|---|--------------|
| a) | Addition in Fixed Assets- Panchkula | Nil |
| b) | Product Technology Exp.- Panchkula as per note no 10 | 154.14 |
| c) | Product Technology Exp.- Other Units | 100.51 |
| d) | Debited to Profit & Loss Account as per note no 25 | 55.54 |
| e) | Depreciation / Amortisation-Panchkula | 148.77 |

The Depreciation/Amortisation related to Research & development are clubbed under respective heads in profit & loss account.

In previous years the revenue expenditure incurred for R&D activities at Panchkula unit which is recognized with DSIR are shown as follows:

| | Under Profit & Loss Account | Product Technology Under development | Total Revenue Expenditure |
|-------------|-----------------------------|--------------------------------------|---------------------------|
| F.Y.2014-15 | 52.09lacs | 167.49 lacs | 219.58 lacs |
| F.Y.2013-14 | 71.58lacs | 222.22 lacs | 293.80 lacs |
| F.Y.2012-13 | 64.67lacs | 196.11 lacs | 260.78 lacs |

33. Segment Reporting

Primary Segment (Business Segments)

The Company operates mainly in the business segment of Pharmaceutical Products, and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and reward.

Secondary Segment (By Geographical Segment)

| | | (Rs.in Lacs) | (Rs. in Lacs) |
|-------|--------------------|-----------------|-----------------|
| S.No. | Particulars | 31.03.2016 | 31.03.2015 |
| (a) | Domestic | 20292.52 | 36496.62 |
| (b) | Export | 9914.66 | 5092.78 |
| | Total Sales | 30207.18 | 41589.40 |

34. The debts of the company including interest were restructured by the corporate debt restructuring cell w.e.f 01.07.2012 under the aegis of Corporate Debt Restructuring Scheme. However due to non compliance of some of the terms and condition of CDR package, the lenders have exited from the CDR mechanism vide letter date 27.01.2016 of CDR-EG cell.
35. (i) The fixed deposits of the company has been restructured by the Company Law Board vide its order dated 30.09.2013 in view of petition CP No, 27.02.2013 filed by the company. As per the scheme approved by the Company Law Board the fixed deposits are now repayable over a period of one to five years from the date of maturity. The effect of reschedulement of fixed deposits has been incorporated in Balance Sheet as per the approved scheme.
- (ii) Interest Accrued on fixed deposit during the year for Rs. 289.93 lacs has not been provided in accounts as the same is ayable to fixed deposit holders at the time of maturity of fixed deposits as per the scheme approved by Company Law Board as mentioned above.

Notes on Financial Statements

for the year ended 31.03.2016

36. In view of the financial crisis being faced by the company, Company is finding difficulties in making payment of dues to the banks/ financial institutions i.e. interest and installments in terms of the CDR package approved by CDR EG vide letter dated 27.12.2012 (CDR scheme withdrawn vide CDR-EG letter dated 27.01.2016).. Hence, accounts pertaining to Cash Credit (CC), Term Loans (TL), Working Capital Term Loans (WCTL), Funded Interest Term Loans (FITL) with some banks have been declared as NPAs by respective banks due to non-payment of dues on time. Such banks have not charged interest on CC,TL, WCTL & FITL accounts post such accounts becoming NPAs. The accrued liability on account of the same amounting to Rs. 111.21 Crore. (Previous Year 85.48 Crore) has not been provided in the books of accounts.
37. Since the company is incurring losses and there is no virtual certainty regarding availability of any future taxable profits in coming financial years, as such in accordance with AS22 (Accounting for Taxes) the company has not recognized deferred tax asset.
38. Advance to KMP include Rs. 383.74 lacs (P/Y NIL) due from directors of the company. Maximum balance outstanding during the year is Rs 383.74 lacs (P/Y NIL).
39. Due to Suspension of activities at Unit I, and II since March 2014 and suspension of activity at Dairy Unit since Aug.2013, There are indication which suggest impairment as per AS-28 issued by ICAI in the value of fixed assets being plant & machinery and other fixed assets of the Company. The management is in the process of getting an impairment study done and this financial impact of the impairment loss, if any, will be accounted for at the material time, when the impairment study will be completed.
40. Balance of Debtors, Creditors and Loan & Advances are subject to Confirmation.
41. **Remittance in Foreign Currency on Account of Dividend:**

The Company has paid dividend in respect of shares held by Non-Residents. Where the amount is also credited to Non-Resident External Account.

| | | 2015-16 | 2014-15 |
|----|--------------------------------------|---------|---------|
| a) | Number of Non-Resident Shareholders | 95 | 93 |
| b) | Number of Equity Shares held by them | 386941 | 348752 |
| c) | Amount of Dividend Paid | Nil | Nil |

42. Earning Per Share (EPS)

- (a) Basic EPS

| S. NO | Particulars | 2015-16 (Rs. In lacs) | 2014-15 (Rs. In lacs) |
|-------|--|--------------------------|--------------------------|
| i) | Profit/Loss after tax (Attributable to ordinary shareholders) | -19994.00 | -14512.76 |
| ii) | Weighted Average number of ordinary Shares (for Basic EPS) | 50346941 Nos. | 50346941 Nos. |
| iii) | Basic EPS/Share of Rs.2/- | Rs.-39.71 | Rs.-28.83 |
| iv) | Diluted EPS/Share of Rs.2/- | Rs. -39.71 | Rs.-28.83 |

Notes on Financial Statements

for the year ended 31.03.2016

43. The company has substantial interest in Ind-Swift Laboratories Ltd (ISLL) where it is holding equity of more than 20%. As per section 129(3) of the Companies Act 2013, where a company has substantial interest in other company, it is required to prepare consolidated accounts in accordance with AS 23 of ICAI. However, since the company is covered under Sick Industrial Companies (Special Provisions) Act 1985 and also has filed reference with BIFR and it is running into financial difficulties, and also the company does not have substantial influence on the operations of ISLL, therefore the consolidated accounts have not been prepared.
44. **Related Party Disclosure**
- (a) List of related parties & their relationship – **As per annexure- 'A'**
- (b) Related party transactions. – **As per annexure- 'B'**

for and on behalf of the Board

AUDITOR'S REPORT

As per separate report of even date

For J.K. JAIN & ASSOCIATES

Chartered Accountants

J.K. JAIN

Partner

Membership No. 083140

S.R.MEHTA

Chairman

ARUN K. SETH

General Manager (Finance & Accounts)

G.MUNJAL

Managing Director & CEO

SIMRAT KAUR

Company Secretary

Place: Chandigarh

Date : 30.05.2016

Annexure to the Notes on Accounts

RELATED PARTY DISCLOSURES

ANNEXURE – 44 'A'

LIST OF RELATED PARTIES AND RELATIONSHIPS

| S.NO. | RELATIONSHIP | NAME OF PARTY |
|-----------|---|---|
| A. | ASSOCIATES | IND SWIFT LABORATORIES LIMITED |
| B | KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES | 1. MR. S.R. MEHTA, CHAIRMAN 2. DR. G. MUNJAL, MANAGING DIRECTOR & CEO 3. DR. V.R. MEHTA, JT. MANAGING DIRECTOR 4. SH. N.R. MUNJAL, VICE CHAIRMAN 5. SH. HIMANSHU JAIN, DIRECTOR 6. SH. RISHAV MEHTA, DIRECTOR 7. MS. SIMRAT KAUR, COMPANY SECRETARY w.e.f. 30 th May 2016 8. MR. ARUN K. SETH, G.M. (F&A) designated as CFO |
| C | OTHERS (ENTITIES IN WHICH KMP OR THEIR RELATIVE IS DIRECTOR, OR KMP OR THEIR RELATIVE EXERCISES CONTROL) | 1. ESSIX BIOSCIENCES LIMITED. 2. HALCYON LIFE SCIENCES PVT LIMITED. 3. FORTUNE INDIA CONSTRUCTION LIMITED. 4. MANSA PRINT & PUBLISHERS LIMITED. 5. SWIFT FUNDAMENTAL RESEARCH & EDUCATION SOCIETY. 6. 3M ADVERTISERS & PUBLISHERS LIMITED.. 7. PUNJAB RENEWABLE ENERGY PVT LIMITED. 8. B. M. COSMED PVT. LIMITED. 9. DASHMESH MEDICARE PRIVATE LIMITED 10. CONSUMMATE PHARMACEUTICALS PRIVATE LIMITED 11. INTEGRAL BUILDCON PRIVATE LIMITED 12. AKJ PORTFOLIOS PVT. LIMITED. 13. NRM PORTFOLIOS PVT LIMITED. 14. SRM PORTFOLIOS PVT LIMITED. 15. GM PORTFOLIOS PVT LIMITED. 16. VRM PORTFOLIOS PVT LIMITED. 17. VKM PORTFOLIOS PVT LIMITED. |

| Annexure 44'B' | | |
|--|----------------------------------|----------------------------------|
| | | (Rs.in lacs) |
| I) Related Party Transaction | FOR THE YEAR ENDED 31.03.2016 | FOR THE YEAR ENDED 31.03.2015 |
| Nature of Transaction | | |
| Purchase of Goods/Services | 621.50 | 1030.81 |
| Sale of Goods/Services | 888.69 | 711.51 |
| Expenses | 292.24 | 96.12 |
| Debit Balance Outstanding as on 31.03.2016 | | |
| Debtors | 0.00 | 209.66 |
| Loan & Advances | 6148.35 | 6161.87 |
| Investments | 4512.33 | 4512.33 |
| Credit Balance Outstanding as on 31.03.2016 | | |
| Share Application Money | 668.10 | 668.10 |
| Creditors | 8366.60 | 8616.50 |
| II) Key Management Personnel | | |
| Remmuneration | 360.43 | 360.50 |
| Advance to Directors | 383.74 | 0 |

Notice

Notice is hereby given that the 30th Annual General Meeting of the members of Ind-Swift Limited will be held on Friday, the 30th September 2016 at 1:00 P.M. at PHD House, Sector 31, Chandigarh to transact the following business:-

ORDINARY BUSINESS:-

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March, 2016, Statement of Profit and Loss for the period ended 31st March, 2016 and the reports of Directors and Auditors Reports thereupon.
2. To appoint Director in place of Dr Gopal Munjal (DIN No. 00005196) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Dr Vikrant Rai Mehta (DIN No. 00010756) who retires by rotation and being eligible, offers himself for re-appointment
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s J K Jain & Associates(Firm Registration No. 004025N), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to examine and audit the accounts of the company for the financial year 2016-17, at such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:-

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s)

thereof, for the time being in force), the remuneration payable to M/s V.Kumar & Associates, Cost Accountants, having Firm Registration No. 100137, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17, amounting to Rs. 2 lakhs (Rupees Two Lakhs only) per annum plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 the draft regulations for management of the Company contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution of and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198, 200 & 201, Schedule V of the companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if applicable, subject to the approval of Central government and subject to all such approvals as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Sh S R Mehta as Whole time director of the Company designated as the Chairman of the Company for a period of 3 (three) years w.e.f 1st April, 2016 on such remuneration and terms and conditions as set out in the Explanatory statement annexed to the notice convening

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this Annual General Meeting as minimum remuneration in case the company has in any financial year no profits or if its profits are inadequate with the liberty to the Board of Directors including any committee thereof (the "Board") to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of The Companies Act, 2013 and Schedule V or any modifications thereto and as may be agreed to by and between the board and Sh S R Mehta. "

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

" **RESOLVED THAT** in accordance with the provisions of Section 196, 197, 198, 200 & 201, Schedule V of the companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if applicable, subject to the approval of Central government and subject to all such approvals as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Dr Gopal Munjal as Whole time director of the Company designated as the Managing Director & CEO of the Company not liable to retire by rotation, for a period of 3 (three) years w.e.f 1st April, 2016 on such remuneration and terms and conditions as set out in the Explanatory statement annexed to the notice convening this Annual general Meeting as minimum remuneration in case the company has in any financial year no profits or if its profits are inadequate with the liberty to the Board of Directors including any committee thereof (the "Board") to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of The Companies Act, 2013 and Schedule V or any modifications thereto and as may be agreed to by and between the board and Dr Gopal Munjal. "

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

" **RESOLVED THAT** in accordance with the provisions of Section 196, 197, 198, 200 & 201, Schedule V of the companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if applicable, subject to the approval of Central government

and subject to all such approvals as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Dr Vikrant Rai Mehta as Whole time director of the Company designated as the Joint Managing Director of the Company not liable to retire by rotation, for a period of 3 (three) years w.e.f 1st April, 2016 on such remuneration and terms and conditions as set out in the Explanatory statement annexed to the notice convening this Annual general Meeting as minimum remuneration in case the company has in any financial year no profits or if its profits are inadequate with the liberty to the Board of Directors including any committee thereof (the "Board") to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of The Companies Act, 2013 and Schedule V or any modifications thereto and as may be agreed to by and between the board and Dr Vikrant Rai Mehta. "

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect Item Nos 05-09 is annexed hereto and forms part of this notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A form of Proxy and Admission Slip is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
4. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

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5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.
6. The Register of Contracts or Arrangements, in which Directors are interested, maintained under Section 189 of the Companies Act 2013, will be available for inspection by the members at the Meeting.
7. The Register of Members and Share Transfer Books will remain closed from Thursday, 22nd September 2016 to Friday 30th September 2016 (both days inclusive) for the purpose of Annual General Meeting.
8. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of Registrar & Share Transfer Agent (RTA) viz. M/s Alankit Assignments Limited, 2-E/21, Jhandewalan Extension, New Delhi-110055. For contact details, of the RTA's, please refer to Corporate Governance Report in the Annual Report.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, NECS, ECS, mandates, power of attorney, change of address/name/email address(es), etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will automatically get reflected in the Company's records which will help the Company and its Registrar and Transfer Agents to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise such changes to the Company's RTA's.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's RTA's for assistance in this regard.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA's, for consolidation into a single folio.
12. Members attending the Annual General Meeting are requested to bring their copies of Annual Report along with the duly filled attendance slip as no copy of Annual Report will be distributed there.
13. The members who are interested to avail of nomination facility may obtain the necessary application from the Share Transfer Agents.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
15. Non-Resident Indian Members are requested to inform RTA immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. The queries, if any, on the Annual Report should be sent to the Company at its registered office in such a way that the Company will receive the same at least 7 (seven) days before the Annual General Meeting.
17. As required under Clause 49 of the Listing Agreement with the stock exchanges, the relevant details of persons seeking appointment / reappointment as directors are furnished in the Annual Report.
18. All documents proposed for approval, if any, in the above Notice and documents specifically stated to be open for inspection in the Explanatory Statement are open for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date

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of announcement of the results.

19. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with your Depository Participants to enable us to send you the communications via email.
20. **General instructions for e-voting** - As mandated by SEBI, the Company has extended the facility for e-voting to its shareholders in respect of all the items placed for consideration at the AGM. The complete details of the instructions for e- voting are annexed to this notice.

On behalf of the Board of Directors

Simrat Kaur

Company Secretary & Compliance Officer

Place: Chandigarh

Date: 03.09.2016

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

For Item No. 5

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company shall appoint an individual who is a cost accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on 30-05-2016, the Board of Directors of the Company has considered and approved appointment of M/S V.Kumar & Associates, Cost Accountants, for the conduct of the Cost Audit of the Company at a remuneration of Rs. 2 Lacs per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the Financial Year 2016-17.

The resolution at Item No. 4 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise in passing of the said resolution.

For Item No. 6

The existing Articles of Association (existing AOA) of the Company are based on the Companies Act, 1956 and several Articles therein contain references to specific sections of the Companies Act, 1956. With most of the provisions of the Act having been made applicable with effect from 1st April, 2014 or even earlier, certain Articles contained in the existing AOA are no longer in conformity with the new provisions of the Act and therefore required to be deleted. Similarly, certain new provisions of the Act are required to be inserted in the existing AOA.

In view of above, it is considered expedient to wholly replace the existing AOA by amended Articles (new AOA), based on Table F of Schedule I to the Act, providing for a model Articles of Association for a company limited by shares as well as various other provisions of the Act. Some of the new provisions in the new AOA regulations included in the draft new AOA, inter alia, are as follows:

- a. Service of documents to the Company by Electronic or other mode as may be prescribed apart from sending the same by registered post or speed post or courier.
- b. Notices for the General Meeting, Annual Report, Circular etc. may be sent through Electronic Mode.
- c. Voting through Electronic Means as well as by Postal Ballot.
- d. Maintenance of Books and Records as well as various Registers required to be maintained under the Act in the Electronic Forms and Inspection thereof in the manner permitted by the Act.
- e. Provision for Appointment of Key Managerial Personnel viz. Chief Executive officer (CEO) and Chief Financial Officer (CFO) apart from appointment of Managing Director and Company Secretary.

The existing AOA and the draft new AOA shall be kept open for inspection by any Member of the Company during the usual business hours viz. 10.00 AM to 5.00 PM on any working day till

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the date of the Annual General Meeting.

The Directors recommend the Special Resolutions set out in this regard in the Notice for approval by the Members.

None of the Directors or other Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Special Resolutions.

For Item No. 7

Since the term of Sh. S.R.Mehta expired on 31st March 2016, it is proposed to re-appoint him as Executive Director designated as Chairman for a period of three years w.e.f. 1st April 2016 on the same terms and conditions including remuneration subject to the necessary approvals of the shareholders and Central Government.

A. REMUNERATION

Salary: Minimum Rs.10,00,000/- per month subject to the maximum of Rs.50,00,000/- per month with liberty to the Board to review and set the level from time to time.

B. Perquisites and allowances

1. Fully furnished rent free accommodation/ House.
2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
3. Leave Travel Assistance - As per rules of the Company.
4. Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance, Pension Scheme for such amount as may be considered appropriate by the Board.
5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service.
8. Leave encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service
9. Conveyance - The Company shall provide one fully insured cars with driver and reimbursement of the operational expenses.
10. Telephone, Telefax and other communication facilities.
11. Security - The Company shall provide for round the clock security at the Director's residence.
12. Pension- The appointee or his nominees shall be entitled to receive 50% of the last drawn monthly salary as monthly pension in case of superannuation or in case of death during the tenure of appointment.

A. OTHER

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the company without the prior approval of the Central Government

The above mentioned remuneration payable to Sh. S.R.Mehta, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act, 2013, hence the special resolution is proposed for the approval of Shareholders and the Central Government. The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at item no.7 is annexed hereto as **Annexure-A**.

The said remuneration to Mr. S.R. Mehta is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Chairman of the Company. The Board recommends acceptance of the resolution for his e-appointment.

Except Sh S.R. Mehta, Dr. Vikrant Rai Mehta and Sh. Rishav

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Mehta, none of the other Director is interested in the Resolution

For Item No. 8

Since the term of Dr Gopal Munjal expired on 31st March 2016, it is proposed to re-appoint him as Executive Director designated as Managing Director & CEO for a period of three years w.e.f. 1st April 2016 on the same terms and conditions including remuneration subject to the necessary approvals of the shareholders and Central Government.

A. REMUNERATION

Salary: Minimum Rs.10,00,000/- per month subject to the maximum of Rs.50,00,000/- per month with liberty to the Board to review and set the level from time to time.

B. Perquisites and allowances

1. Fully furnished rent free accommodation/ House.
2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
3. Leave Travel Assistance - As per rules of the Company.
4. Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance, Pension Scheme for such amount as may be considered appropriate by the Board.
5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
7. Gratuity – Up to half a month's salary for each completed year of service.
8. Leave encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service
9. Conveyance - The Company shall provide one fully insured cars with driver and reimbursement of the operational expenses.
10. Telephone, Telefax and other communication facilities.

11. Security - The Company shall provide for round the clock security at the Director's residence.
12. Pension- The appointee or his nominees shall be entitled to receive 50% of the last drawn monthly salary as monthly pension in case of superannuation or in case of death during the tenure of appointment.

B. OTHER

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the company without the prior approval of the Central Government

The above mentioned remuneration payable to Dr Gopal Munjal, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act, 2013, hence the special resolution is proposed for the approval of Shareholders and the Central Government. The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at item no.8 is annexed hereto as **Annexure-A**.

The said remuneration to Dr Gopal Munjal is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Managing Director & CEO of the Company. The Board recommends acceptance of the resolution for his re-appointment.

Except Dr Gopal Munjal and Sh. N R Munjal, none of the other Director is interested in the Resolution

For Item No. 9

Since the term of Dr Vikrant Rai Mehta expired on 31st March 2016, it is proposed to re-appoint him as Executive Director designated as Joint Managing Director for a period of three years w.e.f. 1st April 2016 on the same terms and conditions including remuneration subject to the necessary approvals of the shareholders and Central Government.

A. REMUNERATION

Salary: Minimum Rs.10,00,000/- per month subject to the maximum of Rs.50,00,000/- per month with liberty to the Board

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to review and set the level from time to time.

B. Perquisites and allowances

1. Fully furnished rent free accommodation/ House.
2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
3. Leave Travel Assistance - As per rules of the Company.
4. Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance, Pension Scheme for such amount as may be considered appropriate by the Board.
5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
7. Gratuity - Upto half a month's salary for each completed year of service.
8. Leave encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service
9. Conveyance - The Company shall provide one fully insured cars with driver and reimbursement of the operational expenses.
10. Telephone, Telefax and other communication facilities.
11. Security - The Company shall provide for round the clock security at the Director's residence.
12. Pension- The appointee or his nominees shall be entitled to receive 50% of the last drawn monthly salary as monthly pension in case of superannuation or in case of death during the tenure of appointment.

C. OTHER

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or

Committees thereof.

2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the company without the prior approval of the Central Government

The above mentioned remuneration payable to Dr Vikrant Rai Mehta, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act, 2013, hence the special resolution is proposed for the approval of Shareholders and the Central Government. The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at item no. 9 is annexed hereto as **Annexure-A**.

The said remuneration to Dr Vikrant Rai Mehta is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Joint Managing Director of the Company. The Board recommends acceptance of the resolution for his re-appointment.

Except Sh S.R. Mehta, Dr. Vikrant Rai Mehta and Sh. Rishav Mehta, none of the other Director is interested in the Resolution.

Annexure-A

Statement as required under Clauses (iv) of Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no(s). 7, 8 and 9 are as follows:

I. General Information: -

- (1) **Nature of Industry:** Pharmaceuticals
- (2) **Date or expected date of commencement of commercial production:** Existing Company already commenced from 1986.
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. :** Existing Company, not applicable.
- (4) **Financial performance based on given indicators:**

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| (Rs. in Lacs) | | | | |
|---------------|------------------------------|--|--|--|
| Sr. No. | Particulars | Audited Figure for 12 months period ended 31.03.2016 | Audited Figure for 12 months period ended 31.03.2015 | Audited Figure for 12 months period ended 31.03.2014 |
| 1. | Turnover & Other Income | 31683.79 | 41903.32 | 58260.08 |
| 2. | Profit/(Loss) before tax | (19976.54) | (14735.67) | (12433.71) |
| 3. | Net Profit/(Loss) | (19994.00) | (14512.76) | (11556.33) |
| 4. | Paid-up Equity Share Capital | 1006.94 | 1006.94 | 1006.94 |
| 5. | Reserves & Surplus | (27043.06) | (7045.02) | 7743.16 |

(5) Export performance and net foreign exchange collaborations: During the period ended 31st March, 2016, the foreign exchange earnings of the company were Rs. 1,00,94,11,283.

(6) Foreign Investment of Collaborators, if any: Nil

II. (a) Information about the Appointee Sh S R Mehta.

1. Background details:

Shri Sanjeev Rai Mehta, a science graduate by qualification. A highly respected member of Industry and Business. Shri Sanjeev Rai Mehta has been associated with Ind-Swift Ltd. since inception and is currently the Chairman of the Company plays an active role in the affairs of the company related to marketing and implementation of growth strategy.

He is also involved in the long term strategy formulation of the Ind Swift Group and has been instrumental in enabling the group to diversify and expand its presence with the industry as a leading manufacturer of APIs & generic formulations..

2. Past Remuneration:

| Financial Years | Amount (In Lacs) |
|-----------------|------------------|
| 2015-16 | 120.00 |
| 2014-15 | 120.00 |
| 2013-14 | 120.00 |

3. Recognition or awards: NIL

4. Job profile and his suitability: Mr. S.R.Mehta Chairman

of Ind- Swift Group plays an active role in the affairs of the company related to marketing and implementation of growth strategy. He is also involved in the long term strategy formulation of the Ind Swift Group and has been instrumental in enabling the group to diversify and expand its presence with the industry as a leading manufacturer of APIs & generic formulations.

5. Remuneration proposed: As stated in the Explanatory Statement at Item No.7 of the Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Remuneration as proposed of Mr. S.R.Mehta is comparable to that drawn by the peers, in the similar capacity, in the similar industry and commensurates with the size of the Company and diverse nature of its businesses

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Sh S.R.Mehta is a Promoter-Director, holding 20,35,871 equity shares of Re.2/- each representing 4.04% of the total paid-up capital of the Company.

b) Information about the Appointee Dr. Gopal Munjal

1. Background details: Dr. Gopal Munjal is a Medical Graduate, associated with Pharmaceutical Industry for the last 25 years. In 1986, he promoted Ind-Swift Ltd., and since then headed marketing and product development positions.

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2. Past Remuneration:

| Financial Years | Amount (In Lacs) |
|-----------------|------------------|
| 2015-16 | 120.00 |
| 2014-15 | 120.00 |
| 2013-14 | 120.00 |

3. Recognition or awards: He is co-chairman of PHD. Chamber of commerce (H.P.) and managing committee member of PHDCCI & ASSOCHAM.

4. Job profile and his suitability: Dr. Gopal Munjal, Managing Director & CEO has been entrusted with substantial powers of the management of the business and affairs of the Company. The Company has been substantially benefitted by his professional knowledge and managerial expertise and has made enormous progress. Dr. Gopal Munjal plays a major role in providing thought leadership and strategic inputs to the Company.

5. Remuneration proposed: As stated in the Explanatory Statement at Item No.8 of the Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Remuneration as proposed of Dr. Gopal Munjal is comparable to that drawn by the peers, in the similar capacity, in the similar industry and commensurates with the size of the Company and diverse nature of its businesses

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Dr. Gopal Munjal is a Promoter-Director, holding 19,57,199 equity shares of Re.2/- each representing 3.89% of the total paid-up capital of the Company.

c) Information about the Appointee Dr. V.R.Mehta

1. Background details:

He is a post Graduate having an experience of twenty-nine (29) years in the Pharmaceutical Industry. He has worked with Multinational pharmaceutical Companies at various levels. He has been the Whole Time Director in Ind-Swift Limited and has

an active role in production management and development of new generic products.

2. Past Remuneration:

| Financial Years | Amount (In Lacs) |
|-----------------|------------------|
| 2015-16 | 120.00 |
| 2014-15 | 120.00 |
| 2013-14 | 120.00 |

3. Recognition or awards: Nil

4. Job profile and his suitability: Dr. V.R.Mehta is playing active role in marketing management and development of new generic products. He is also heading the newly formed Dairy Division of the company. He is instrumental in the development of the Company and for maintaining cordial atmosphere and relationship.

5. Remuneration proposed: As stated in the Explanatory Statement at Item No.9 of the Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Remuneration as proposed of Dr. V.R.Mehta is comparable to that drawn by the peers, in the similar capacity, in the similar industry and commensurates with the size of the Company and diverse nature of its businesses.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Dr. V.R.Mehta is a Promoter-Director, holding 19,21,361 equity shares of Re.2/- each representing 3.82% of the total paid-up capital of the Company.

III. Other information:

1. Reasons of loss or inadequate profits: During period under review, the profitability of the Company has declined, mainly due to high level of finished stock, slow movement of inventory, clearance of stocks at lower prices, low margins from generic products and increase in finance cost due to increase in rate of interests.

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2. Steps taken or proposed to be taken for improvement:

The Company proposed to emphasize on sale of its ethnic products in the domestic market while its global business unit will push generic products in overseas markets. The company will also ensure strict financial discipline, realization of outstanding debtors and gradual reduction of high cost debts.

3. Expected increase in productivity and profits in measurable terms:

In view of the facts stated above it is difficult to forecast the productivity and profitability in measurable terms. However the company expects that the productivity and profitability may improve and would be comparable with the industry average.

IV. Disclosures:

1. Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above.
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Company.

SHAREHOLDERS INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th September 2016 at 10.00 a.m. and ends on 29th September 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website www.evotingindia.com

during the voting period

- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---------------|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. |
| Details | <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

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- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Note for Institutional Shareholders

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

On behalf of the Board of Directors

Simrat Kaur
Company Secretary & Compliance Officer

Place: Chandigarh
Date: 03.09.2016

[illegible]

ATTENDANCE SLIP



Ind-Swift Ltd

Regd Off: 781, INDUSTRIAL AREA, PHASE II, CHANDIGARH-160101

CIN NO: L24230CH1986PLC006897

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slip at the Venue of the meeting.

| | |
|--------|--|
| DP Id* | |
|--------|--|

| | |
|-----------|--|
| Folio No. | |
|-----------|--|

| | |
|------------|--|
| Client Id* | |
|------------|--|

| | |
|---------------|--|
| No. of Shares | |
|---------------|--|

NAME AND ADDRESS OF THE SHAREHOLDER _____

Please register/ update my/ our under mentioned E-mail ID for sending all future Company's correspondence:

E-mail ID _____ Shareholder(s) Signature _____

I hereby record my presence at the **30th ANNUAL GENERAL MEETING** of the Company held on **Friday, September 30, 2016 at 01:00 PM at PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh-160031.**

**Applicable for investor holding shares in electronic form.*

Signature of Shareholder / Proxy

**MEMBERS / PROXY HOLDERS ARE REQUESTED TO BRING THEIR ID PROOFS FOR VERIFICATION.
NO REQUESTS FOR ADMISSION WILL BE ENTERTAINED WITHOUT VALID ID PROOF**

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]



Ind-Swift Ltd

Regd Off: 781, INDUSTRIAL AREA, PHASE II, CHANDIGARH-160101

CIN NO: L24230CH1986PLC006897

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slip at the Venue of the meeting.

| | | | |
|---|--|---|--|
| Name of the member(s): Registered address: | | e-mail Id: Folio No/*Client Id: *DP Id: | |
|---|--|---|--|

I/We, being the member(s) of _____ shares of Ind Swift Limited, hereby appoint:

- 1).....of.....having e-mail id.....or failing him
- 2).....of.....having e-mail id.....or failing him
- 3).....of.....having e-mail id.....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **30TH ANNUAL GENERAL MEETING** of the Company, to be held on **Friday, September 30, 2016 at 01:00 PM at PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh-160031** and at any adjournment thereof in respect of such resolutions as are indicated below:

| S.No. | Resolutions |
|-------|---|
| | Ordinary Business |
| 1. | Receive, consider and adopt the financial statement of the Company for the year ended 31 st March, 2016 and the report of the Auditor and Directors thereon. |
| 2. | Re-appointment of Dr Gopal Munjal, Director who retire by rotation |
| 3. | Re-appointment of Dr Vikrant Rai Mehta, Director who retire by rotation |
| 4. | Appointment of Auditor and fixing their Remuneration |
| | Special Business |
| 5. | Approval of remuneration of Cost Auditors for the Financial year 2015-16 |
| 6. | Alteration of Articles of Association |
| 7. | Re-appointment of Sh Sanjeev Rai Mehta as Executive Director, Designated as Chairman of the Company |
| 8. | Re-appointment of Dr Gopal Munjal as Managing Director & CEO of the Company |
| 9. | Re-appointment of Dr Vikrant Rai Mehta as Joint Managing Director of the Company |

Signed this.....day of2016

.....
Signature of shareholder

**Affix
Revenue
Stamp**

.....
Signature of first proxy holder

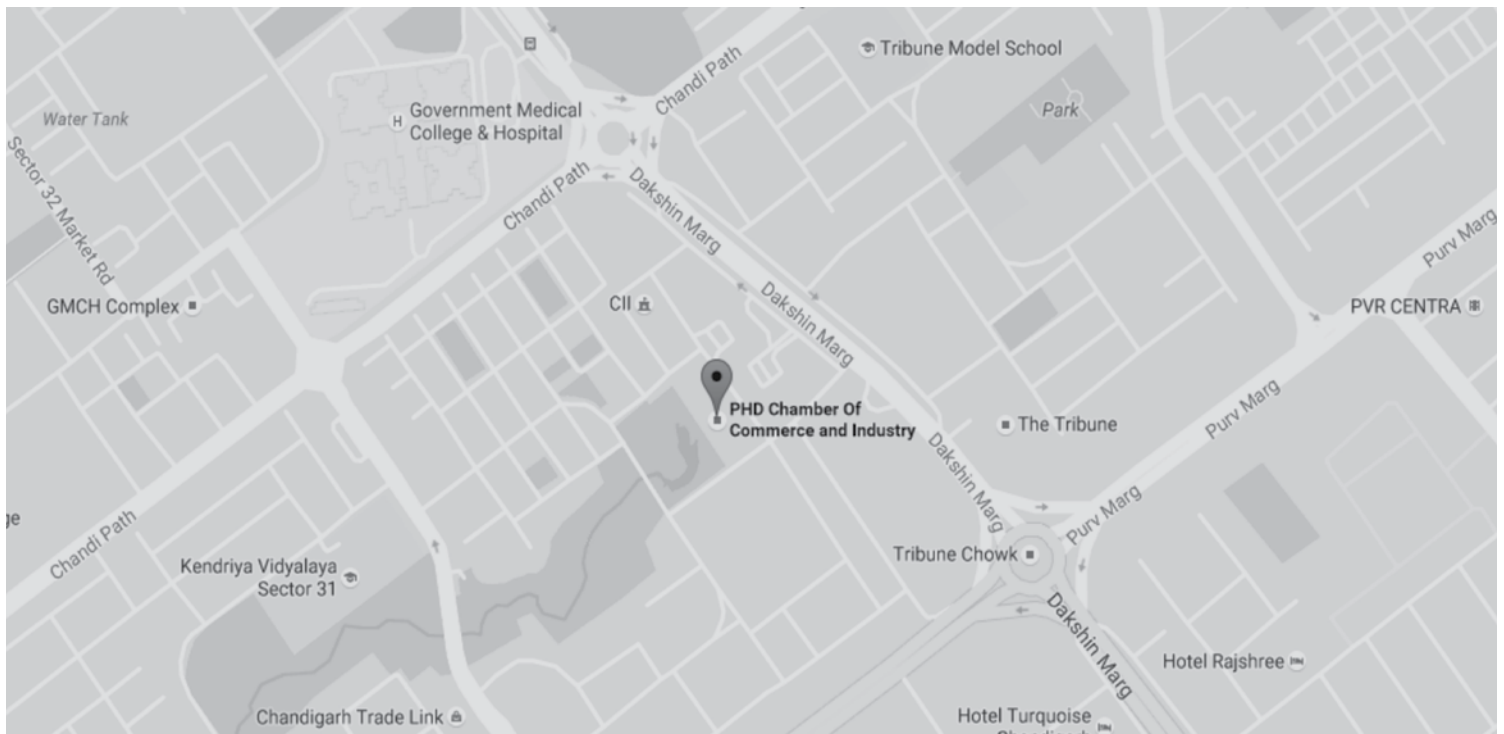
.....
Signature of second proxy holder

.....
Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**MEMBERS / PROXY HOLDERS ARE REQUESTED TO BRING THEIR ID PROOFS FOR VERIFICATION.
NO REQUESTS FOR ADMISSION WILL BE ENTERTAINED WITHOUT VALID ID PROOF**

Route Map for the 30th Annual General Meeting of Ind-Swift Limited to be held on Friday, the 30th Day of September, 2016 at 1:00 P.M. at PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh-160031





Ind-Swift

An ISO 9001:2008 Company

Corporate Location:



Ind-Swift Limited

781, Industrial Area Phase-II, Chandigarh - 160 022 INDIA

Ph.: +91-172-263 8781-2638786, Fax: +91-172-2652242/265 5406

e mail: corporate@indswift.com

Committing highest standards of ethics & integrity ...because life is precious.