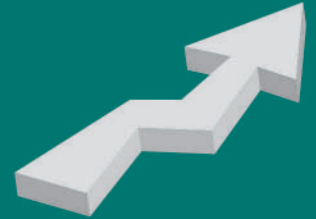


2021 - 2022

# ANNUAL ₹EPORT

Ind-Swift Limited



Committing highest  
standards of ethics  
& integrity



**Ind-Swift**

Because Life is Precious



Ind-Swift Ltd.



Because Life is Precious...

## TABLE OF CONTENTS

CORPORATE INFORMATION	02	
CHAIRMAN'S MESSAGE	03	
MANAGING DIRECTOR & CEO'S MESSAGE	05	
MANAGEMENT DISCUSSION & ANALYSIS REPORT	07	
DIRECTOR'S REPORT	10	
ANNEXURES TO THE DIRECTOR'S REPORT	19	
REPORT ON CORPORATE GOVERNANCE	25	
ANNEXURES TO CORPORATE GOVERNANCE REPORT	50	
INDEPENDENT AUDITOR'S REPORT	54	
BALANCE SHEET	65	
STATEMENT OF PROFIT & LOSS ACCOUNT	67	
CASH FLOW STATEMENT	70	
SIGNIFICANT ACCOUNTING POLICIES	72	
NOTES ON FINANCIAL STATEMENTS	79	
NOTICE	102	

## CORPORATE INFORMATION

**Mr. S. R. Mehta**  
Executive Chairman

**Dr. Gopal Munjal**  
Managing Director & CEO

**Dr. V.R. Mehta**  
Joint Managing Director

**Mr. N. R. Munjal**  
Non-Executive Director

**Mr. Himanshu Jain**  
Non-Executive Director

**Mr. Rishav Mehta**  
Non-Executive Director

**Mr. S.P Sharma**  
Independent Director

**Dr. V.K. Arora**  
Independent Director

**Mr. S.C Galhotra**  
Independent Director

**Ms. Anoop Michra**  
Independent Director

**Mr. Jagvir Singh Ahluwalia**  
Independent Director

**Mr. Bhupinder Singh**  
Independent Director  
(Appointed w.e.f 23<sup>rd</sup> June, 2022)

**Mr. Arun K. Seth**  
Chief Financial Officer

**Ms. Ginny Uppal**  
Company Secretary &  
Compliance Officer  
(Appointed w.e.f 30<sup>th</sup> May, 2022)

**Corporate Identity Number**  
L24230CH1986PLC006897

**Statutory Auditors**  
**Jain & Associates**  
Chartered Accountants  
#2848, Ground Floor,  
Sector 38-C,  
Chandigarh 160 012

**Internal Auditors**  
**Avishkar Singhal & Associates**  
Chartered Accountants  
SCO 2413-14, IIInd Floor, Sector  
22-C, Chandigarh – 160022

**Secretarial Auditors**  
**Vishal Arora**  
Company Secretary  
House No. 651, Sector-8B,  
Chandigarh

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

**Registrar & Share Transfer Agents**  
**M/s Alankit Assignments Limited**  
4E/2, Jhandewalan Extension,  
New Delhi- 110 055  
E-mail: info@alankit.com  
Website: www.alankit.com

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

**R&D Centre**  
123, Industrial Area I,  
Panchkula 134109 (Haryana)

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

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

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

**(Global Business Unit)**  
Village Jawaharpur,  
Teh. Dera Bassi (Punjab)

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

# MESSAGE FROM THE CHAIRMAN

## Dear Shareholders,

In the year 2021-22, the Indian economy continued to face sustained headwinds due to the COVID-19 pandemic. The pandemic posed a multitude of challenges this year. However, your Company's workforce, worked round the clock to fulfill the rise in demand for our key products. In responding to these challenges, your Company was guided by its core principles while maintaining sustainable operations.

The nation continued to recover from the pandemic, albeit interrupted by a dangerous second and third wave of infections. However, the silver lining is that the economic activity has gradually started to edge towards normalcy. Being a part of the pharmaceutical industry we are contributing to fight the pandemic since its outbreak and we will continue to do our part in helping the community.

According to the International Monetary Fund (IMF) forecasts, India is expected to be amongst the fastest growing economies in 2022. While the global macro environment has been volatile, your company remained relatively insulated in its markets of operation, which is evident from the increase in our export sales this year.

## Market Size

The Pharma sector has been a notable contributor to the Indian economy post covid. According to the Indian economic survey, the country globally ranks 3rd in terms of volume and 14th largest by value. Indian pharmaceutical sector supplies over 50% of the global demand for various vaccines, 40% of the generic demand for the US and 25% of all medicines



**Sh. S.R. Mehta**  
Chairman

for the UK. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3 times in the next decade. India's domestic pharmaceutical market is at USD 42 billion in 2021 and likely to reach USD 65 billion by 2024 and further expand to reach USD 120-130 billion by 2030. In terms of overall revenue, the Indian pharmaceutical market increased by 13.9% in January 2022.

With respect to exports, India is the 12th largest exporter of medical goods in the world. As of May 2021, India supplied a total of Rs. 586.4 Lakh COVID-19 vaccines to 71 countries. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. The Indian pharmaceutical exports, including bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached USD 24.44 billion in FY21. Indian pharmaceutical exports stood at USD 24.44 billion in FY21 and USD 22.21 billion in FY22 (until February 2022).

## Government Initiatives

Pharma Vision 2020' by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached USD 1.206 billion between April-December 2021.



## MESSAGE FROM **THE CHAIRMAN**

In FY21, North America was the largest market for India's pharma exports with a 34% share and exports to the U.S., Canada, and Mexico recorded a growth of 12.6%, 30% and 21.4%, respectively. To achieve self-reliance and minimise import dependency on the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (USD 951.27 million) from FY21 to FY30. In June 2021, Finance Minister Ms. Nirmala Sitharaman announced an additional outlay of Rs. 1,97,000 crore (USD 26,578.3 million) that will be utilised over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.

The Union Budget 2022-23, the government allocated Rs. 37,000 crore (USD 4.83 billion) to the 'National Health Mission'. India plans to set up a nearly Rs. 1 lakh crore (USD 1.3 billion) fund to provide a boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

### **Our Performance**

The year that went by was challenging for most of us with continued disruptions in pricing and supply chain. But despite these trials, we, at Ind-Swift Limited, were able to deliver better results than last year. Our responsiveness to capture opportunities while constantly evolving our offerings has helped us become a trusted and dedicated partner of our customers, clients and end-users.

During financial year 2021-22, your company earned total revenue of Rs. 391.30 crores against revenue of Rs. 352.16 crores in the previous Financial Year, thus registering an increase of 11.11%. The Company has primarily focused on increasing the exports and achieved export turnover of

Rs. 293.19 crores against Rs. 264.27 crores in the previous Financial Year, resulting in an increase of 10.94% in exports of the Company. During the year Company earned an EBITDA of Rs. 59.32 crores as compared to Rs. 61.38 crores in the previous financial year. During the year company incurred net losses of Rs. 20.33 crores against losses of Rs. 28.28 crores during the previous financial year.

I would like to re-affirm that in the coming years the management's focus will be on making the Company debt free by retiring/takeover of all the existing debts to reduce the financial burden from the Company. The Company would also strengthen its product mix to focus on the niche products, which will increase our market presence and will have positive impact on the working of the Company with presence across India and in International market.

### **Road ahead**

While the impact of the pandemic will still continue and we shall be operating in a highly dynamic environment, your Company will continue to focus on sharpening commercial execution and cost discipline for our key products. I remain confident that the global pharmaceutical industry will provide several opportunities of growth to us.

I would like to take this opportunity to place on record my immense gratitude to our employees who have risen to the challenges every time and help us deliver consistently. I also thank every stakeholder who has conferred their trust and faith in us and look forward to the continued patronage and long term association in our journey to achieve accelerated growth.

On behalf of the Board and management team, I would want to extend my deep appreciation to our shareholders whose confidence, trust and belief have been essential to our success over the years.

With regards

**S.R. Mehta**  
**Chairman**

# MESSAGE FROM MD & CEO

## Dear Shareholders,

It gives me immense pleasure to present the Annual Report for FY 2021-22 to you.

## Review of FY 2021-22

The year under review continued to test organizations, communities and individuals on account of pandemic induced disruptions and the start of the Russia-Ukraine war in Q4 of FY22 set the stage for all-round commodity price volatility which significantly affected margins and profitability. However, the Indian pharmaceuticals market witnessed a parallel recovery along with GDP growth and we are optimistic about the prospects of our long term growth owing to increasing accessibility and expanding health infrastructure across the country.

The primary message that the management seeks to convey to its stakeholders is that despite various challenges, your Company not only continued to serve its customers globally but also strengthened the business with a future-facing focus that enhanced its readiness to service the preventive health requirements of the world.

## Financial Performance

Despite challenges, not least the impact of the pandemic as well as other macroeconomic factors, our teams remained strong, productive and committed to our customers, delivering exemplary performance. In consensus with our long-term growth trajectory, your Company earned total revenues of Rs. 397.71 Crores against Rs. 356.05 Crores in previous FY leading to a growth of more than 11%. During the year, your Company earned an EBIDTA of Rs. 59.32



Dr. Gopal Munjal  
Managing Director & CEO

Crores as against Rs. 61.38 Crores in previous FY leading to a decrease; this was due to lower gain on foreign currency transactions and increase in staff cost and other expenses. During the FY 2021-22, the Company incurred net losses of Rs. 20.33 Crores as compared to losses of Rs. 28.28 Crores in the previous financial year. Your company was able to reduce its net losses mainly owing to its pioneering marketing strategies which led to enhancement in export business.

To reduce the burden of finance cost on the Company, the management is focusing on making the Company debt free by retiring/takeover of all the existing debts.

## Export

On Export front, the Company continued to perform well by registering sales of Rs. 293.19 Crores as compared to Rs. 264.27 Crores in the previous financial year leading to a growth of 10.94%.

Our Global Business Unit (ISL-GBU), commissioned in 2006, caters exclusively to the demand of the international markets for finished dosage forms. Products from GBU are now available in many countries of EU, Australia, Canada, Central & Latin America, Asia, CIS and Africa-including South Africa. Apart from this in the semi regulated markets,

## MESSAGE FROM MD & CEO

we have successfully launched our own branded Generic in countries like Tanzania, Kenya, Ethiopia & UAE. With a view to expanding our reach in the markets of GCC Countries, your company has launched its finished dosages products in the markets of Qatar. Your company has also recently set up a wholly owned subsidiary in the Republic of Kenya with the view to promote its products in Kenya and to expand our global reach. Today your company has over 400 marketing authorizations and more than 300 under registration dossiers spread across Africa, South East Asia, Central & Latin America, GCC & CIS region. Our aim is to strengthen our range of Antihypertensive, Cardia, Diabetic segment globally.

### Domestic

The complex and dynamic environment caused due to the Covid-19 pandemic posed various challenges before us but it also provided us with opportunities to create value through our innovative and responsive strategies, thereby helping us increase the domestic sales of our key products. The domestic sales of the Company increased to Rs. 98.10 Crores in FY 2021-22 as compared to Rs. 87.88 Crores in previous financial year, thereby registering an increase of more than 11%. In the domestic market, your Company has a strong presence in the Gynecology & Peadiatric segment & now trying to re-establish itself into Cardia, Diabetic & Anti-infective market through its Nova Division. Your Company is also into Herbal/OTC segment. Our key domestic products viz. Vitamin-C, Calcium & Zinc & in G.I. segment have always been giving good results.

Although your company was already selling more than 50 products in the Over the Counter (OTC) medicines segment through its various divisions, in the year 2021 your company has established a separate OTC division and has launched 2 products being, Stevia (natural sweetener) and Hangover (helps avoid alcoholic hangover), which will lead to increase in revenue in the coming years. The market size of the natural sweetener segment and the alcoholic hangover cure segment is Rs. 2,000 crore and Rs. 350 crores respectively, with a growth rate of 14%. Currently, your company is marketing these products only through the digital media and soon your company plans to market them through all advertising platforms as well.

### Research & Development

The Indian pharmaceutical industry is one of the most highly regulated industries, with the government enforcing strenuous quality standards to safeguard public health. The

industry has transformed over the last decade due to the continuous advancements in technology and research, and it is estimated to witness rapid development and evolution in the coming times.

Your Company is giving full thrust on Research & Development (R&D), to transform the organization in to an innovative Company. Our R&D centre is backed by world-class scientific talent, cutting-edge infrastructure, and highly trained regulatory and intellectual property teams. Over the next few years our aim is to transform the organization to an innovative Company by once again giving full thrust on R&D and generate maximum revenue from an innovative portfolio.

### Looking Ahead

Greater access to healthcare and medications is expected to boost pharmaceutical consumption in emerging markets. Approximately 75% of our revenue comes from exports however, with increased healthcare access and the government's initiative to boost the pharmaceutical manufacturing; we are focusing on increasing our presence in the domestic market as well.

We will be constantly enhancing our research and development capabilities to create high-quality products for patient needs across the globe. Our ability to leverage knowledge and expertise enables us to maintain a consistent momentum of supplying our products in both developed and emerging markets. We have been building an inclusive workplace that is invested in the overall growth and development of employees. We are creating the right environment to foster leadership, promote diversity, accountability, and equality in the organization. Going forward we must adapt to new and uncertain market conditions, and keep revisiting our strategies ahead of the competition.

Finally on behalf of the Board, I would like to thank every stakeholder of Ind Swift for their efforts, contributions and constant support. Your support goes a long way in inspiring us to deliver business brilliance and a strong financial performance. We look forward for your continued support in the future as well.

With regards

**Dr. Gopal Munjal**  
Managing Director & CEO



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### GLOBAL PHARMACEUTICAL INDUSTRY STRUCTURE AND DEVELOPMENTS:

The year 2021 has been another difficult year owing to the continuing and pervasive impact of COVID-19 pandemic, especially with the advent of new variants which caused significant challenges. Moreover, the conflict between Russia and Ukraine exacerbated the supply chain crisis and already high inflation levels.

The global prospects however, started improving from the latter half of year 2021. A large part of the world's population got vaccinated in FY 2021-22, which boosted consumer confidence and increased economic activities. The pandemic has been the most impactful global public health crisis in decades, and yet it has illustrated the resilience of global health systems as they have readily adapted to the demands. The global pharmaceutical market was valued at US\$ 1.4 trillion in 2021, and is expected to grow at a CAGR of 3-6% in the next five years, reaching a market size of US\$ 1.8 trillion by 2026.

Despite the impact of the pandemic, the unprecedented collective policy efforts by governments and central banks, paired with the resilience and innovations of private enterprises, have helped minimise lasting economic, psychological and physical damage across the world. While the direction of the Russia-Ukraine crisis remains uncertain, its impact on the global economy will remain.

### INDIAN PHARMACEUTICAL INDUSTRY

Indian pharmaceutical industry is known for its generic medicines, accounting for 20% of the worldwide supply by volume, and also, the world's leading vaccine manufacturer. The generic drugs market was valued at US\$ 364.93 billion in 2021, and it is expected to reach US\$ 468.79 billion by 2027, registering a CAGR of 4.27% during the forecast period of 2022-27.

Transformed over the years as a vibrant sector, presently Indian pharmaceuticals industry is a major global player, being the world's third-largest producer by volume, and the fourteenth-largest producer by value. For the last decade, Indian Pharma sector has grown steadily by CAGR of 9.43% (approx). Pharma sector has been consistently earning trade surplus. Since 2013-14, Indian pharmaceutical exports have increased by 103%, from Rs. 904,150 million in 2013-14 to Rs. 1,834,220 million in 2021-22. The Pharma sector's export performance in the financial year 2021-22 was the best it has ever been. Exports have increased by about US\$ 10 billion in

the last 8 years, marking a tremendous rise.

India has the highest number of United States Food and Drug Administration (USFDA) compliant Pharma plants outside of USA. There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines by manufacturing 60000 different generic brands across 60 therapeutic categories.

The Indian pharma industry has also played an important role in meeting the challenges for mitigation of the infection in COVID pandemic. The industry worked in close collaboration with the government and academic institutes etc., to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19. Indian drug supplies throughout the COVID-19 pandemic period have provided relief to over 120 countries for Hydroxychloroquine (HCQ), 20 countries for paracetamol and about 96 countries for vaccines across the world.

### RISKS AND CONCERN

The Indian pharmaceuticals market is the third largest in terms of volume. India is the biggest provider of generic medications internationally and enjoys a significant position in the world pharmaceuticals sector. The country also has a huge talent pool and scientists having the capability to steer this industry forward to a much greater degree. The cost efficiency also continues to create opportunities for Indian pharmaceutical companies in the emerging global economies. The Indian pharmaceutical industry is expected to outperform the global pharmaceutical industry and grow in the next couple of years and thereby emerge as one of the top 10 pharmaceutical market globally by absolute size.

Indian pharmaceutical companies are focusing on global generic and API business, R&D activities, contract research and manufacturing alliances. India is also fast emerging as a preferred pharmaceuticals manufacturing location. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will also provide attractive growth opportunities to Indian generic formulations manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

However, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and under developed countries, currency fluctuations, regulatory issues, government mandated price controls, inflation and resultant all round increase in input costs are few causes of concern for the industry.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control system commensurating with its size and complexity. The Internal Financial Control System of the Company is being regularly monitored by the Internal Auditors of the Company. Any deficiency in the controls is viewed seriously and corrective actions are taken to avoid repetition. The Internal Auditors monitors the efficiency of the internal controls/compliance with SOPs and provides required information to the Audit Committee on time to time basis. 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 Auditors 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. 391.30 crores against turnover of Rs. 352.16 crores in the previous Financial Year, thus registering an increase of 11.11%. The Company has primarily focused on increasing the exports and achieved Export Turnover of Rs. 293.19 crores against Rs. 264.27 crores in the previous Financial Year, resulting in an increase of 10.94% in exports of the Company. During the year Company earned an EBIDTA of Rs. 59.32 crores as compared to Rs. 61.38 crores in the previous financial year. During the year company incurred net losses of Rs. 20.33 crores against losses of Rs. 28.28 crores during the previous financial year.

### OPERATIONS REVIEW & COMPANY'S OUTLOOK

Exports through our state of the art manufacturing facilities situated at Derabassi Punjab continued to be the main focus of the Company. Besides Exports, the Company is also focusing to increase its presence in the Domestic Markets.

Over the past few years the pace of progress of our international business has accelerated. With stable tie-ups in the key export markets international formulations business has been on an upward growth. During the Financial Year 2021-22 the Company earned an exports turnover of Rs. 293.19 crores against the turnover of Rs. 264.27 crores during the FY

2020-21. Our Global Business Unit (ISL-GBU), commissioned in 2006, caters exclusively to the demand of the international markets for finished dosage forms. Products from GBU are now available in many countries of EU, Australia, Canada, Central & Latin America, Asia, CIS and Africa-including South Africa. Apart from this, in the semi regulated markets, we have successfully launched our own branded Generic in countries like Tanzania, Kenya, Ethiopia & UAE. With a view to expanding our reach in the markets of GCC Countries, your company has launched its finished dosages products in the markets of Qatar. Your company has recently set up a wholly owned subsidiary in the Republic of Kenya with a view to promote its product in the country and increase our global reach. Our aim is to strengthen our range in the Antihypertensive, Cardia, Diabetic segment globally.

ISL-GBU is approved by MHRA, TGA, Health Canada, WHO-GMP & other leading regulatory agencies for tablets, hard gelatin capsules and dry powder-sachet. ISL-GBU is one of the few facilities that can provide specific environmental conditions for highly sensitive products.

Today your company has over 400 Marketing Authorizations and more than 300 under registration dossiers spread across Africa, South East Asia, Central & Latin America, GCC & CIS region. All activities are carried out by professionally qualified team members with expertise in respective fields.

With respect to our manufacturing facility situated at Jammu known as our Industrial Growth Centre (IGC), during the year we launched a number of new products like Sitagliptin, Vildagliptin both plain and its combination with Metformin. We also launched Luliconazole and its combination with Clobetasole. We are in advance stage of manufacturing combination of Paracetamol plus Caffeine Anhydrous plus Aspirin which will be exported to Tanzania on a continuous basis.

In the domestic market, your Company has a strong hold in the Gynecology & Pediatrics segment & have re-entered into the Cardia, Diabetic & Anti-infective market through its Nova Division. Further, although your company was already selling more than 50 products in the Over the Counter (OTC) medicines segment through its various divisions, in the year 2021 your company has established a separate OTC division and has launched 2 products being, Stevia (natural sweetener) and Hangover (helps avoid alcoholic hangover), which will lead to increase in revenue in the coming years.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OTHER KEY FINANCIAL INDICATORS :

Ratios	2021-22	2020-21	% Change
Debtors Turnover Ratio (No of days)	91.11	103.59	-12.05
Inventory Turn-over Ratio (No. of days)	114.53	112.76	1.57
Interest Coverage Ratio	0.64	0.46	39.13
Current Ratio	0.338	0.375	-9.87
Debt Equity Ratio#	-	-	
Operating Profit Margin (%)	8.74	6.44	35.71
Net Profit Margin (%)	(4.75)	(8.03)	(40.85)
Return on Net Worth #	-	-	-

# Debt Equity Ratio and return on Net Worth ratio have not been calculated as the Equity/Net worth of the Company is negative.

**Interest Coverage Ratio:** Improved primarily on account of higher operating margin due to increase in export turnover.

**Operating Profit Margin:** Improved primarily on account of higher operating profits due to increase in export sales turnover.

**Net Profit Margin:** Net Profit Margin Ratio improved due to increase in sale and margin.

### HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS

The Industrial relations in all divisions of the Company are cordial and harmonious. The company has prospered because of its committed, highly experienced, and talented workforce that represents the organization. The employee strength of the Company as on 31<sup>st</sup> March, 2022 in all of its Units and Corporate Office was 1129. The Company encourages the employees to upgrade their knowledge and skills and offers a healthy and safe work environment for its employees, with equal opportunity, flexibility, and empowers them through various learning and development programmes across

all business functions. Your Company seeks to provide an inclusive work environment in which it develops talent, rewards great performance and protects its people.

This year our focus is on encouraging a dynamic and positive work culture by recognizing people for their productivity, innovation and excellence.

### 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. 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.

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report of the business and operations along with the Audited Financial Statements of the Company for the financial year ended on March 31, 2022.

### FINANCIAL RESULTS

The Financial performance of the Company for the year ended March 31, 2022 is summarized below :

(Rs. In Lacs)		
Particulars	Year ending 31-03-2022	Year ending 31-03-2021
Total Revenue	42125.91	37127.99
Profit/(Loss) for the period	(2002.01)	(2981.60)
Interest	5715.88	5217.80
Depreciation	3207.31	3270.32
Provision for deferred tax	0	0
Total Comprehensive Income	(2510.29)	1800.68
Net Profit ( Loss) (After Extraordinary Items)	(1960.22)	(2949.32)
Balance c/f to balance sheet	(2002.01)	(2981.60)

### REVIEW OF BUSINESS OPERATIONS

During financial year 2021-22, your company earned total revenue of Rs. 42125.91 lacs against Rs. 37127.99 Lacs during financial year 2020-21. The export turnover of the Company in Financial Year 2021-22 was Rs. 29319.05 lacs as compared to Rs. 26427.36 lacs in the previous financial year. The Company incurred net loss of Rs. 1960.22 Lacs during 2021-22 against losses of Rs. 2949.32 lacs in 2020-21. During the year, your Company earned an EBIDTA of Rs. 5932.48 Lacs as compared to Rs. 6138.58 Lacs in the previous financial year. There has been no change in the nature of business of the Company during the year under review.

### INDIAN ACCOUNTING STANDARDS:

The financial statements for the year ended on March 31, 2022 has been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013 and other

relevant provisions of the Act. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2022.

The Notes to the Financial Statements adequately covers the Audited Statements and form an integral part of this Report.

### STATE OF AFFAIRS OF THE COMPANY

The state of affairs of the Company is presented as part of the Management Discussion & Analysis Report in a separate section forming part of this report, as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### IMPACT OF COVID-19

The year 2021-22, was also another challenging year due to the outbreak of the Second and the third wave of COVID-19. During FY 2021-22, the Company continued implementing various measures to contain the spread of Covid-19 and ensure overall safety of its employees and stakeholders at large in compliance with the directions issued by the Government from time to time. The management of the Company regularly conducts and communicates COVID awareness protocols with its employees to boost their morale and face the challenges brought by these tough times.

### OUTLOOK

The main business of your Company is manufacturing Pharmaceutical Products. Presently, our presence is both in the domestic and export markets. In view of the scenario described in the management discussion and analysis report, your Company is expected to grow with wide range of products and manufacturing expertise barring unforeseen circumstances.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

During the Financial Year 2021-22 Lt. Dr. JK Kakkar, ceased to be a member of the Board on 25<sup>th</sup> March, 2022 owing to his sudden demise. The Board sincerely appreciates Lt. Dr. JK Kakkar's invaluable guidance and contribution to the board from time to time during his tenure as a Director and Member of various committees of the Board of the Company. In order to fill the vacancy caused by the cessation of Lt. Dr. JK Kakkar,

## DIRECTORS' REPORT

the Board of Directors of the Company have appointed Sh. Bhupinder Singh, as an Independent Director of the Company, subject to approval of the shareholders in the ensuing Annual General Meeting, for a period of 5 consecutive years w.e.f. 23<sup>rd</sup> June, 2022.

Pursuant to the provisions of Section 152 of the Act, Sh. Sanjeev Rai Mehta (DIN 00005668) and Sh. Rishav Mehta (DIN 03028663) Directors will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Sh. Amrender Kumar Yadav, Company Secretary & Compliance Officer, resigned from his post w.e.f. 25<sup>th</sup> February, 2022 due to personal reasons. To fill up the vacant position, the Board appointed Ms. Ginny Uppal, a member of the Institute of Company Secretaries of India, as the Company Secretary & Compliance Officer of the company w.e.f. 30<sup>th</sup> May, 2022.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and the Listing Regulations. Further, in the opinion of the Board, the independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8 (5) (iii) of the Companies (Accounts) Rules, 2014. The Company has also received from them, a declaration of compliance of Rule 6(1) & (2) that they have registered themselves with databank of Independent Directors as maintained by Indian Institute of Corporate Affairs.

In April 2019, the Registrar of Companies, Chandigarh had disqualified Dr. Gopal Munjal, Sh. S. R. Mehta and Dr. V. R. Mehta, Directors under Section 164(2)(b) of the Companies Act, 2013, likely due to the disposal of Company's appeal of restructuring of fixed deposits, by the Hon'ble NCLAT, New Delhi. The Company has not received any intimation or notice from the ROC regarding such disqualification. Since there was no default as to the payment of fixed deposit as on 31st March, 2019 so, the Company had submitted a representation in this regard with the office of the ROC, however the same is still pending for a decision.

Details and brief resume of the Directors seeking reappointment/ appointments required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards – 2 on General Meetings issued by "The Institute of Company Secretaries of India" are furnished in the Notice convening the Annual General Meeting forming part of the Annual Report.

### a) Key Managerial Personnel

Sh. S.R. Mehta, Whole Time Director designated as Chairman, Dr. Gopal Munjal, Managing Director and CEO, Dr. VR Mehta, Joint Managing Director, Sh. Arun Seth, Chief Financial Officer, Ms. Ginny Uppal Company Secretary are the Key Managerial Personnel of the Company

### b) Continuation of Non-Executive Directors of more than 75 years of Age

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company took the approval of the Members by way of Special Resolution in the Annual General Meeting dated 29th September, 2021 for continuation of Directorship of Sh. Subhash Chander Galhotra (DIN:07205416), (aged around 76 years) on the Board of the Company as a Non- Executive Independent Director of the Company.

Except for Sh. Subhash Chander Galhotra, there is no other director who has attained/crossed the age of 75 years.

### c) Relationship/Transaction of Non-Executive Directors with the Company

The Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than taking sitting fees and reimbursement of expenses incurred by them to attend meetings of the Company.

### d) No. of Meetings of the Board

The Board meetings of your company are planned in advance in consultation with the Board Members. Five (5) board meetings were held during the year on held on 10<sup>th</sup> April, 2021, 28<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 13<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022, the details of



## DIRECTORS' REPORT

which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

### e) 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 held separate meeting on 29<sup>th</sup> March, 2022, 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 Annual Performance Evaluation was conducted for all Board Members, for the Board and its Committees for the financial year 2021-22. This evaluation was led by the Nomination and Remuneration/Compensation Committee of the Company. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017.

The Board of Directors expressed its satisfaction with the evaluation process.

### f) Details of Familiarization Programme:

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at <http://www.indswifltd.com/familiarisation-programme.php>.

### DIRECTORS RESPONSIBILITY STATEMENT

To the best of their 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:

- That in the preparation of the annual financial statements for the year ended March 31, 2022; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2022 and of the profit of the Company for the year ended on that date;
- 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;
- That the annual financial statements have been prepared on a going concern basis;
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 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 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.indswifltd.com](http://www.indswifltd.com) and the web link to the same is [www.indswifltd.com/whistle-blower-policy.php](http://www.indswifltd.com/whistle-blower-policy.php).

## DIRECTORS' REPORT

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2022 the Company did not have any Associate, Subsidiary or Joint venture.

However, your company has set up a Wholly Owned Subsidiary (WOS) with the name of 'Indswift India Limited', in the Republic of Kenya in the month of May, 2022 with a view to facilitate the promotion of the Company's products in Kenya.

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 losses during Financial Year 2021-22, the Board does not recommend any dividend for the Financial Year 2021-22. There is no unpaid dividend outstanding as on 31st March, 2022.

### RESERVES

As on 31st March, 2022 the Reserves of the Company were Rs. (73,115.40) Lacs as compared to Rs. (70,599.73) Lacs in previous financial year.

### INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 (Act) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company is required to transfer all unpaid or unclaimed dividends after the completion of 7 (seven) consecutive years to Investor Education and Protection Fund (IEPF) established by the Central Government. Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred all the unclaimed and unpaid Dividends along with respective Equity Shares to the IEPF Account.

### PUBLIC DEPOSITS

The Company has complete the re-payment of its Fixed Deposits in compliance to the re-payment scheme approved by the Hon'ble Company Law Board vide its order dated 30<sup>th</sup> March, 2013. Few of the fixed deposits however remain

unclaimed as at the end of the Financial Year. The Company shall repay those claims as and when the respective Deposit Holder approaches the Company. During the year the company has made repayment of fixed deposits amounting to Rs. 10.15 Lacs.

### REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and rules framed thereunder.

### RELATED PARTY TRANSACTIONS DISCLOSURES UNDER COMPANIES ACT, 2013

All related party transactions entered into during the financial year were at 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 entered into 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-I**" 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](http://www.indswiftltd.com).

### RELATED PARTY TRANSACTIONS DISCLOSURES UNDER LODR REGULATIONS, 2015

As per Schedule V of the LODR Regulations, 2015 every Listed Company needs to disclose the amounts of Loans/advances/ investments outstanding at the end of the year along with the maximum amount outstanding during the year.

The disclosures as required under para A(2) of Schedule V of the LODR Regulations, 2015 are not required since the company did not have any Holding or subsidiary company as on 31<sup>st</sup> March, 2022.

### DISCLOSURE OF TRANSACTIONS WITH PROMOTER/ PROMOTER GROUP

As per Schedule V of the LODR Regulations, 2015 every listed Company shall disclose the transactions with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the listed entity.

## DIRECTORS' REPORT

As on 31<sup>st</sup> March, 2022, M/s Essix Biosciences Limited, the Promoter entity held 31.45%, of the total equity of the Company. Though not material transaction, the details of all the transactions with Essix Biosciences Limited are given in Form AOC-2, forming part of this Annual Report.

### RISK MANAGEMENT

Even though the provisions of Regulation 21 of the SEBI (LODR) Regulations, 2015 regarding constitution of Risk Management Committee are not applicable on the Company, still the Board has constituted a Risk Management Committee. The details of the Committee are given in the Corporate Governance Report.

The Company's Risk Management Policy is available on Company's Website i.e. [www.indswiftltd.com](http://www.indswiftltd.com) and the Weblink of the same is <http://www.indswiftltd.com/risk-management.php>

### CHANGES IN CAPITAL STRUCTURE AND LISTING OF SHARES

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 10.83 crore consisting of 5,41,64,653 equity shares of Rs. 2 each. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. 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

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this 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.

### ANNUAL RETURN

The annual return of the Company as per the provision of Section 134(3)(a) and 92(3) of the Companies Act, 2013 is available on website of the Company at [http://www.indswiftltd.com/annual\\_return.php](http://www.indswiftltd.com/annual_return.php).

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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:

- 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;
- has formulated the evaluation criteria for performance evaluation of independent directors and the Board;
- has devised a policy on Board diversity;
- 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;
- 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.

The Company's Nomination and Remuneration Policy is available on Company's Website i.e. [www.indswiftltd.com](http://www.indswiftltd.com)

### CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable on your Company.

### ENVIRONMENT/POLLUTION CONTROL, HEALTH AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

## DIRECTORS' REPORT

### RESEARCH & DEVELOPMENT AND QUALITY CONTROL

The activities of R&D consist of improvement in the processes of existing products and to develop new products. The Quality Control is the strength of the Company. All raw materials and finished products pass through stringent quality checks for better results.

### 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-II".

### COMMITTEES OF THE BOARD

The Company's Board has constituted the following Committees prescribed under the Companies Act and the LODR Regulations, 2015:-

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Risk Management Committee
- d) Nomination and Remuneration Committee
- e) Sub-Committee of the Board

The details of the Composition of the Committees, their role and terms of reference are given in Corporate Governance report.

### STATUTORY AUDITORS

M/s Jain & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company by the shareholders, to hold office for five years from the conclusion of the 31<sup>st</sup> Annual General Meeting up to the conclusion of the 36<sup>th</sup> Annual General Meeting. The present term of M/s Jain & Associates as Statutory Auditors of the Company would expire at the conclusion of the ensuing Annual General Meeting.

The Board of Directors of the Company, based on the recommendation of the Audit Committee have recommended the re-appointment of M/s Jain & Associates, Chartered Accountants (Firm registration No. 001361N) as the Statutory Auditors of the Company by the Members at the 36<sup>th</sup> AGM of the Company for a second term of five years i.e. from the conclusion of 36<sup>th</sup> AGM till the conclusion of 41<sup>st</sup> AGM of the Company. Accordingly, a resolution, proposing the aforesaid

re-appointment of M/s Jain & Associates, as the Statutory Auditors of the Company forms part of the Notice of the 36<sup>th</sup> AGM of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

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

The Auditor's Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark. With regard to the emphasis of matter contained in the Auditors' Report, the Board is of the view that the same are self explanatory and require no further explanation. Regarding, Auditor's remarks on the assets not held in Company's name, the Board has passed necessary directions to get the same registered in Company's name.

### 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 31<sup>st</sup> March, 2023.

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 31<sup>st</sup> March, 2023.

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 2020-21 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, 2022 will be filed within the prescribed period.

It is further to declare that Company has maintained all the cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013.

### SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Vishal Arora, Practicing Company Secretary was appointed as Secretarial Auditor of the Company for the financial year 2021-

## DIRECTORS' REPORT

22 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 III & IIIA**" to the Directors' Report.

The Secretarial Auditors have observed five observations in their secretarial audit report which are self explanatory and reply to all the observations, not amounting to qualification, by the board is as under-

1. The observation is a matter of record only.
2. The Central bank of India (Lender Bank), had declared the Company and few of its Directors as willful defaulters. Although, the Company has already repaid its debt to Central Bank in March, 2020 however the willful defaulter notice has not been withdrawn by the Bank till date. The company has filed legal suits against the bank for setting aside the orders, whereby the directors have been declared as willful defaulters. The matter is sub-judice.
3. The immovable properties of the company situated at Plot No 781, Industrial Area, Phase II Chandigarh and Plot No 42, Industrial Area, Phase II Chandigarh are presently on lease and not in the name of the company. The company is in process to get the same registered in its own name; however the same is pending due to legal issues.
4. The Registrar of Companies had disqualified three Directors of the Company, pursuant to the provisions of section 164(2) of the Companies Act, 2013 due to the disposal of the company's appeal of restructuring of the Fixed Deposits by the Hon'ble NCLAT, New Delhi. The company had submitted a representation in this regard with the office of the ROC; however it is still pending.
5. Regarding the emphasis of matter in the Statutory Audit Report given by the Statutory Auditor, the Directors have already given their comments in the Director's report.

### INTERNAL AUDITORS

M/s Avishkar Singh & Associates, Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2021-22. They conducted the Internal Audit of the Company as required under the provisions of Section 138 of the Companies Act, 2013 and their reports were reviewed by the Audit Committee and Board of Directors during the Financial Year 2021-22.

On the recommendation of the Audit Committee, the Board had approved the appointment of M/s Avishkar Singh & Associates, Chartered Accountants as Internal Auditor of the Company for the first half year of the Financial Year 2022-23 i.e. April-September 2022. The Board will review the Internal Audit report and appoint Internal Auditors on time to time basis for the rest of the period of Financial Year 2022-23.

### INTERNAL COMPLAINTS COMMITTEE

The Company has complied with all the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

During the year, the Committee has not received any complaint related to Sexual harassment.

### INTERNAL FINANCIAL CONTROL

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee, Board of Directors, Statutory Auditors and the Business heads are periodically apprised of the internal audit findings and corrective actions taken. Audit committee plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

### PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no admitted proceedings which are pending under the Insolvency and Bankruptcy Code, 2016 before the



## DIRECTORS' REPORT

National Company Law Tribunal or other Courts during the year under review.

### ONE-TIME SETTLEMENT WITH THE BANKS OR FINANCIAL INSTITUTIONS

There were no instances of one-time settlement with any Banks or Financial Institutions during the year under review. However, as explained in last year's Annual Report the company, Bank of India had assigned its loan to M/s Edelweiss Assets Reconstruction Company (India) Limited through an assignment agreement dated 29<sup>th</sup> June, 2021. Consequent, to such assignment the total debt of the Company stands restructured.

### CORPORATE GOVERNANCE

The Company strives to maintain the requisite standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI Listing Regulations, 2015. The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations, 2015. The Report on Corporate Governance in accordance with Rules 34(3) read with Para C of Schedule V of SEBI (LODR) Regulations, 2015 forms 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 I**" to the Corporate Governance 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 an "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.

### PARTICULARS OF EMPLOYEES

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The relation between the management and employees are healthy

and cordial. There is a transparency in the dealings and on matters relating to the activities of the Company and its employees.

Particulars of remuneration of employees required to be furnished pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 (Act), read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as "**Annexure IV**" to this Report. Particulars of remuneration of employees required to be furnished in terms of Rules 5(2) and 5(3) of the said Rules, forms part of this Report, which shall be provided to Members upon written request pursuant to the second proviso of Rule 5. Particulars of remuneration of employees are available for inspection by Members at the registered office of the Company during business hours on all working days up to the date of the forthcoming AGM.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

#### VAT Matter

In the year 2018-19 the sales tax deptt. Chandigarh had completed the sales tax assessment of the Company for the year 2011-12 and had raised a demand of Rs. 66.34 crore on account of VAT and CST (VAT Rs. 14.33 cr, CST Rs. 0.17 cr, penalty Rs. 31.61 cr and interest Rs. 20.23 cr). The Company had filed an appeal against the said order with DETC (Appeals) as per Punjab VAT Act and had deposited a sum of Rs 16.65 cr being 25.10% of the above stated demand to the sales tax deptt, on 08.05.2019. In respect of the same dispute but on different law points, the matter is also pending before the Hon'ble Supreme Court and Hon'ble High Court of Punjab & Haryana at Chandigarh. However, the VAT & CST appeal is still pending before Hon'ble VAT Tribunal.

#### Central Bank of India Matter

During the year 2019-20, the Central bank of India (Lender Bank), had declared the Company and its Directors naming Sh. S R Mehta, Dr. Gopal Munjal, Dr. V R Mehta, Sh. Navrattan Munjal, Sh. S P Sharma, Dr. V K Arora, Sh. S C Galhotra, Mr. R S Bedi as willful defaulters.

However, on 3<sup>rd</sup> March, 2020 the Central Bank of India had assigned its' debt to M/s Edelweiss Assets Reconstruction Company (India) Limited and after the assignment of debt the same was paid in full by the Company. The Company has also satisfied the ROC Charge in respect of this loan after

## DIRECTORS' REPORT

getting a NOC from Edelweiss on 10<sup>th</sup> July, 2020. Meantime, Central Bank of India has withdrawn their original appeal from the Debt Recovery Tribunal, as filed by them against the company. However, the willful defaulter notice has not been withdrawn by the Central Bank of India till date. The Company has filed legal suits against the Bank for setting aside the orders, whereby the Directors have been declared as willful defaulters. The matter is pending adjudication before the Hon'ble High Court.

### CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

### MATERIAL CHANGES AND COMMITMENTS AFTER CLOSURE OF FINANCIAL YEAR

No material changes and commitments have occurred between the end of the financial year and the date of the Report which has effect on the Financial Statements.

### TRANSFER/SALE OF MANUFACTURING FACILITIES

With the intent to reduce the company's debt the Board took the shareholders approval at its Extra Ordinary General Meeting held on 30<sup>th</sup> Day of March, 2020 to sell/lease the unit no III and IV of the company. Consequently, the Board of Directors of the Company have entered into an agreement with M/s ANG Lifesciences (India) Limited for the sale of Units III and IV for an agreed price of Rs. 60 Crores. The said transaction is expected to be completed by 30<sup>th</sup> June, 2024. The proceeds from the sale are being used to repay the debt liability of the company.

### REGISTRAR AND SHARE TRANSFER AGENT

M/s Alankit Assignments Ltd., Alankit Heights, 2E/121, Jhandewalan Extension, New Delhi, are the Registrar and Share Transfer Agent of the Company for the Physical as well as Demat shares. The members are requested to contact the Registrar directly for any of their requirements.

### CEO/CFO CERTIFICATION

In terms of the Listing Regulations, the Certificate duly signed by Dr. Gopal Munjal, Managing Director & CEO and Sh. Arun Seth, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on March 31, 2022, at its meeting held on 30<sup>th</sup> May, 2022.

### SECRETARIAL STANDARDS:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### ACKNOWLEDGEMENT

Your Directors would like to express their gratitude appreciation 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

Sd/-

**S R Mehta**  
Chairman

**Place: Chandigarh**  
**Date: 09.08.2022**

## ANNEXURE-I TO THE DIRECTORS' REPORT

### 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:**

- No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended March 31, 2022, which were not at arm's length basis.
- Details of contracts or arrangements or transactions at Arm's length basis:

S. No.	Particulars			
a)	Name(s) of Related Party	Ind Swift Laboratories Ltd	Ind Swift Laboratories Ltd	Essix Biosciences Limited
b)	Nature of Relationship	Group Company	Group Company	Group entity
c)	Nature of contracts/ arrangements/ transactions	Purchase of goods/services	Loans and Advances taken	Purchase of goods/services
d)	Duration of the contracts/ arrangements / transaction	ongoing	5 years	Ongoing
e)	Salient terms of the contracts or arrangements or transaction including the value (Rs. in lacs)	As per Transfer pricing guidelines Rs 5,896.65	Unsecured loan for a period of five years at the rate of interest of 10% PA. Rs. 5005.69	As per Transfer pricing guidelines Rs. 8.76
f)	Date of approval by the Board	28-06-2021	14-02-2022	28-06-2021
g)	Amount paid as advances, if any,	Nil	Nil	Nil

*\*Covers the material transactions entered into with the related parties during the FY 2021-22 only.*

**On behalf of the Board of Directors**

**Sd/-**

**S.R. Mehta  
Chairman**

**Place : Chandigarh  
Date : 09.08.2022**

## ANNEXURE-II TO THE DIRECTORS' REPORT

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

#### 1. CONSERVATION OF ENERGY

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

--- NA ---

##### 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.

#### 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 (imports during last five years).

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

#### 3. RESEARCH & DEVELOPMENT

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

The focus of research efforts are:

- 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)

##### Expenditure on R & D during the year 2021-22

	(in Rs.)
	2021-22
a. Capital	26,734,473
b. Recurring	5,24,24,553
Total	7,91,59,026
Total R&D expenditure as percentage of total turnover	2.02%

During the year foreign exchange outgo was Rs. 2,832.17 Lakhs and the earnings in Foreign Exchange were Rs. 29,960.75 Lakhs. The details have been given in Note No 27 of Notes to Accounts.

## ANNEXURE-III TO THE DIRECTORS' REPORT

### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[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**  
**PLOT NO 781, INDUSTRIAL AREA**  
**PHASE-II, CHANDIGARH-160002**  
**CIN: L24230CH1986PLC006897**

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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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, 2022; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (i) The Securities and Exchange Board of India (listing obligations & disclosure requirements) regulations, 2015

#### OTHER APPLICABLE ACTS :

- (a) Pharmacy Act, 1948
- (b) The Finance Act, 2022
- (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
- (e) The Minimum Wages Act, 1948, and rules made thereunder
- (f) Employee's State Insurance act, 1948, and rules made thereunder
- (g) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
- (h) The Payment of Bonus Act, 1956, and rules made thereunder.
- (i) The Air (Prevention & Control of Pollution) Act 1981.
- (j) The Air (Prevention & Control of Pollution) Act, 1974.
- (k) The Industrial Disputes Act, 1947
- (l) The Payment of Gratuity Act, 1972
- (m) Indian Contract Act, 1872
- (n) The Apprentices Act, 1961
- (o) The Workmen's Compensation act, 1923



## ANNEXURE-III TO THE DIRECTORS' REPORT

- (p) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- (q) The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987)
- (r) The drugs (Control) Act, 1950.
- (s) The Environment (Protection) Act, 1986
- (t) Drugs and Cosmetics Act, 1940
- (u) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- (v) Narcotic Drugs and Psychotropic Substances Act, 1985
- (w) Conservations of Foreign Exchange And Prevention of Smuggling Activities Act, 1974
- (x) The Medicinal & toilet Preparations Substances (Excise Duties) Act, 1955
- (y) The Indian Copyright Act, 1957
- (z) The Patents Act, 1970
- (aa) The Trade Marks Act, 1999
- (bb) Goods & Service Tax Act, 2017
- (cc) Other Miscellaneous Acts and rules as applicable

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 agreement and Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

### OBSERVATIONS :

During the period under review the company has complied with the provisions of the Act, Rules, Regulations w.e.f the above mentioned acts and rules apart from the following observations:

1. The Company is repaying the fixed deposits as per the repayment scheme approved by Company Law Board vide its order dated 30.09.2013. During the year, the Company has made repayment of fixed deposits amounting Rs. 10,15,060/-.
2. During the year 2019-20, the Central bank of India (Lender Bank), had declared the Company and its Directors naming Sh. S R Mehta, Dr. Gopal Munjal, Dr. V R Mehta, Sh. Navrattan Munjal, Sh. S P Sharma, Dr. V K Arora, Sh. S C Galhotra, Mr. R S Bedi as willful defaulters. The Company has already repaid its debt to Central Bank in March, 2020 however the willful defaulter notice has not been withdrawn by the Bank till date.

3. The Statutory Auditors have also reported about certain Fixed Assets which are not registered in the name of the Company. The other matters have also been reported in the Auditor Report.
4. The Registrar of Companies has disqualified three Directors of the Company, pursuant to the provisions of section 164(2) of the Companies Act, 2013. These three Directors are Dr. Gopal Munjal (DIN 00005196), Mr. Sanjeev Rai Mehta (DIN 00005668) and Dr. Vikrant Rai Mehta (DIN 00010756). Also in the year 19-20, the Registrar of Companies had initiated inspections u/s 206(5) of the Companies Act, 2013 and the same is still going on.
5. The Statutory Auditors have drawn their attention towards emphasis of matter in their Statutory Audit Report and in our opinion the same needs no repetition in our Report as those matters have only financial implications.

I further report that the Board of Directors of the Company is duly constituted.

However, due to the sudden demise of Dr. JK Kakkar on 25<sup>th</sup> March, 2022, the position of an Independent Director on the Board of the company became vacant which was required to be filled within a period of 3 months as per the provisions of the Companies Act, 2013. Consequently, Sh. Bhupinder Singh was appointed as an Independent Director w.e.f 23<sup>rd</sup> June, 2022.

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

I 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.

The observations with respect to the other Statutory Acts as applicable apart from the Companies Act 2013 are based upon the certification received from various departmental heads of the Company. Due to COVID situation most of the data has been accessed, online and the representation made by the Departmental Heads

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

(Vishal Arora)  
Company Secretary  
FCS No. 4566  
CP No. 3645  
UDIN : F004566D000849168

Place : Chandigarh  
Date : 09.08.2022

## ANNEXURE-III A TO THE DIRECTORS' REPORT

### Annexure A to Secretarial Auditor Report

TO

THE MEMBERS,  
IND SWIFT LIMITED  
PLOT NO 781, INDUSTRIAL AREA  
PHASE-II, CHANDIGARH - 160002  
CIN No. : L24230CH1986PLC006897

**My 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. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I 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. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, I 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. My 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.

**(Vishal Arora)**  
**Company Secretary**

FCS NO. 4566

CP NO.3645

UDIN : F004566D000849168

**PLACE: CHANDIGARH**  
**DATE: 09.08.2022**

## ANNEXURE-IV TO THE DIRECTORS' REPORT

### 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 Gopal Munjal, Managing Director	64:1
		b	Mr. Vikrant Rai Mehta, Jt Managing Director	64:1
		c	Mr. Sanjeev Rai Mehta, Chairman	64:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Dr Gopal Munjal, Managing Director & CEO	NIL
		b	Dr. Vikrant Rai Mehta, Jt Managing Director	NIL
		c	Mr. Sanjeev Rai Mehta, Chairman	NIL
		d	Mr. Arun Seth, Chief Financial Officer	7.30%
		e	Mr. Amrender Kumar Yadav, Company Secretary*	NA
(iii)	The percentage increase in the median remuneration of employees in the financial year.		2.48%	
(iv)	The number of permanent employees on the rolls of the company as on 31st March, 2022		1129	
(v)	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.		8.53%	
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.			

\* Resigned w.e.f 25<sup>th</sup> February, 2022.

## REPORT ON CORPORATE GOVERNANCE

### THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations 2015").

Ind-Swift has always given great importance to good and responsible corporate governance. The corporate objective of the company is to maximize shareholder value ethically. Efforts are therefore made to raise the level of transparency, trust and confidence of stakeholders in the way the Company is run. In the achievement of its goals, the Company utilizes its resources with accountability and professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to Corporate Governance.

The Company is further in compliance with the provisions of Corporate Governance specified in Regulation 34 of Listing Regulations, as amended from time to time.

### CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the LODR Regulations, 2015. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31<sup>st</sup> March, 2022.

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company Secretary acts as the Compliance Officer for the same.

The Code of Conduct is applicable to Promoter(s), Director(s), Key Managerial Personnel, specified employees and other Connected Person of the Company who are expected to have access to Unpublished Price Sensitive Information (UPSI) relating to the Company. All of them have duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. This Code is displayed on the website of the Company under the head "Investors – Insider Trading Code" ([www.indswiftltd.com](http://www.indswiftltd.com)).

The Company is in compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for Corporate Governance.

### THE COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors and the Committees constituted by the Board provides leadership and guidance to the Company's management and supervises the Company's overall performance in its business and other related matters.

The Company is in compliance with the Corporate Governance norms in terms of constitution of the Board of Directors (the Board). The Board of the Company is thorough professional and is composed of eminent individuals from diverse fields. The members of the Board consist of Promoter Director, Executive and Non Executive Directors and Independent Directors which is in conformity with the LODR, Regulations and the Companies Act, 2013 ('the Act').

The composition and Category of the Board is as follows-

CATEGORY	No of Directors
Promoter Directors	6
Non- Promoter Directors	6

## REPORT ON CORPORATE GOVERNANCE

Executive Directors	3
Non- Executive Directors	9
Independent Non-Executive Directors	6
Nominee Directors	0
Institution Represented (whether as lender or as equity investor)	0

As on 31<sup>st</sup> March, 2022, there were a total of eleven Directors, out of which three were Executive Directors and other eight were Non-Executive Directors including 5 Independent Directors. Ms. Anoop Michra is an Independent Woman Director of the Company. The Chairman of the Company Sh. S R Mehta is an Executive Director of the Company. Dr. Gopal Munjal is Managing Director & CEO of the Company. Dr. V R Mehta is Joint Managing Director of the Company.

Due to the sudden demise of Lt. Dr. JK Kakkar on 25<sup>th</sup> March, 2022, the position of an Independent Director on the Board of the company became vacant which was required to be filled within a period of 3 months as per the provisions of the Companies Act, 2013. Consequently, Sh. Bhupinder Singh was appointed as an Independent Director w.e.f 23<sup>rd</sup> June, 2022.

### Board Skill Matrix

The Board of Directors of the Company comprises of qualified personnel who possess relevant skills, expertise and competence for the effective functioning of the Company. In compliance with the SEBI Listing Regulations, the Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of any candidate to the Board of the Company.

The matrix setting out the skills/expertise/competence of the Board of Directors is given below:-

Board of Directors	Research & Innovation	General Management	Finance & Risk Management	Corporate Governance & Compliance	Global healthcare	Technology & digital perspective	Scientific knowledge
Sh. S R Mehta		✓		✓	✓		✓
Dr. Gopal Munjal	✓	✓	✓	✓	✓		✓
Dr. V R Mehta	✓	✓			✓	✓	✓
Sh. Navrattan Munjal	✓	✓	✓	✓	✓		✓
Sh. Himanshu Jain	✓	✓	✓	✓	✓		
Sh. Rishav Mehta		✓	✓	✓	✓	✓	
Dr. V K Arora		✓	✓	✓			
Mr. S.P. Sharma		✓	✓	✓		✓	
Lt. Dr. JK Kakkar*	✓				✓		✓



## REPORT ON CORPORATE GOVERNANCE

Board of Directors	Research & Innovation	General Management	Finance & Risk Management	Corporate Governance & Compliance	Global healthcare	Technology & digital perspective	Scientific knowledge
Sh. J S Ahluwalia		✓	✓	✓			
Sh. S C Galhotra		✓	✓	✓			
Ms. Anoop Michra		✓			✓	✓	
Sh. Bhupinder Singh#		✓	✓	✓			

\* Ceased to be a member of the Board w.e.f 25<sup>th</sup> March, 2022 due to sudden demise.

# Appointed as an Independent Director w.e.f 23<sup>rd</sup> June, 2022.

The above list is of core skills/expertise/competencies, identified by the Board of Directors as required in the context of its business(es) and sector(s), for it to function effectively, are available with the Board Members.

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, no listed Company shall appoint a person or continue the directorship of any person as a Non- Executive Director who has attained the age of seventy five years unless a Special Resolution is passed to that effect.

Accordingly, the approval for Sh. S C Galhotra (DIN: 07205416), (aged around 76 years), who had crossed the age limit prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was taken from the Members in their Annual General Meeting held on 29<sup>th</sup> September, 2021 by way of Special Resolution for continuation of his Directorship on the Board of the Company as a Non-Executive Independent Director. Sh. S C Galhotra was also appointed as an Independent Director for the 2nd term in the Annual General Meeting held on 29<sup>th</sup> September, 2021.

Except for Sh. Subhash Chander Galhotra, there is no other director who has attained/crossed the age of 75 years.

The Independent Directors on the Board of the Company serve as an Independent Director in not more than seven listed companies, as prescribed in Regulation 17A(1) of the LODR Regulations, 2015.

The Board has constituted the required Committees for smooth operations and specific analysis of the related matters. The Committees are Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Sub-Committee of the Board to analyse and monitor the related matters.

### Membership of other Boards

Independent Directors are expected not to serve on the boards of competing Companies. No Director shall hold office as a Director in more than 10 public companies. No Director of the Company shall serve on more than 10 committees or can act as Chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit Committee and Stakeholders' Relationship Committee are only considered. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he/ she is a Whole-time Director in any listed company.

Furthermore, every Director informs the Company about the directorship / committee positions he / she occupies in other companies and notifies the changes as and when they take place.

Independent Directors are expected not to serve on the boards of competing Companies. No Director shall hold office as a Director in more than 10 public companies. No Director of the Company shall serve on more than 10 committees or can act as

## REPORT ON CORPORATE GOVERNANCE

Chairman of more than five committees across all Indian public limited companies in which he/she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit Committee and Stakeholders' Relationship Committee are only considered. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he/ she is a Whole-time Director in any listed company.

Furthermore, every Director informs the Company about the directorship/committee positions he/she occupies in other companies and notifies the changes, as and when it takes place.

### Criteria for Board Membership

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skill to provide insights and guidance on various matters relating to the business of the Company. The said Policy outlines the appointment criteria for the Directors on the Board of the Company and the matters related to remuneration of the Directors. The said Policy is available on the Company's website [www.indswiftd.com](http://www.indswiftd.com).

### Membership Term

#### Non Independent Directors

As per Companies Act, 2013, as amended and the Articles of Association of the Company, at least two-third of the Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring directors can opt for re-appointment.

Accordingly, Sh. Sanjeev Rai Mehta and Sh. Rishav Mehta, Directors shall be retiring by rotation in the forthcoming Annual General Meeting and seek re-appointment. The required information regarding them is given with the notice of the Annual General Meeting.

#### Independent Directors

As per the provisions of the Companies Act, 2013, the Independent Directors shall hold office for up to two terms of five years each.

The shareholders had approved the re-appointment of Sh. S C Galhotra (DIN: 07205416), as an Independent Director for a second term of 5 years w.e.f. 31<sup>st</sup> December, 2021 by passing special resolution in their meeting held on 29<sup>th</sup> September, 2021.

The shareholders had approved the re-appointment of Ms. Anoop Michra (DIN: 07813108), as an Independent Director for a second term of 5 years w.e.f. 6<sup>th</sup> May, 2022 by passing special resolution in their meeting held on 29<sup>th</sup> September, 2021.

The shareholders had approved the re-appointment of Sh. Jagvir Singh Ahluwalia (DIN: 06930649), as an Independent Director for a second term of 5 years w.e.f. 29<sup>th</sup> August, 2022 by passing special resolution in their meeting held on 29<sup>th</sup> September, 2021.

### Succession Policy

The Nomination and Remuneration Committee works with the Board on succession plan as and when required, to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board.

### Board Procedure

The Board looks at long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews business plans, key risks and opportunities in the business context. The Board meets at least four times every financial year and the maximum time gap between any two meetings was not more than 120 days. During the

## REPORT ON CORPORATE GOVERNANCE

year ended March 31<sup>st</sup>, 2022, the Board met 5 times on the following dates:-

<b>10.04.2021</b>	<b>28.06.2021</b>	<b>14.08.2021</b>	<b>13.11.2021</b>	<b>14.02.2022</b>
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The meetings of the Board are held physically as well as through audio video mode in compliance with the Ministry of Corporate Affairs (MCA) Guidelines in view of the Covid pandemic.

A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations, where applicable, is sent to each Director well in advance before the date of the Board and Committee meetings.

Important decisions taken by the Board and its committees are promptly communicated to the concerned leadership team for execution and status reports on actions taken are reported at subsequent meeting(s). The Managing Director is responsible for implementing corporate strategy, planning, external contacts and Board matters. The Departmental Heads are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions. The Board specifically considers internal financial control systems, financial reporting, approval of quarterly/annual results, major accounting provisions and write-offs/write backs etc. The minutes of the meetings of the Audit and other Committees of the Board are also being noted and considered by the Board of Directors.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is also kept informed of major events and approvals are taken wherever necessary.

### Board of Directors

The Details of Composition and category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the Financial Year 2021-22 and the number of Directorships and Committee Chairmanships/Memberships held by them in other Public Limited Companies as on 31<sup>st</sup> March, 2022 are as follows: -

Name of Director	Designation & Category	FY 2021-22 Attendance ****		No. of Directorship(s)/Membership(s)/ Chairmanship(s) held in other companies				Share- Holding
		BM	Last AGM	No. of D'ships*	Membership of other Boards**	Committees***		
			29.09.21			Member	Chairman	
Mr. S.R. Mehta (DIN: 00005668)	Chairman, Executive Promoter	5	Yes	Nil	Nil	Nil	Nil	2035871
Dr. G. Munjal (DIN: 00005196)	Managing Director & CEO, Promoter	5	Yes	Nil	Nil	Nil	Nil	1957199
Dr. V.R. Mehta (DIN: 00010756)	Jt. Managing Director, Promoter (Executive)	4	Yes	Nil	Nil	Nil	Nil	1921361
Mr. N.R. Munjal (DIN: 00015096)	Non Executive Director, Promoter	5	Yes	3	Ind Swift Laboratories Limited (Non Executive Non Independent Director)	2	Nil	611700

## REPORT ON CORPORATE GOVERNANCE

Mr. Himanshu Jain (DIN: 00014533)	Non Executive Director, Promoter	5	Yes	3	Ind Swift Laboratories Limited (Executive Director)	2	Nil	495300
Mr. Rishav Mehta (DIN: 03028663)	Non Executive Director, Promoter	5	Yes	3	Ind Swift Laboratories Limited (Executive Director)	Nil	Nil	111700
Mr. S P Sharma (DIN: 00475413)	Independent Director	5	Yes	1	Ind Swift Laboratories Limited (Independent Director)	1	1	Nil
Dr. V K Arora (DIN: 06830624)	Independent Director	5	Yes	Nil	Nil	Nil	Nil	Nil
Dr. J K Kakkar (DIN: 00015493)#	Independent Director	4	Yes	Nil	Nil	Nil	Nil	Nil
Mr. S C Galhotra (DIN: 07205416)	Independent Director	5	Yes	2	Nil	Nil	1	Nil
Ms. Anoop Michra (DIN:07813108)	Independent Woman Director	5	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Jagvir Singh Ahluwalia (DIN: 06930649)	Independent Director	5	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Bhupinder singh (DIN: 09649117)##	Independent Director	NA	NA	Nil	Nil	Nil	Nil	Nil

\*Excludes Directorship in Ind Swift Limited, alternate Directorships and Directorships in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\*\*Represents Directorships in listed Companies and category of directorship other than Ind Swift Limited.

\*\*\*Represents Chairmanships/Memberships of Audit and Stakeholders Relationship Committees in listed/unlisted public limited Companies (excluding Ind Swift Limited).

\*\*\*\* includes the meeting attended through Audio/video mode.

Notes:

- None of the Directors hold the office of Director in more than the permissible number of Companies under the Companies Act, 2013 or Regulation 17A of SEBI (LODR), Regulations 2015.
- # Ceased to be a member of the Board due to his sudden demise w.e.f 25<sup>th</sup> March, 2022.
- ## Appointed as an independent director w.e.f 23<sup>rd</sup> June, 2022.

## REPORT ON CORPORATE GOVERNANCE

### Disclosure of relationships between directors inter se

Dr. Gopal Munjal and Sh. Navrattan Munjal are related to each other as brothers. Sh. Sanjeev Rai Mehta and Dr. Vikrant Rai Mehta are related to each other as brothers and both are related to Sh. Rishav Mehta as uncles. None of the other Director is related to any other Director.

### Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors are independent in terms of LODR Regulations, 2015. After taking due assessment of such confirmation/disclosures, the Board has framed a satisfactory opinion regarding integrity, expertise and experience of the Independent Directors.

### Independent Directors Role

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgment on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfillment of the requisite independence criteria by Company's Independent Directors.

### Terms and conditions of appointment of Independent Directors

The Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations and his/ her affirmation is taken with respect to the same. All the Independent Directors of the Company have registered themselves with databank of Independent Directors as maintained by Indian Institute of Corporate Affairs in compliance with Rule 6(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

### Information supplied to the board

- The Board has complete access to all information with the Company. All Board meetings are governed by a structured agenda which is backed by comprehensive background information.
- The following information is regularly provided to the Board, prior to the Board meetings.
- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Annual and Quarterly financial results for the Company and its operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

## REPORT ON CORPORATE GOVERNANCE

- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition.
- Significant labour problems and their proposed solutions. Any significant development on Human Resources/Industrial Relations front, like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' service, such as nonpayment of dividend, delay in share transfer, etc..

### Familiarization Programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarization programmes for its Independent Directors and other Directors. Your Company follows a structured orientation and familiarization programme through various presentations for Independent Directors with a view to update them on all the matters concerning the Company.

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Material Events, Whistle Blower Policy, Risk Management Policy and Policy on Prevention of Sexual Harassment policy.

The Statutory Auditors, Internal Auditors and Company Secretary of the Company makes presentations to the Board of Directors with regard to regulatory changes from time to time while approving the financial results.

The details of familiarization programmes are available on the website of the Company. The Weblink of the same is <http://www.indswiftltd.com/familiarisation-programme.php>.

### Separate Meeting Of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 29, 2022 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25(3) of the LODR Regulations, 2015.

At the Meeting, the Independent Directors:

- a) Reviewed the performance of Non-Independent Directors and the Board as a whole;
- b) Reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
- c) Assessed 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.

All the Independent Directors attended the said Meeting.

### Confirmation from the Board

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.



## REPORT ON CORPORATE GOVERNANCE

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended 31<sup>st</sup> March, 2022, except for Dr. JK Kakkar, Independent Director, who ceased to be a Director w.e.f. 25<sup>th</sup> March, 2022, due to sudden demise.

### Appointment/ Re-appointment of Directors

**Appointment-** Sh. Bhupinder Singh, Director who has been appointed as an Independent Director w.e.f 23<sup>rd</sup> June, 2022 shall seek approval of the members in the forthcoming Annual General Meeting for regular appointment to the Board of the Company for a period of five years.

**Re-appointment-** Sh. Sanjeev Rai Mehta and Sh. Rishav Jain, Directors shall be retiring by rotation in the forthcoming Annual General Meeting and being eligible, seek re-appointment.

Details of aforesaid directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required pursuant to Regulation 36 of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings are annexed to the Notice of the Annual General Meeting and forms part of this Annual Report.

### 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:

#### A. AUDIT COMMITTEE

The terms of reference of Audit Committee have been adopted in line with the provisions of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

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

##### I. Constitution of the Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The chairman of Audit Committee is Sh. S P Sharma, who has experience of financial matters and has an ability to understand financial statements. Dr. Gopal Munjal, MD & CEO is a permanent invitee to the Committee meetings.

Five meetings of audit committee were held during the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 on-

10.04.2021	28.06.2021	14.08.2021	13.11.2020	14.02.2022
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The constitution of audit committee and attendance of each member is as under:-

Name	Designation	Category	No of Meetings Attended
Sh. S P Sharma**	Chairman	Non-Executive, Independent	5
Dr. V K Arora*	Member	Non-Executive, Independent	5
Dr. JK Kakkar****	Member	Non-Executive, Independent	4
Sh. Jagvir Singh Ahluwalia***	Member	Non-Executive, Independent	NA
Dr. Gopal Munjal	Permanent Invitee	Executive, Promoter	5

## REPORT ON CORPORATE GOVERNANCE

The Company Secretary acts as Secretary of the Audit Committee.

*\*Ceased to be Chairman w.e.f 1st April, 2022*

*\*\*Appointed as Chairman w.e.f 1st April, 2022*

*\*\*\*Appointed as a member w.e.f 01st April, 2022*

*\*\*\*\* Ceased to be member of w.e.f. 25th March, 2022*

Members of the Audit Committee possess financial/accounting expertise/exposure.

The Audit Committee meetings are usually attended by the Managing Director, Chief Financial Officer and the Statutory Auditors of the Company. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. The Committee also invites such of the executives, as it considers appropriate to seek any clarification.

During the year, the Committee reviewed the key audit findings covering operational, financial, compliances, internal financial controls and reporting system. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings.

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: -

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) Modified opinion(s) 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 monitoring 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 thereon.
- 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) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - c) Internal audit reports relating to internal control weaknesses; and
  - d) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
  - e) 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.
- xxiv. 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.
- xxv. 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.

## REPORT ON CORPORATE GOVERNANCE

xxvi. The Audit Committee may make recommendations to the Board on any matter within its purview, by passing appropriate resolutions in its meetings.

### B. 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".

Dr. V K Arora, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 29<sup>th</sup> September, 2021. The Committee met one time during the Financial Year 2021-22 i.e. on 14<sup>th</sup> August, 2021.

#### I. Constitution and Attendance of the Committee

Name	Designation	Category	No. of Meetings Attended
Dr. V K Arora	Chairman	Non Executive and Non Promoter	1
Sh. S P Sharma	Member	Non Executive and Non Promoter	1
Sh. N R Munjal	Member	Non Executive and Promoter	1

The Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at [www.indswift.com](http://www.indswift.com).

#### 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.
6. Recommend to the Board, all remuneration, in whatever form payable to Senior Management.
7. The Chairman of the nomination and remuneration committee may 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.
8. 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 there under and Listing Agreement with stock exchanges.
9. To oversee familiarization programmes for directors.
10. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.

## REPORT ON CORPORATE GOVERNANCE

### Performance Evaluation and Criteria for Evaluation:

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 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 Independent Directors, Board of Directors, Committees of Board, Individual Directors, including the Managing Director and Non Executive Directors and Chairperson of the Board.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Nomination and Remuneration Committee has laid down a structured questionnaire which is prepared separately for the Board, committees, Chairman and individual Directors, including Managing Director and Independent Directors. The Chairman's performance evaluation is carried out by Independent Directors at a separate meeting. Chairman is evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all the Board members and motivating and providing guidance to the Managing Director. The questionnaire and evaluation process is reviewed in the context of amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The questionnaire for Board evaluation is prepared taking into consideration various aspects of the Board's functioning such as Board members' understanding of their roles and responsibilities; attendance in the Board meetings and the reporting process; time devoted by the Board to the Company's long-term strategic issues; quality and transparency of Board discussions; quality, quantity and timeliness of the information flow between Board members and management; Board's effectiveness in disseminating information to shareholders and in representing shareholder interests; Board information on industry trends and regulatory developments; and discharge of fiduciary duties by the Board. During the evaluation of the Individual Directors, the Director being evaluated does not participate.

Performance of the committees is evaluated on the basis of their effectiveness in carrying out their respective mandates.

### Remuneration of Directors

The Board on the recommendation of the Nomination and Remuneration Committee has framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

### Remuneration to the Managing Director/Whole Time Director

The Board/Nomination and Remuneration Committee is authorized to decide the remuneration of the Managing Director and Whole Time Directors, subject to the approval of the members. The remuneration structure comprises of salary, commission, perquisites and allowances as per applicable law/ rules.

The Remuneration paid to the Executive Directors in respect of the financial year 2021-22 is given below:

(Rs. in Lacs)					
Director	Designation	Remuneration for the year ended 31 <sup>st</sup> March, 2022			
		Salary * (paid/ Provided in the Books)	Contribution to Provident Fund	Perquisites	Total
Sh. S R Mehta	Chairman	180.00	Nil	Nil	180.00
Dr. Gopal Munjal	Managing Director & CEO	180.00	Nil	Nil	180.00
Dr. V R Mehta	Joint Managing Director	180.00	Nil	Nil	180.00

## REPORT ON CORPORATE GOVERNANCE

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

*\*The Salary consists of the fixed component. There is no variable component or Performance linked incentives.*

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.

### Remuneration to Non-Executive Directors

Remuneration to Non-Executive Directors comprises sitting fees only. The sitting fee is paid to the non-Executive Directors as per the provisions of the Companies Act, 2013 and the rules there under sitting fee details of Non-Executive Directors for financial year 2021-22 is as follows:

S.No.	Director	Designation	Sitting Fees (in Rs)
1.	Sh. Sri Prakash Sharma	Independent Director	80,000/-
2.	Dr. Vinay Arora	Independent Director	85,000/-
3.	Sh. Jagvir Singh Ahluwalia	Independent Director	75,000/-
4.	Ms. Anoop Michra	Independent Woman Director	75,000/-
5.	Sh. Subhash Chander Galhotra	Independent Director	75,000/-
6.	Dr. Jatender Kumar Kakkar	Independent Director	82,500/-
7.	Sh. Navrattan Munjal	Non executive Director	80,000/-
8.	Sh. Himanshu Jain	Non executive Director	1,02,500/-
9.	Sh. Rishav Mehta	Non executive Director	75,000/-

The Company has not granted any stock options to the Directors.

### Service Contracts, Notice Period, Severance Fees

The appointment of the Directors is governed by Resolutions passed by the Board/Shareholders of the Company, which covers the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. A Formal letter of appointment is issued to independent directors. No notice period or severance fee is payable to any Director.

### C. 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. 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 Agent of the Company. Dr. V K Arora, Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting of the Company held on 29<sup>th</sup> September, 2021. The Committee met one time during the Financial Year 2021-22 i.e. on 14<sup>th</sup> February, 2022.



## REPORT ON CORPORATE GOVERNANCE

I. The members of the committee are as follows:-

Name	Designation	Category	No. of Meetings Attended
Dr. V K Arora	Chairman	Non Executive and Non Promoter	1
Dr. V R Mehta	Member	Executive and Promoter	1
Sh. Himanshu Jain	Member	Non-Executive and Promoter	1

The Company Secretary acts as the Secretary of the Committee.

During the year, 2021-22, no complaints were received from shareholders.

However, the Company received few complaints from its Fixed Deposit holders, which were resolved timely. The Hon'ble Company Law Board vide its order No. CP27/01/2013 dated 30<sup>th</sup> September, 2013 had granted extension of time to the company in repayment of the fixed deposits. The Company has completed the re-payment of its Fixed Deposits in compliance to the re-payment scheme approved by the Hon'ble Company Law Board. Few of the fixed deposits however remain unclaimed by the deposit holders as at the end of the Financial Year. The Company shall repay those claims as and when the respective Deposit Holder approaches the Company for the payment of those deposits.

### Name and designation of Compliance Officer

Ms. Ginny Uppal, Company Secretary

Email ID for investor grievances: companysec@indswift.com

## II. Terms of Reference

The terms of reference of this Committee is as under:

1. To look into redressal of investors' complaints and requests such as transfer of shares/ debentures, non-receipt of dividend, annual report, etc.
2. To resolve the grievances of the security holders of the Company.
3. Oversee the performance of the Company's Registrars and Transfer Agents.
4. Recommend methods to upgrade the standard of services to Investors.
5. Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading and to carry out functions as referred by the Board of Directors.
6. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares. Non-receipt of Annual Report non-receipt of declared dividends, issue of new/duplicate certificates, General meetings etc.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

## D. RISK MANAGEMENT COMMITTEE

Regulation 21 of the LODR Regulations, 2015 mandates top 1000 listed companies based on the market capitalization to constitute a Risk Assessment Committee. Although non-mandatory, your Company has constituted a Risk Assessment Committee of the Board.

Evaluation of business risk and managing the risk has always been an ongoing process in the Company. The Risk Assessment

## REPORT ON CORPORATE GOVERNANCE

Committee assists the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.

### Composition of the Committee

The Board of the Company has constituted a Risk Assessment Committee, comprising of 3 Directors. The composition of the Risk Management Committee as on 31<sup>st</sup> March, 2022 is as follows:-

Name	Designation	Category
Dr. V K Arora	Chairman	Non Executive and Non Promoter
Dr. Gopal Munjal	Member	Executive and Promoter
Sh. S P Sharma	Member	Non Executive and Non Promoter

No committee meeting was held during the financial year 2021-22.

### Terms of Reference

The terms of reference of Risk Management Committee are as under:

- Preparation of Risk Management Plan, reviewing and monitoring the same on regular basis
- To review critical risks identified by Committee Members of the Company on periodic basis.
- To ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- To evaluate significant risk exposures of the Company and assess Management's actions to mitigate the exposures in a timely manner.
- To obtain advice and assistance from Internal or External Legal, Accounting or other Advisors.
- To perform such other functions as may be prescribed or deemed fit by the Board.

### E. SUB-COMMITTEE OF BOARD

The Sub Committee of Board was constituted in the year 2012 to consider and approve the matters related To Banks/ FIs/ Term Loans/ Corporate Debt Restructuring and matter of general/routine nature.

The constitution of the Sub-Committee of Board and the attendance of each member is as under-

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Dr. G Munjal	Chairman/ Member	Executive Director	9	9
Dr. V R Mehta	Member	Executive Director	9	9
Sh. Himanshu Jain	Member	Non Executive Director	9	9
Dr. Jatender Kumar Kakkar *	Member	Non Executive Independent Director	9	9
Dr. V K Arora**	Member	Non-Executive, Independent Director	NA	NA

\* Ceased to be member of w.e.f. 25th March, 2022

\*\* Appointed as a member w.e.f 1st April, 2022

## REPORT ON CORPORATE GOVERNANCE

### NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & Listing Centre:

NSE and BSE have developed web based applications for Corporates. Periodical compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc are filed electronically on NEAPS/BSE Listing centre.

### SCORES (SEBI Complaints Redressal System):

in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge its' complaint against a company for his/her 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. During the year, 2021-22, no complaints were received from the shareholders.

### Exclusive email ID for investors:

The Company has designated the email id **companysec@indswift.com**, exclusively for investor servicing and the same is prominently displayed on the Company's website [www.indswiftltd.com](http://www.indswiftltd.com).

### 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	Category General Meeting	Date	Time	Venue	No. of Special Resolutions
2021-22	35 <sup>th</sup> AGM	29 <sup>th</sup> September, 2021	11.30 AM	Through VC/other audio visual means	7
2020-21	34 <sup>th</sup> AGM	30 <sup>th</sup> September, 2020	11:30 AM	Through VC/other audio visual means	None
2019-20	EGM	30 <sup>th</sup> March, 2020	10:00 AM	781, Industrial Area, Phase-II, Chandigarh	1
2019-20	33 <sup>rd</sup> AGM	11 <sup>th</sup> September, 2019	10:30 AM	PHD Chamber Sector 31, Chandigarh	8
2019-20	EGM	17 <sup>th</sup> June, 2019	09:30 AM	781, Industrial Area, Phase-II, Chandigarh	1

**AGM** – Annual General Meeting

**EGM** – Extra-ordinary General Meeting

All the resolutions, including special resolutions set out in the respective notices were passed by the shareholders.

### Postal Ballot

No approval of the shareholders has been obtained by way of postal ballot during the year.

### MEANS OF COMMUNICATION

The Company has adopted following means of communication:

- All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.
- The Company intimates un-audited quarterly, half-yearly and audited quarterly and annual financial results to the Stock Exchanges immediately after these are approved and taken on record by the Board. These financial results are normally published in the Financial Express (English) and Jansatta (Hindi).

## REPORT ON CORPORATE GOVERNANCE

- C) The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website [www.indswiftltd.com](http://www.indswiftltd.com).
- D) Management Discussion and Analysis forms part of the Annual Report.

### GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting

- Date & Day 21<sup>st</sup> September, 2022
- Time 11.30 A.M.
- Venue Through Video Conference/other audio visual means
- Financial Year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

#### Financial Calendar

Financial reporting for the financial year 2022-23 for

- Quarter ending June 30, 2022 By 14<sup>th</sup> August, 2022
- Quarter ending September 30, 2022 By 14<sup>th</sup> November, 2022
- Quarter ending December 31, 2022 By 14<sup>th</sup> February, 2023
- Financial Year ending March 31, 2023- Audited Results By 30<sup>th</sup> May, 2023  
(As Audited Results will be considered)
- Annual General Meeting for the year ending March 31, 2023 By 30<sup>th</sup> September 2023

#### Date of Book Closure -

The Company's Register of Members and Share Transfer Books will remain closed from 15<sup>th</sup> September, 2022 to 21<sup>st</sup> September, 2022 (both days inclusive).

#### Dividend

In view of inadequacy of profits during the financial year, no dividend has been proposed for the Year ended 31<sup>st</sup> March, 2022.

#### 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). The Company has paid the listing fees of BSE and NSE as on 31<sup>st</sup> March, 2022.

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

Name of the Stock Exchange	: CODE
BSE Limited	: 524652
NSE Limited	: INDSWFTLTD

**The ISIN No. for the Company's Shares in Demat Mode – INE788B01028**

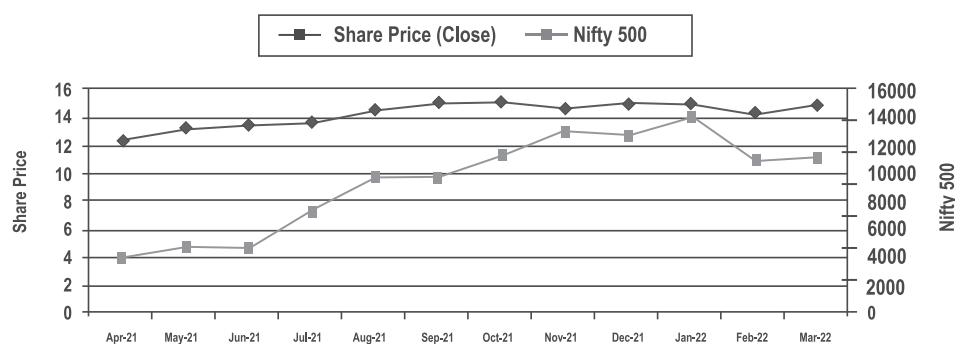
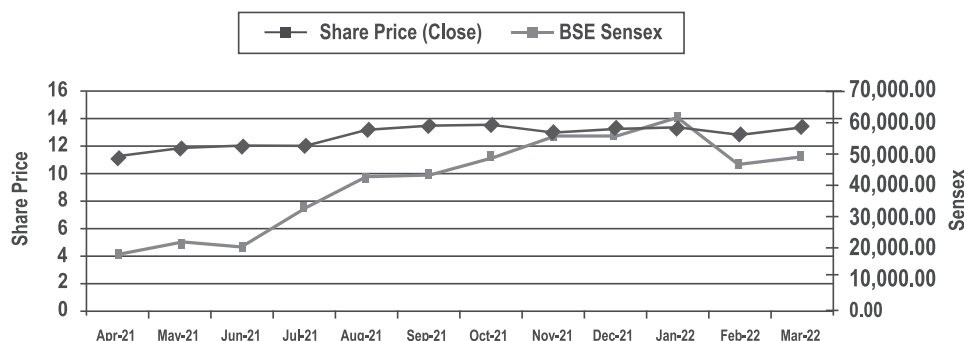
## REPORT ON CORPORATE GOVERNANCE

### 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 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 are as under:

Month	BSE			NSE		
	High (Rs)	Low (Rs.)	Volume of Shares	High (Rs)	Low (Rs.)	Volume of Shares
April, 2021	4.55	3.76	31,786	4.50	3.90	28,595
May, 2021	5.48	3.92	87,936	5.25	4.05	1,01,656
June, 2021	4.95	4.71	88,666	4.80	4.60	62,725
July, 2021	7.57	4.70	87,552	7.25	4.65	29,674
August, 2021	10.59	7.94	31,68,387	10.45	7.60	15,08,582
September, 2021	10.50	8.80	2,62,830	10.50	8.75	10,16,651
October, 2021	16.76	9.51	7,27,807	16.60	9.40	13,16,000
November, 2021	14.99	10.12	7,11,234	15.20	10.20	17,27,395
December, 2021	13.60	11.08	3,70,579	13.55	11.10	13,49,961
January, 2022	18.76	13.00	10,96,365	18.50	13.05	15,58,338
February, 2022	15.35	10.45	1,89,000	15.40	10.45	5,19,447
March, 2022	13.00	10.70	1,54,718	12.90	10.60	3,80,945

(Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com))



## REPORT ON CORPORATE GOVERNANCE

### Registrar and Transfer Agent

Transfer Agent for physical transfer and Demat of Shares:

M/s Alankit Assignments Ltd.  
4E/2, Jhandewalan Extension,  
New Delhi-110 055  
Tel:- +91-11-42541234, 423541234  
Fax:- +91-11-42541201  
E-mail: info@alankit.com  
Website: www.alankit.com

### 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 31<sup>st</sup> March, 2022, 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 not received any complaint from its' shareholders during the financial year 2021-22. There was no unsettled complaint as on 31<sup>st</sup> March, 2022.
- However, apart from the shareholders, the Company has received a few complaints from its Fixed Deposit holders, which were duly resolved and no complaint was pending to be resolved as on 31<sup>st</sup> March, 2022.

### Secretarial Audit

- As per Regulation 40(9) of the Listing Regulations, a Certificate from the Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time on half yearly basis confirming due compliance of share transfer formalities by the Company.
- Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- Mr. Vishal Arora, Practicing Company Secretary has conducted a Secretarial Audit of the Company for FY 2021-22. The explanation on all the observations of the secretarial audit report has been already given in the Directors' Report forming part of this Annual Report.

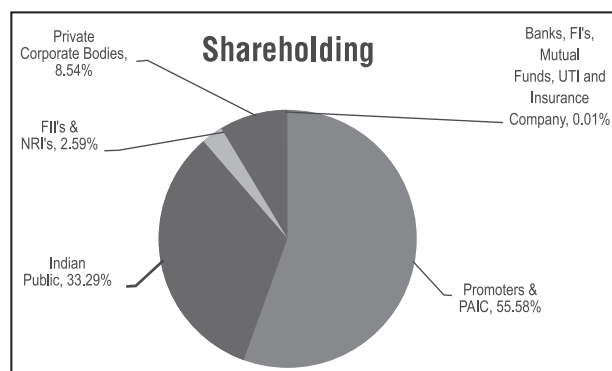
### Distribution of Equity Shareholding as on March 31, 2022

Category	No. of Shares Held	%age of Shareholding
Promoters & PAIC	30103343	55.58
Banks, FI's, Mutual Funds, UTI and Insurance Company	2509	0.01
FII's & NRI's	1403312	2.59
Private Corporate Bodies	4624148	8.54
Indian Public	18031341	33.29
<b>Total</b>	<b>5,41,64,653</b>	<b>100.00</b>



## REPORT ON CORPORATE GOVERNANCE

### Shareholding Pattern as on 31<sup>st</sup> March 2022



### Distribution Schedule as on 31<sup>st</sup> March 2022

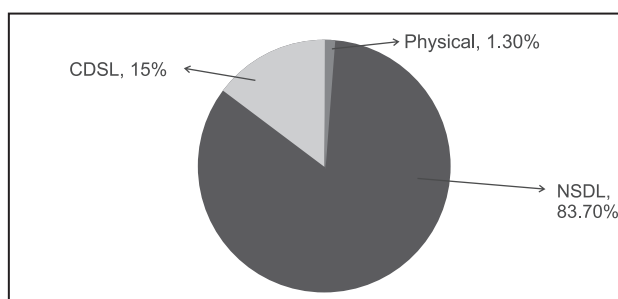
Shares or Debenture holding of Nominal Value of	No. of Share Holders	% age of Total Holders	Shares Amount (In Rs)	% age of Total Equity
Up to 5000	10285	73.42	1953826	3.61
5001 to 10,000	1592	11.36	1377903	2.54
10,001 to 20,000	879	6.28	1390289	2.57
20,001 to 30,000	344	2.46	897992	1.66
30,001 to 40,000	192	1.37	696735	1.29
40,001 to 50,000	160	1.14	769806	1.42
50,001 to 1,00,000	312	2.23	2325127	4.29
1,00,001 to Above	244	1.74	44752975	82.62
<b>TOTAL</b>		<b>100</b>	<b>54164653</b>	<b>100</b>

### Dematerialization of Shares

The shares of the company are available for trading in the Depository system of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31<sup>st</sup> March 2022, 53460016 equity shares of the company, forming 98.70% of the share capital of the company, stand dematerialized.

Mode of Shares	Number of Shares	%
NSDL	45339232	83.70%
CDSL	8120784	15%
Physical	704637	1.30%
<b>Total</b>	<b>54164653</b>	<b>100.00%</b>

### Shares held in Physical and Dematerialized Form as on 31.03.2022



## REPORT ON CORPORATE GOVERNANCE

### Outstanding Global Depository Receipts or American Depository Receipts or warrants or any other convertible instruments, conversion dates and likely impact on equity

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

### Commodity price risk or foreign exchange risk and hedging activities

The Company exports finished goods and imports raw materials of few products. The international trade is primarily in USD and Euro which are major convertible currencies, and to that extent the exposure to foreign exchange risk exists. However, exports and imports of the Company are in the same currencies, therefore, a natural hedge for these currencies exist.

The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2021-22.

**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** Ms. Ginny Uppal  
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)

### Nomination Facility

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Desirous Members may approach to the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in demat form, for availing the same facility.

### List of credit ratings obtained/revision

During the Financial Year, 2021-22, no fresh credit rating was obtained by the Company for its' Debt Instruments, Fixed deposit Programme or any other scheme or proposal involving mobilization of funds, whether in India or abroad. The Company had last obtained credit rating in 2014.

### OTHER DISCLOSURES

#### Related Party Transactions

Transactions with related parties are disclosed at Note No. 48 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](http://www.indswiftltd.com). The web link for the same is given below:

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

## REPORT ON CORPORATE GOVERNANCE

All transactions entered with related parties during the year ended 31<sup>st</sup> March, 2022 as mentioned under Companies Act, 2013 and Regulation 23 and 27(2)(b) of the SEBI Listing Regulations, 2015 were in the ordinary course of business and on arm's length basis. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

### Policy on Material Subsidiaries

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website [www.indswiftd.com](http://www.indswiftd.com). The web link for the same is given below: <http://www.indswiftd.com/material-subsidiary.php>

### Statutory Compliance, Strictures and Penalties

The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authority on matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company by these authorities.

### Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not made any Preferential Allotment or Qualified Institutions Placement during the Financial Year 2021-22.

### Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance

The Company has taken the requisite certificate from M/s Jain & Associates, Chartered Accountants and the same is attached as "Annexure-I" of the Corporate Governance report.

### A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Company has taken the requisite certificate from Mr. Vishal Arora, Company Secretary in Practice and the same is attached as "Annexure-II" of the Corporate Governance report.

### Annual Secretarial Compliance Report

SEBI vide its circular dated 8<sup>th</sup> February, 2019 mandated all the listed entities to obtain Annual Secretarial Compliance Report from a Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars/guidelines issued thereunder. The Company has received the aforesaid report from Mr. Vishal Arora, Company Secretary in Practice for the Financial Year 2021-22. A copy of the said Annual Secretarial Compliance Report is enclosed as "Annexure-III". The report is unqualified. The contents of the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments on the same.

### Disclosure of non-acceptance of Committee recommendation by the Board

During the Financial Year 2021-22, the Board has accepted all the recommendation/submission made to it by its various Committees.

### Total fees for all services paid by the listed entity and its subsidiaries, to the Statutory Auditor (Standalone payment)

During the Financial Year 2021-22, the Company has paid a sum of Rs. 7.50 Lacs plus GST to the Statutory Auditors for conducting Statutory Audit of the Company. Apart from this, no other fees/charges have been paid to the Statutory Auditors.

### Policy on Prevention of Sexual Harassment at Workplace

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Act, 2013. The Company has a 'Policy for prevention of Sexual Harassment'. As per the Sexual Harassment Act, the policy mandates strict confidentiality and recognizes the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Internal Complaints Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy.

## REPORT ON CORPORATE GOVERNANCE

### During the year under review-

- a. Number of complaints filed - Nil
- b. Number of complaints disposed off - Nil
- c. Number of complaints pending as at end of the financial year - Nil

### 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:

- 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.indswiftd.com](http://www.indswiftd.com) at the web link:

<http://www.indswiftd.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.

### Compliance of Corporate Governance Provisions

There is no Non-compliance of any requirement of Corporate Governance Report of Sub Para (2) to (10) of Part C of Schedule V the Listing Regulations. The Company has also complied with all the Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 with all the mandatory requirements laid down by SEBI (LODR) Regulations, 2015.

### IND-AS

The Company adopted Indian Accounting Standards (Ind-AS) from 01 April, 2017 with the transition date of 01 April 2016 and accordingly the financial results of the Company for all the quarters / annual have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS).

### 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.

### Details of Loans and advances by the Company and its subsidiaries in the nature of loans to firms/companies in which directors are interested by name and amount

During the year under review the Company has not advanced any loan to firms/ companies in which the Directors are interested.

## REPORT ON CORPORATE GOVERNANCE

### 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.

### Market Capitalisation And Price-Earnings Ratio :

		As on 31.03.2022	As on 31.03.2021
a.	Closing Price (BSE) (Rs.).	11.19	4.55
b.	Market Capitalization (Rs. In lacs)	6061.02	2464.49
c.	Price-Earnings Ratio	(3.02)	(0.83)

### Unclaimed Shares:

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports that there are no unclaimed shares as on 31<sup>st</sup> March, 2022.

### Certification by Chief Executive Officer of the Company

I hereby declare that as provided under SEBI (LODR) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2022.

Sd/-  
**Dr. Gopal Munjal**  
**Managing Director & CEO**

**Place: Chandigarh**  
**Date: 09.08.2022**

## ANNEXURE-I TO THE CORPORATE GOVERNANCE REPORT

### **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members**  
**Ind-Swift Limited**  
**781, Industrial Area,**  
**Phase-II, Chandigarh-160002**

1. The Corporate Governance Report prepared by Ind Swift Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2022. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

#### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **Auditor's Responsibility**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.



## ANNEXURE-I TO THE CORPORATE GOVERNANCE REPORT

### Opinions

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 1 above.
10. This Report 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.
11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For **JAIN & ASSOCIATES**  
**Chartered Accountants**  
(Regd. No. 001361N)

**(S.C. PATHAK)**  
**Partner**  
Membership No. 10194  
UDIN : 22010194AOQSZY1269

**Place: Chandigarh:**  
**Date: 09.08.2022**

## ANNEXURE-II TO THE CORPORATE GOVERNANCE REPORT

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,  
The Members of  
IND-SWIFT LIMITED  
781 INDUSTRIAL AREA  
PHASE II CHANDIGARH-160002**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ind Swift Limited having CIN L24230CH1986PLC006897 and having registered office at 781, Industrial Area, Phase-II, Chandigarh-160002 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except **Dr. Gopal Munjal (DIN 00005196)**, **Mr. Sanjeev Rai Mehta (DIN 00005668)** and **Dr. Vikrant Rai Mehta (DIN 00010756)** who has been disqualified under section 164(2) of the Companies Act, 2013.

The list of Directors of the Company as on 9<sup>th</sup> August, 2022 is as follows:-

S.No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1	SANJEEV RAI MEHTA	00005668	30.11.2006
2	GOPAL MUNJAL	00005196	11.12.1986
3	VIKRANT RAI MEHTA	00010756	30.09.1993
4	HIMANSHU JAIN	00014533	31.07.2003
5	NAVRATTAN MUNJAL	00015096	11.12.2006
6	SRI PRAKASH SHARMA	00475413	07.11.2012
7	RISHAV MEHTA	03028663	23.03.2010
8	VINAY ARORA	06830624	07.03.2014
9	JAGVIR SINGH AHLUWALIA	06930649	29.08.2017
10	SUBHASH CHANDER GALHOTRA	07205416	31.12.2016
11	ANOOP MICHRA	07813108	06.05.2017
12	BHUPINDER SINGH	09649117	23.06.2022

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Vishal Arora,  
Company Secretary  
FCS No. 4566  
CP No. 3645  
UDIN : F004566D000849234

**Place: Chandigarh  
Date: 09.08.2022**

# **ANNEXURE-III** **TO THE CORPORATE GOVERNANCE REPORT** **Secretarial Compliance report of IND SWIFT LIMITED** **For the year ended 31.03.2022**

**To,**  
**The Members of**  
**IND-SWIFT LIMITED**  
**781 INDUSTRIAL AREA**  
**PHASE II CHANDIGARH-160002**

I have examined:

- (a) all the documents and records made available to us and explanation provided by Ind Swift Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of :
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the Audit Period)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Circulars/ guidelines issued thereunder based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) No action has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports.

S. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Sd/-

Vishal Arora,  
Company Secretary  
FCS No. 4566  
CP No. 3645

**Place: Chandigarh**  
**Date: 30.05.2022**

UDIN: F004566D000427296

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

To  
The Members of  
**Ind Swift Limited**  
Chandigarh

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of IND-SWIFT LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement for Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013, as amended("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 March 31, 2022, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing ("SA's"), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit assessed Key audit matters
<b>Evaluation of Uncertain tax Positions</b> The company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes to accounts No.28 to the Financial statements	<ul style="list-style-type: none"> <li>Obtained the details of completed tax assessments and demands as on 31/03/2022 from Management.</li> <li>We involved our expertise to challenge the management's underlying assumptions in estimating tax provision and the possible outcome of the disputes.</li> <li>We have also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Emphasis of Matters

**Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial statements:**

- a) We draw attention to Note No. 35(ii) of the accompanying standalone financial statements, which informs assignment of Bank of India debt to Edelweiss Asset Reconstruction Company (EARC).
- b) We draw attention to Note No. 35(iii) of the accompanying standalone financial statements, which informs that the debt of Phoenix ARC has been settled and repaid.
- c) We draw attention to Note No. 38 of the accompanying standalone financial statements, which describes that despite assignment of Central Bank of India debt to ARC, the bank has not withdrawn its notice declaring company and its directors as Wilful defaulters. Legal suits have been filed for the withdrawal of the same and the matter is sub-judice.
- d) We draw attention to Note No. 42 of the accompanying standalone financial statements, which states that sundry balances/excess provision amounting to Rs. 1241.94 Lakhs have been written back during the year being not payable/provision not required.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2021-22 but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 it appears from our examination of those books and proper returns adequate for the purpose of our audit;
- (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197(16) read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the Financial Statements;
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d)
    - (i) As per management representation and to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) As per management representation and to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- (iii) Based on procedures followed in the regular course of our audit, nothing has come to our notice that has caused to believe that the representations under sub clause (i) and (ii) contain any material misstatement
- (e) No dividend has been declared or paid during the year by the Company.

**For Jain & Associates**

Chartered Accountants  
(Regd No. 001361N)

**S.C Pathak**  
**Partner**

Membership No.: 010194  
UDIN: 22010194AJXJIR3626

Place : Chandigarh  
Date: 30/05/2022

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

**“Annexure-A” Referred to in Paragraphs under the heading “Report on other Legal and Regulatory requirements” of our report of even date**

**Re: M/s Ind-Swift Limited ('the Company')**

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of intangible Assets.
- (b) According to information and explanations given by the management, the Company has a system of physical verification of all its fixed assets over a period of four years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) There are certain title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements which are not held in the name of the Company. Details are as below:

**In case of Building:**

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
Building Plot No 781 Industrial Area Phase II Chandigarh	12.00 Lakhs	Sharan Kumar	No	16.04.1998	The property could not be transferred earlier in the the name of company due to certain legal issues. Now the company is trying to get it transferred in its name after completing the legal formalities.
Building Plot No. 42 Industrial area Phase II Chandigarh	18.25 Lakhs	Manchanda Industries	No	16.08.2000	The property could not be transferred earlier in the the name of company due to certain legal issues. Now the company is trying to get it transferred in its name after completing the legal formalities.

- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per the information and explanation provided to us there are no such proceedings which have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- (b) The company has not been sanctioned working capital limits in excess of five crore rupees during any point of time of the year in aggregate, from banks or financial institutions on the basis of security of current assets. Since all the banks have

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

assigned their debt to Edelweiss Asset Reconstruction Company (EARC), the company is not required to file quarterly returns and statements with banks and financial institutions.

- (iii) (a) During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity:
- a) No such loan or advance and guarantee or security has been given to subsidiaries, joint ventures and associates during the year.
  - b) No such loan or advance and guarantee or security has been given to parties other than subsidiaries, joint ventures and associates during the year.
- (b) As per information and explanation provided to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In our opinion and according to the information and explanation given to us, the schedule of repayment of principal and payment of interest has been stipulated. However, The principle and interest due on loan to Swift Fundamental Research & Education Society (SFRE) are not received by the company as stipulated and no interest has been provided on loan to SFRE during the year.
- (d) According to the information & explanations given to us, the company has taken reasonable steps to recover the amount from SFRES and such loan is overdue by Rs. 66.58 crores for more than 90 days
- (e) In our opinion and as per explanation provided to us no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties
- (f) the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and the directives issued by The Reserve Bank of India with regards to the deposits accepted from the public.
- (vi) The maintenance of cost records has been specified by the Central Government Under sub section (1) of section 148 of the act. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost records and audit) Rules 2014, as amended, prescribed by the Central Government under sub-section (1) of section 148 of the act and are of the opinion that, prima facie the prescribed cost records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine their accuracy.
- (vii) According to information and explanations given to us in respect of Statutory Dues;
- (a) According to the records of the Company as examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, GST and other material statutory dues applicable to it, with appropriate authorities. We are informed that there are some undisputed statutory dues outstanding for a period of more than six months from the date they became payable as at the year end, which are, Provident fund Rs. 57.19 lakhs, Employees State Insurance for Rs. 31.24 lakhs, Entry Tax for Rs. 122.66 lakhs, Excise duty Rs. 43.50 lakhs, TDS for Rs. 62.11 Lakhs
  - (b) The dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

S. No.	Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (in Rs Lakhs)	Forum where the dispute is pending
1.	Income Tax Act 1961	Income Tax Demand	2011-12	43.40	CIT (Appeals), Chandigarh
2.	Income Tax Act 1961	Income Tax Demand	2019-20	15.69	CIT (Appeals), Chandigarh
3.	Bengal VAT Act	Sales Tax Demand	2009-10	36.20	Sales Tax Tribunal (Kolkata)
4.	Bengal VAT Act	Sales Tax Demand	2010-11	90.48	Sales Tax Tribunal (Kolkata)
5.	Bengal VAT Act	Sales Tax Demand	2011-12	35.71	Sales Tax Tribunal (Kolkata)
6.	M.P. VAT Act	Sales Tax Demand	2013-14	5.54	Sales Tax Tribunal (Indore)
7.	Punjab VAT Act	Sales Tax Demand	2010-11	37.60	DETC (Appeals)- Mohali
8.	Punjab VAT Act	Sales Tax Demand	2009-10	24.20	DETC (Appeals)- Mohali
9.	H.P. VAT Act	Sales Tax Demand	2006-07	80.72	DETC (Appeals)- Shimla
10.	Chandigarh VAT Act	Sales Tax Demand	2011-12	6633.62	VAT Tribunal, Chandigarh
11.	Central Excise Act 1944	Excise Duty	2013-14	124.81	Commissioner (Appeals), Ludhiana
12.	Central Excise Act 1944	Excise Duty	2016-17, 2017-18	88.82	Commissioner (Appeals), Ludhiana
13.	Service Tax Act	Service Tax	2014-2015	3.71	CESTAT, Chandigarh
14.	Service Tax Act	Service Tax	2013-14 & 2014-15	6.63	CESTAT, Chandigarh
15.	Service Tax Act	Service Tax	2011-12	7.23	CESTAT, Chandigarh
16.	GST Act	GST	2017-18	84.88	Jammu High Court, Jammu

- (viii) As per information and explanation provided to us no income has been surrendered or disclose during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- (ix) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or Government.
- (b) During the year 2019-20 the Central bank of India (Lender Bank), had declared the Company and its Directors as wilful defaulters. However, on 03.03.2020 the Central Bank of India had assigned its debt to M/s Edelweiss Assets Reconstruction Company (India Limited and after that the same was full paid by the Company. The Company has also satisfied the ROC Charge in respect of this loan after getting NOC from Edelweiss on 10th July, 2020. The Company has filed the legal suits against the Bank for setting aside the orders, whereby the Directors have been declared as wilful defaulters and the matter is sub-judice.
- (c) In our opinion and according to the information and explanation given to us, during the year the term loans were applied for the purpose for which they were obtained and there is no diversion of funds.
- (d) During the year, no short term funds have been raised and utilised for long term purposes.
- (e) In our opinion and according to the information and explanation provided to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanation provided to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies,
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations give to us and based on our examination of the records of the Company, the

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) As per information and explanation provided to us no whistle-blower complaints received during the year by the company.
- (xii) The Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The company has appropriate internal audit system which commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by the Statutory Auditors.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to get registered under Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The company is not a Core Investment Company (CIC) and the Group has not any CIC as part of the Group
- (xvii) The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- (xviii) During the year there is no resignation of statutory auditors.
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) (a) the company does not have any unspent amount to a Fund specified in Schedule VII to the Companies Act as required under second proviso to sub-section (5) of section 135 of the said Act .
- (b) There is no such amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project.
- (xxi) Since the company is not required to prepare consolidated financial statements, hence clause 3 (xi) of the order is not applicable.

**For Jain & Associates**  
Chartered Accountants  
(Regd No.: 001361N)

**S.C Pathak**  
**Partner**  
Membership No.: 010194  
UDIN: 22010194AJXJIR3626

Place : Chandigarh  
Date : 30.05.2022

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### **"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, 2022 in conjunction with our audit of the Ind AS 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 ("ICAI"). 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 with reference to these standalone Financial Statements 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 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 with reference to these standalone Financial Statements 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 with reference to these standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Financial Statements, 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 with reference to these standalone Financial Statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with reference to these standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Financial Statements, 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 with reference to these standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Financial Statements and such internal financial controls over financial reporting with reference to these standalone Financial Statements were operating effectively as at March 31, 2022, 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 Jain & Associates**

Chartered Accountants

(Regd No.: 001361N)

**S.C Pathak**

**Partner**

Membership No.: 010194

UDIN: 22010194AJXJIR3626

Place : Chandigarh

Date : 30.05.2022



## STANDALONE BALANCE SHEET

AS AT 31-03-2022

				(Rs. in Lacs)
PARTICULARS	NOTE	AS AT 31-03-2022	AS AT 31-03-2021	
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	1	22,386.91	23,080.89	
Right of Use- Land		124.87	126.61	
Other Intangible assets		1,038.71	1,193.67	
Capital Work in Progress		900.07	1,306.06	
<b>Financial Assets</b>				
Investments	2	6,435.32	7,030.84	
Other non-current Financial assets	3	7,906.16	7,898.74	
Other non-current assets	4	139.45	3.07	
<b>Total Non Current Assets</b>		<b>38,931.49</b>	<b>40,639.88</b>	
<b>CURRENT ASSETS</b>				
Inventories	5	6,958.27	6,284.60	
<b>Financial Assets</b>				
Trade Receivable	6	9,062.11	10794.61	
Cash and Cash equivalents	7	1,618.25	2899.17	
Other Current Assets	8	6,605.59	6,539.06	
<b>Total Current Assets</b>		<b>24,244.22</b>	<b>26,517.44</b>	
<b>Total Assets</b>		<b>63,175.71</b>	<b>67,157.32</b>	
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	9	1,083.29	1,083.29	
b) Other Equity	10	(73,115.40)	(70,599.73)	
<b>Total Equity</b>		<b>(72,032.11)</b>	<b>(69,516.44)</b>	
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	11	61,929.58	64,416.80	
Provisions	12	799.61	903.82	
Other Non-Current Liabilities	13	719.62	737.14	
Deffered Tax Liability (Net)	14	-	-	
<b>Total Non-Current Liabilities</b>		<b>63,448.81</b>	<b>66,057.76</b>	

## STANDALONE BALANCE SHEET

AS AT 31-03-2022

				(Rs. in Lacs)
PARTICULARS	NOTE	AS AT 31-03-2022	AS AT 31-03-2021	
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	41,635.96	37,837.44	
Trade Payables	16	20,390.73	23,201.82	
Other current Financial Liabilities	17	1,231.40	1,342.21	
<b>Other Current Liabilities</b>	18	8,382.03	8,234.53	
<b>Provisions</b>	19	118.89	-	
<b>Total Current Liabilities</b>		71,759.01	70,616.00	
<b>Total Equity and Liabilities</b>		63,175.71	67,157.32	
SIGNIFICANT ACCOUNTING POLICIES	A			
NOTES ON FINANCIAL STATEMENTS	1-48			

for and on behalf of the Board

### AUDITOR'S REPORT

As per separate report of even date

#### For Jain & Associates

Chartered Accountants  
(Regd No. 001361N)

#### S.R.MEHTA

Chairman

#### G.MUNJAL

Managing Director &amp; CEO

#### (S.C. Pathak)

Partner

Membership No : 010194

#### ARUN K. SETH

Chief Financial Officer

#### GINNY UPPAL

Company Secretary

Place: Chandigarh

Date : 30.05.2022

## STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

				(Rs. in Lacs)
	PARTICULARS	NOTE	YEAR ENDED 31-03-2022	YEAR ENDED 31-03-2021
	<b><u>INCOME</u></b>			
	Revenue from operations	20	<b>39,771.38</b>	35,605.93
	Other Income	21	<b>2,354.53</b>	1,522.06
	<b>TOTAL REVENUE (A)</b>		<b>42,125.91</b>	37,127.99
	<b><u>EXPENDITURE</u></b>			
	Cost of Material Consumed	22	<b>19,228.35</b>	17,366.59
	Purchase of Stock-in Trade		<b>2,015.21</b>	1,732.09
	Changes in inventories of Finished Goods/ Work-in-Progress	23	<b>(141.22)</b>	(446.19)
	Employee Benefits Expenses	24	<b>6,315.16</b>	5,579.47
	Financial Cost	25	<b>5,715.88</b>	5,217.80
	Depreciation/Amortisation	1	<b>3,207.31</b>	3,270.32
	Other Expenses	26	<b>7,818.86</b>	7,236.50
	<b>TOTAL EXPENSES (B)</b>		<b>44,159.55</b>	39,956.58
	<b>Profit/Loss Before Exceptional items &amp; Tax (A-B)</b>		<b>(2,033.64)</b>	(2,828.59)
	<b>Exceptional/Extraordinary items</b>			
	Waiver of Principal & Interest on Loan		<b>(73.42)</b>	-
	Sundry Balance W/off as per order of NCLT		-	(120.73)
	<b>Profit after Exceptional/Extraordinary item &amp; Tax</b>		<b>(1,960.22)</b>	(2,949.32)
	<b>Tax Expenses</b>			
	Provision for Tax		-	-
	Mat Credit Entitlement		-	-
	Provision for Defferred Tax (Net)		-	-
	Add Income Tax for Previous Years		<b>(41.79)</b>	(32.28)
	<b>Profit (Loss) for the period</b>		<b>(2,002.01)</b>	(2,981.60)
	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to Profit & Loss		<b>(508.28)</b>	4,782.28
	Items that will be classified to Profit & Loss		-	-
	<b>Total Other Comprehensive Income Net of Income Tax</b>		<b>(508.28)</b>	4,782.28

## STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

				(Rs. in Lacs)
PARTICULARS	NOTE	YEAR ENDED 31-03-2022	YEAR ENDED 31-03-2021	
Total Comprehensive Income for the Period		(2510.29)	1,800.68	
Basic Earning per Share		-3.70	-5.50	
Diluted Earning per Share		-3.70	-5.50	
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 Jain & Associates**  
Chartered Accountants  
(Regd No. 001361N)

**S.R.MEHTA**  
Chairman

**G.MUNJAL**  
Managing Director & CEO

**(S.C. Pathak)**  
**Partner**  
Membership No : 010194

**ARUN K. SETH**  
Chief Financial Officer

**GINNY UPPAL**  
Company Secretary

Place: Chandigarh  
Date : 30.05.2022

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022

A) Equity Shares Capital as on 31.03.2022									
2021-22									
Particulars	No of Shares		No of Shares		No of Shares		(Rs. In Lacs)		
	Equity	Amount (in Lacs)	Equity	Amount (in Lacs)	Equity	Amount (in Lacs)			
	54164653	1083.29	54164653	1083.29	54164653	1083.29			
Opening Balance									
Add: No of Shares issued	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Closing Balance	54164653	1083.29	54164653	1083.29	54164653	1083.29	54164653	1083.29	1083.29
B) Other Equity									
Particulars	Equity Shares	Other Equity				Security Premium	Retained Earnings	Items of Other	Total Equity attributable to equity holders
	Capital	General Reserve	Capital Reserve					Comprehensive Income	
Balance as at April 1, 2021	1083.29	9581.80	383.36			7107.97	(90348.77)	2675.91	(69516.44)
Change In Equity for the Year ended March 31,2022									
Other Comprehensive Income for the year	0	0	0	0	0	0	0	(508.28)	(508.28)
Amortised during the year	0	0	(5.38)	0	0	0	0	0	(5.38)
Profit/Loss for the period	0	0	0	0	0	0	(2002.01)	0	(2002.01)
Balance as at March 31,2022	1083.29	9581.80	377.98			7107.97	(92350.78)	2167.63	(72032.11)
Statement of change in Equity (F.Y.2020-21)									
Balance as at April 1,2020	1083.29	9581.80	388.74			7107.97	(87367.17)	(2106.37)	(71311.74)
Change in Equity for the year ended March 31,2021									
Share capital issue during the year	0	0	0	0	0	0	0	0	0
Other Comprehensive Income for the year								4782.28	4782.28
Amortised during the year	0	0	(5.38)	0	0	0	0	0	(5.38)
Profit/Loss for the period	0	0	0	0	0	0	(2981.60)	0	(2981.60)
Balance as at March 31,2021	1083.29	9581.80	383.36			7107.97	(90348.77)	2675.91	(69516.44)

## STANDALONE CASH FLOW STATEMENT

(Rs. in lacs)			
		Year ended 31.03.2022	Year ended 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/ Loss before tax and exceptional items		(2033.64)	(2828.59)
<b>Adjustment for Non Cash &amp; Non Operating Items</b>			
i) Depreciation/Amortisation		3207.31	3270.32
ii) Interest Income		(106.43)	(181.46)
iii) sundry Balance W/Back		(1241.94)	(196.26)
iv) Provision for doubtful debts/Debts Written off		156.23	214.07
v) Loss on Sale of Assets		0.60	1.59
vi) Provision for Leave Encashment/Gratuity		(16.97)	31.91
vii) Interest Paid		5715.88	5217.80
viii) Balance Written off		131.22	462.07
ix) Profit on Sale of Assets/ Share		(3.17)	(2.61)
x) Subsidy amortisation		(5.38)	(5.38)
<b>Operating Profit before Working Capital Changes</b>		<b>5803.71</b>	<b>5983.46</b>
Less : Income Tax Paid		41.79	32.28
		<b>5761.92</b>	<b>5951.18</b>
<b>Adjustment for Current Items</b>			
i) Increase/ (Decrease) in current Liabilities		2261.89	5011.34
ii) (Increase)/Decrease in Trade Receivable		1678.94	(1591.99)
iii) (Increase)/Decrease in Inventory		(673.66)	(1044.09)
iv) (Increase)/Decrease in other current Assets		(66.54)	(7.16)
<b>Cash Flow from Operating Activities before Taxes</b>		<b>8962.55</b>	<b>8319.28</b>
<b>Net Operating Activities</b>	<b>(A)</b>	<b>8962.55</b>	<b>8319.28</b>
<b>B. Cash Flow from Investing Activities</b>			
i) Interest Received		106.43	181.46
ii) Net Purchase of Fixed Assets ( Including Capital WIP)		(1957.64)	(2021.58)
iii) Sale of investment		0.00	160.00
iv) Sale of assets		9.58	8.86
<b>Net Cash used in Investing activities</b>	<b>( B )</b>	<b>(1841.63)</b>	<b>(1671.26)</b>

## STANDALONE CASH FLOW STATEMENT

(Rs. in lacs)			
		<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>C. Cash Flow from Financing Activities</b>			
i) Interest Paid		(5826.70)	(5291.55)
ii) Increase/ Decrease in Borrowings		(2413.80)	(4.67)
iii) Increase/ Decrease in Loan & Advance		(143.82)	(95.24)
iv) Increase/ Decrease in Security Deposit		(17.52)	(33.25)
<b>Net Cash Flow from Financing Activities</b>	<b>( C )</b>	<b>(8401.84)</b>	<b>(5424.71)</b>
<b>Net increase in Cash or Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(1280.92)</b>	<b>1223.31</b>
Add : Opening Balance of Cash & Equivalents		2899.17	1675.86
<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>1618.25</b>	<b>2899.17</b>

for and on behalf of the Board

### AUDITOR'S REPORT

As per separate report of even date

#### For Jain & Associates

Chartered Accountants  
(Regd No. 001361N)

#### S.R.MEHTA

Chairman

#### G.MUNJAL

Managing Director & CEO

#### (S.C. Pathak)

Partner

Membership No : 010194

#### ARUN K. SETH

Chief Financial Officer

#### GINNY UPPAL

Company Secretary

Place: Chandigarh

Date : 30.05.2022



## SIGNIFICANT ACCOUNTING POLICIES

### A - SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The Financial Statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 3. Property, Plant & Equipment

- (a) Freehold land is carried at cost. All others items of Property, Plant and equipment have been stated at cost less accumulated depreciation and impairment loss if any. Cost of acquisition or construction is inclusive of freight, non refundable taxes or Levies, 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. Cost of assets not ready for intended use before the year end, are shown as capital –work-in- progress.
- (b) The Company is following the useful life by applying straight line 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.

#### 4. Leases

The Company's lease asset classes consist primarily of land and buildings . The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases.

For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated

## SIGNIFICANT ACCOUNTING POLICIES

from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 5. Intangible Assets

- (a) Intangible assets are measured at cost and amortized over their useful life.
- (b) Expenditure on Research phase is recognised as an expense when it is incurred.
- (c) Expenditure on product development phase is recognised as an Intangible Asset, These assets are amortized over the useful period of life starting from the year when the asset first meets the following recognition criteria:
  - The technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - The intention to complete the intangible asset and use or sell it;
  - the ability to use or sell the intangible asset;
  - how the intangible asset will generate probable future economic benefits;
  - the availability of adequate technical , financial and other resources to complete the development and to use or sell the intangible asset; and
  - the ability to measure reliably the expenditure attributable to the intangible asset during its development.
- (d) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset , are recognised in statement of profit and loss when the asset is derecognized.

### 6. Inventories are valued as under

- (a) Stock of Raw Material, Packing Material and Store & Spares :- At Cost or Net Realizable Value, whichever is lower. Cost ascertained on FIFO basis, excluding recoverable rates and taxes. Cost includes cost of purchase & other cost incurred in bringing the inventories to their present location.
- (b) Stock of work in progress: - 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.
- (d) Stock in Transit: At Cost

### 7. Investments

Investments are classified into current and long term Investments.

## SIGNIFICANT ACCOUNTING POLICIES

- (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.

### 8. Revenue Recognition

The Company derives revenues primarily from sale of pharmaceutical formulation business.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a Five step application approach to be followed for revenue recognition.

- " 1. Identify the contract(s) with a customer;  
2. Identify the performance obligations;  
3. Determine the transaction price;  
4. Allocate the transaction price to the performance obligations;  
5. Recognise revenue when or as an entity satisfies performance obligation."

"Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 19 and disclosures of transition approach along with impact of adoption of Ind AS 115 on financial statements are provided in Note 20.1"

### 9.1 Sale of Goods

"For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 0-180 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)."

Net sales are exclusive of GST and Trade discount.

### 9.2 Contract Balances

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

#### Contract liabilities

"A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract."

### 9.3 Cost to obtain a contract

The Company pays sales commission to its selling agents for as per the agreement. The Company has elected to apply

## SIGNIFICANT ACCOUNTING POLICIES

the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in selling and distribution expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

### 9.4 Other revenue streams

#### Export and Other Incentives

"In case of sale made by the Company as Manufacturer, export benefits arising from Duty Entitlement Pass Book(DEPB), Merchandise Export Incentive Scheme, and Focus Market Scheme are recognised on date of actual receipt of such license from authority ."

In case of sale made by the Company as Manufacturer, export benefits arising from Duty Drawback scheme, Rebate of State Levies (ROSL), and Rebate of State and Central Taxes and Levies (ROSCTL), are recognised on sale of such goods in accordance with the agreed terms and conditions with customers.

"Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates."

Obligation / entitlements on account of Advance Licenses Scheme for import of raw materials are not accounted for as income and correspondingly no expenses is booked at time of payment of custom duty. Custom duty amount of pending export obligations are shown as contingent liability by way of note.

#### Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

#### Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 10. Financial Instruments

#### (a) Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

#### (b) Initial recognition and measurement:

The financial assets and financial liabilities are initially Measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through (profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized Immediately in statement of profit and loss.

#### (c) Subsequent measurement:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## SIGNIFICANT ACCOUNTING POLICIES

### (d) **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets

### (e) **Financial assets at fair value through profit & loss account**

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

### (f) **Financial liabilities**

#### (i) **Recognition of Financial liabilities**

Financial liabilities are measured at amortized cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### (ii) **De-Recognition of Financial liabilities**

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed shall be recognized in profit or loss account. Further the company applies extinguishment accounting/modification accounting as per IND-AS 109

#### (iii) **Equity Instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

## 11. **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.
- (a) 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.
- (b) 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.
- (c) 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 recognised 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.
- (d) The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

## 12. **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 recognised as an expense in the period in which incurred

## SIGNIFICANT ACCOUNTING POLICIES

### 13. Employee Benefits:

Current employee benefit

- a) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled.
- b) Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### Post Retirement Employee Benefits :

- a) Post retirement benefits plan are determined on the basis of an actuary valuation by an independent Actuary. Liability recognized in the balance sheet in respect of defined benefit obligation is the present Value of the defined benefit obligation at the end of reporting period.
- b) The Company has adopted a policy of compensated earned leave which are accumulating in nature and is determined by actuarial valuation at each reporting date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.
- c) Gratuity liability accounted for on the basis of actuarial valuation as per Ind AS 19 "Employee Benefits" Liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined Benefit obligation at the end of each reporting period. The present value of defined benefit is Determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss Actuarial gain/loss pertaining to gratuity are accounted for as OCI.

### 14. 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: 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/assets 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 recognised 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 recognised 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.
- d) In respect of disputed income tax demands, where the company is in appeal, provision for tax is made when the matter is finally decided.

### 15. Provisions, Contingent Liabilities and Contingent Assets

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

## SIGNIFICANT ACCOUNTING POLICIES

### 16. 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 recognised on rational basis over the useful life of the depreciable asset.

### 17. 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.

### 18. Trade Receivable/Advances

Trade receivables/advances outstanding for more than three years and other Trade receivables/advances outstanding for less than three years but are doubtful of recovery at the balance sheet date will be written off/provided in the books of accounts except those Trade receivables/advances pertaining to related parties and disputed Trade receivables/advances having matter pending before different courts.

### 19. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.



NOTE-1												
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022												
PROPERTY PLANT & EQUIPMENTS												
		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				(Rs. in Lacs)		
SR NO	PARTICULARS	BALANCE AS ON 01/04/2021	ADDITIONS DURING THE YEAR	SALE/W.OFF DELETION	AS ON 31/03/2022	AS ON 31/03/2021	DURING THE YEAR	ASSETS W/OFF	ON SALE / DELETION	TOTAL DEPRECIATION UPTO 31/03/2022	AS ON 31/03/2022	AS ON 31/03/2021
(A)	TANGIBLE ASSETS											
1	LAND	596.97	0.00	0.00	596.97	0.00	0.00	0.00	0.00	0.00	596.97	596.97
2	LEASEHOLD LAND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	BUILDING	13692.32	436.19	0.00	14128.51	4706.64	450.16	0.00	0.00	5156.80	8971.71	8985.68
4	PLANT & EQUIPMENT	32379.71	1395.21	0.00	33774.92	19785.48	2070.57	0.00	0.00	21856.05	11918.87	12594.23
5	FURNITURE & FIXTURE	738.42	32.30	0.00	770.72	645.26	20.95	0.00	0.00	666.21	104.51	93.16
6	VEHICLES	604.56	0.00	47.33	557.23	566.61	8.68	0.00	44.96	530.33	26.90	37.95
7	OFFICE EQUIPMENT	1088.45	86.37	40.28	1134.54	968.49	34.66	0.00	35.81	967.34	167.20	119.96
8	MISC FIXED ASSETS	2645.94	82.98	3.43	2725.49	2116.81	127.13	0.00	3.25	2240.69	484.80	529.13
9	BUILDING (R&D)	58.56	0.00	0.00	58.56	43.10	2.30	0.00	0.00	45.40	13.16	15.46
10	FURNITURE & FIXTURE (R&D)	31.89	0.41	0.00	32.30	28.83	0.11	0.00	0.00	28.94	3.36	3.06
11	EQUIPMENT (R&D)	1330.95	0.00	0.00	1330.95	1225.66	5.86	0.00	0.00	1231.52	99.43	105.29
	TOTAL (A)	53167.77	2033.46	91.04	55110.19	30086.88	2720.42	0.00	84.02	32723.28	22386.91	23080.89
(B)	INTANGIBLE ASSETS											
1	PATENT & TRADE MARK	47.40	0.00	0.00	47.40	43.14	0.74	0.00	0.00	43.88	3.52	4.26
2	PRODUCT TECHNOLOGY	5397.11	266.93	0.00	5664.04	4444.24	277.99	0.00	0.00	4722.23	941.81	952.87
3	SOFTWARE	2001.57	63.27	0.00	2064.84	1765.03	206.43	0.00	0.00	1971.46	93.38	236.54
	TOTAL (B)	7446.08	330.20	0.00	7776.28	6252.41	485.16	0.00	0.00	6737.57	1038.71	1193.67
	TOTAL (A+B)	60613.85	2363.66	91.04	62886.48	36339.29	3205.58	0.00	84.02	39460.85	23425.62	24274.56
	TOTAL: P/Y (31/03/2021)	60019.15	715.51	120.81	60613.85	33181.06	3268.59	0.00	110.36	36339.29	24274.56	26838.09
CAPITAL WORK IN PROGRESS												
	PARTICULARS	OPENING BALANCE	ADDITION	CAPITALISED	CLOSING BALANCE							
	CAPITAL WORK IN PROGRESS	1306.06	1265.32	1671.31	900.07							
	TOTAL: P/Y (31/03/2021)	0.00	1306.06	0.00	1306.06							
CAPITAL WORK IN PROGRESS (CWIP)												
(a) For Capital-work-in progress, following ageing schedule shall be given: CWIP ageing schedule												
						Amount in CWIP for a period of				(Rs. in Lacs)		
CWIP						Less than 1-year	1-2 years	2-3 years	More than 3 years	Total		
Projects in progress												
Building Under constraution (CWIP)							-	-	-	627.70		
Plant & Machinery (CWIP)							-	-	-	272.36		

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Title deeds of immovable properties not held in the name of the company :						
Rel- evant line item in the Bal- ance Sheet	Description of item of Property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is promotor, director or elative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE	Building Plot No 781 Indl Area Phase II Chandigarh	12,00,000	Sharan Kumar	No.	16.04.1998	The property could not be transferred earlier in the the name of company due to certain legal issues. Now the company is trying to get it transferred in its name after completing the legal formalities.
PPE	Building Plot No. 42 Indl area Phase II Chandigarh	18,25,000	Manchan- da Indus- tries	No.	16.08.2000	The property could not be transferred earlier in the the name of company due to certain legal issues. Now the company is trying to get it transferred in its name after completing the legal formalities.

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)				
PARTICULARS		AS AT 31-03-2022		AS AT 31-03-2021
<b>NOTE - '2'</b>				
<b>NON-CURRENT INVESTMENTS</b>				
<b>Investment in Equity Instrument</b>				
<b>Quoted (Carried at FVTOCI)</b>				
9499720 (Previous year 9499720) Equity Shares in M/s Ind Swift Laboratories Ltd of Rs. 10/- each fully paid up	6844.55		2,061.44	
Add/Less: (Impairment)/ Appreciation in value of investment	(536.73)	<b>6,307.82</b>	4783.11	6844.55
<b>Unquoted others (Carried at FVTOCI)</b>				
300000 {Previous Year 300000} Equity Shares of Essix Biosciences Ltd. of Rs. 10/- each fully paid up	186.29		187.12	
Add/Less : (Impairment)/ Appreciation in value of investment	(58.79)	<b>127.50</b>	(0.83)	186.29
		<b>6,435.32</b>		7,030.84
2.1 Quoted Investment are valued at market value as on 31.03.2022				
2.2 Unquoted other Investments are valued at fair value on the basis of book value as per the last audited annual accounts of investee companies available with the company i.e for the year ending 31.03.2021				
2.3 The shares of Ind Swift Laboratories Ltd are pledged to the lenders of Ind Swift Laboratories Limited against various loans/ credit facilities availed by the Ind Swift Laboratories Limited.				
2.4 Ind Swift Laboratories Ltd and Essix Biosciences Ltd are Related Parties.				

<b>NOTE - '3'</b>			
<b>OTHER NON CURRENT FINANCIAL ASSETS</b>			
(To the extent not written off/adjusted)			
(Unsecured but considered goods)			
Security Deposits		<b>160.76</b>	143.09
Advance to Promoter Directors		<b>1,087.16</b>	1,087.16
Loans to Related Parties		<b>6,658.24</b>	6,668.49
		<b>7,906.16</b>	7,898.74
Type of Borrower	Amount of Loan or advance in the nature of loan outstanding	Percentage to the Total Loans and Advances in the nature of Loans	
Promoters Directors	1087.16	14.04	
Related Parties	6658.24	85.96	

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)		
PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
<b>NOTE - '4'</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Advance against Capital Goods	139.45	3.07
	139.45	3.07

<b>NOTE - '5'</b>		
<b>CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
(As taken, valued & certified by the Management)		
Raw Material	3,851.95	3,448.77
Work- in- Progress	369.46	539.17
Finished Goods	2,431.76	2,120.83
Consumables	107.11	88.26
Material in transit	197.99	87.57
	6,958.27	6,284.60
5.1 Inventories are valued as per significant accounting policy of the company refer no 6		

<b>NOTE - '6'</b>		
<b>TRADE RECEIVABLES</b>		
Debtors Outstanding for a Period Exceeding Six Months.		
Considered good	665.51	1,248.17
Considered doubtful	5,705.03	6,728.52
Other Debts	8,396.60	9,546.44
	14,767.14	17,523.13
Less: Provision for Doubtful Debts	5,705.03	6,728.52
(Unsecured but considered good by the management)	9,062.11	10,794.61

	Particulars			Outstanding for following Period		
		Less than 6 Months	6 Months - 1 year	1 -2 years	2 - 3 years	More than 3 years
(i)	Undisputed Trade Receivables- <b>Considered good</b>	<b>8396.60</b>	<b>297.79</b>	<b>316.88</b>	<b>33.38</b>	
(ii)	Undisputed Trade Receivable- which have significant increase in credit risk					
(iii)	Undisputed Trade Receivables- credit impaired					
(iv)	Disputed Trade Receivables- considered goods	82.80	118.37	<b>13.11</b>	<b>0</b>	5490.75
(v)	Disputed Trade Receivables- which have significant increase in credit risk					17.46
(vi)	Disputed Trade Receivables- Credit impaired					

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)		
PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
<b><u>NOTE -'7'</u></b>		
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
Balance with Banks	23.55	36.33
Cash in Hand	45.12	15.34
Others (Imprest)	195.35	157.02
Fixed Deposits with Banks	1,354.23	2,690.48
	<b>1,618.25</b>	2,899.17
7.1 Fixed Deposits with banks Rs. 1332.87 lacs (Previous Year Rs. 594.68 lacs) are Pledged as margin money with banks against issue of Bank Guarantees/ Letter of Credit.		
<b><u>NOTE-'8'</u></b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Advances Recoverable in Cash Or In Kind Or For Value to be Received	2,268.07	2,209.71
Mat Credit Entitlement	2,163.43	2,163.43
Income Tax Payment/ TDS (Net)	233.09	217.77
Prepaid Expenses	95.94	103.09
Deposits with Govt. Deptt.	1,845.06	1,845.06
	<b>6,605.59</b>	6,539.06
8.1 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.		
8.2 Advances recoverable includes advances to suppliers and advances to staff and other advances.		
<b><u>NOTE-'9'</u></b>		
<b><u>EQUITY SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
7,50,00,000 (Previous Year 7,50,00,000) Equity Shares of Rs. 2/- Each	1,500.00	1,500.00
	<b>1,500.00</b>	1,500.00
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
5,41,64,653 Equity Shares (Previous Year 5,41,64,653) of Rs.2/- Each Fully Paid up in Cash	1,083.29	1,083.29
	<b>1,083.29</b>	1,083.29

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### 9.1 Shares held by promoters at the end of the year 31st March.2022

Name Of Promoters	No. of Shares			
	Equity	Type	% of Total	% Change during the Year
Essix Biosciences Limited	17033433	Equity	31.45	-
S.R. Mehta	2035871	Equity	3.76	-
Gopal Munjal	1957199	Equity	3.61	-
V.R. Mehta	1921361	Equity	3.55	-
Sunita Jain	1812400	Equity	3.35	-
Neera Mehta	1547050	Equity	2.86	-
Ravi Mehta	634470	Equity	1.17	-
N.R. Munjal	611700	Equity	1.13	-
Neeta Munjal	578600	Equity	1.07	-
Nidhi Munjal	502970	Equity	0.93	-
Himanshu Jain	495300	Equity	0.91	-
Meenakshi Mehta	398310	Equity	0.74	-
Annie Mehta	158630	Equity	0.29	-
Sahil Munjal	127949	Equity	0.24	-
Rishav Mehta	111700	Equity	0.21	-
Saurabh Munjal	51700	Equity	0.1	-
Ishav Mehta	44200	Equity	0.08	-
Deepti Munjal	34200	Equity	0.06	-
Bhanavi Mehta	30300	Equity	0.06	-
Divya Munjal	15000	Equity	0.03	-
Daksh Mehta	1000	Equity	0.001	-
Total	30103343		55.58%	

### 9.2. No. of Shareholders holding 5% or more of share capital

Name Of Shareholder	As on 31-03-2022		As on 31-03-2021	
	No. of Shares	%	No. of Shares	%
Essix Biosciences Limited	17033433	31.45%	17033433	31.45%

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)				
PARTICULARS		AS AT 31-03-2022		AS AT 31-03-2021
<b>NOTE' -10'</b>				
<b>OTHER EQUITY</b>				
<b>General Reserve</b>		<b>9,581.80</b>		9,581.80
<b>Capital Reserve</b>				
Opening Balance:	383.36		388.74	
Less: Amortised during the year:	(5.38)	<b>377.98</b>	(5.38)	383.36
<b>Securities Premium</b>		<b>7,107.97</b>		7107.97
<b>Other Comprehensive Income</b>				
Opening Balance	2,675.91		(2,106.37)	
Add: During the year	(508.28)	<b>2,167.63</b>	4782.28	2,675.91
<b>Surplus in Profit &amp; Loss Account</b>				
Profit b/f from previous year	(90,348.77)		(87,367.17)	
Add: Current Year Profit/Loss	<b>(2,002.01)</b>		(2,981.60)	
		<b>(92,350.78)</b>		(90,348.77)
		<b>(73,115.40)</b>		(70,599.73)
<b>NOTE - '11'</b>				
<b>BORROWINGS (NON CURRENT)</b>				
<b>(a) SECURED LOANS</b>				
<b>Term Loan</b>				
(i) From Banks/Asset Reconstruction Companies (ARC)		<b>51,333 .64</b>		58666.34
(ii) From Financial Institutions/ Asset Reconstruction Companies (ARC)		<b>4,170.25</b>		4,330.46
<b>Total (A)</b>		<b>55503.89</b>		62,996.80
<p>11.1 Term Loan from Banks &amp; 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 and by way of pledge of shares of promoters.</p> <p>11.2. All the loans have been assigned by bank/financial institution to Edelweiss Asset Reconstruction Company Ltd (EARC) and Phoenix ARC (P) Ltd. Debts assigned to Phoenix ARC (P) Ltd has been settled and repaid during the the year. The Company has finalised term sheet with EARC with respect to restructuring the debts of the Company at sustainable level. Amount of instalment due within next twelve months has been taken as per term sheet.</p> <p>11.3 <b>Maturity Profile of Term Loans :</b></p>				
Period	1-2 year	2-3 year	3-4 year	4 years & above
Term Loans	36329.98 Lacs.	16.79 Lacs.	19.25 Lacs.	70.52 Lacs.



## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)				
PARTICULARS		AS AT 31-03-2022		AS AT 31-03-2021
<b>(b) UNSECURED LOANS (NON CURRENT)</b>				
Loan from Related Parties		5,005.69		-
Preference Share (refer note 11.4 & 11.5)		1,420.00		1,420.00
	<b>Total (B)</b>	<b>6,425.69</b>		1,420.00
	<b>Total (A+B)</b>	<b>61,929.58</b>		<b>64,416.80</b>
<b>11.4 Details of Preference Shares</b>				
		<b>AS AT 31-03-2022</b>		<b>AS AT 31-03-2021</b>
<b>Authorised</b>	<b>No. of Shares</b>	<b>Amount (Rs. in Lacs)</b>	<b>No of Shares</b>	<b>Amount (Rs. in Lacs)</b>
Preference Shares of Rs. 100/-each	2500000	2,500.00	2500000	2,500.00
<b>Issued, Subscribed &amp; Paid Up</b>				
Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	1420000	1,420.00	1420000	1,420.00
<b>Shares Outstanding as at beginning</b>	1420000	1,420.00	1420000	1,420.00
Add: Shares issued during the year	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-
<b>Shares Outstanding as at the end of year</b>	<b>1420000</b>	<b>1,420.00</b>	1420000	1,420.00
11.5 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.				
<b>NOTE - '12'</b>				
<b>PROVISIONS</b>				
Provision for Employee Benefits/ Gratuity		799.61		903.82
		799.61		903.82
<b>NOTE - '13'</b>				
<b>OTHER LONG TERM LIABILITIES</b>				
Security Deposit Customers/ Stockists		699.62		718.07
Lease Liability		20.00		19.07
		719.62		737.14
<b>NOTE - '14'</b>				
<b>Defferred Tax Liability (Net)</b>				
Opening Deferred Tax Liability		(Rs.in Lacs) 0.00		(Rs.in Lacs) 0.00
Less: Deferred tax on old Depreciation		0.00		0.00
Less: Dererred tax Asset		0.00		0.00
		0.00		0.00

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

					(Rs. in Lacs)
	PARTICULARS		AS AT 31-03-2022		AS AT 31-03-2021
(i)	<b><u>NOTE - '15'</u></b>				
	<b><u>BORROWINGS (CURRENT)</u></b>				
	<b>SECURED LOANS</b>				
	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/ Asset Reconstruction Companies (ARC) 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 and by way of pledge of shares of promoters.		36,082.30		37,106.63
	Current Maturties of Long Term borrowings		5,084.66		251.66
	<b>Total (A)</b>		<b>41,166.96</b>	37,358.29	
(ii)	All Banks have assigned loans to Edelweiss Asset Reconstruction Company Ltd (EARC). The Company has finalised term sheet with EARC with respect to restructuring the debts of the Company at sustainable levels.				
(iii)	<b><u>UNSECURED LOANS</u></b>				
	Fixed Deposit from Public		469.00		479.15
	<b>Total (B)</b>		469.00		479.15
	<b>Total (A+B)</b>		41635.96		37,837.44
	<b><u>NOTE - '16'</u></b>				
	<b><u>TRADE PAYABLES</u></b>				
	Trade Payables (MSME)		84.32		43.09
	Trade Payables (Others)		6,823.40		10,115.07
	Trade Payables (Related Party)		13,483.01		13,043.66
			20,390.73		23,201.82
Particulars		Outstanding for following Period			
		Leass Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
(i)	MSME	84.32			
(ii)	Other	4217.49	63.75	63.17	2100.87
(iii)	Related Party	2991.94	1.21	1939.33	8550.53
(iv)	Disputed Dues -MSME				
(v)	Disputed Dues - Others				378.12

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

16.1 There are no dues to Micro and Small Enterprises, which are outstanding for more than 45 days as at March 31, 2022. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(Rs. in Lacs)			
	PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year Principal amount due to micro and small enterprises Interest due on the above	84.32	43.09
ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

(Rs. in Lacs)			
	PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
<b>NOTE - '17'</b>			
<b>OTHER FINANCIAL LIABILITIES (CURRENT)</b>			
	Intt. Accrued But not Due	1,230.32	1,341.13
	Lease Liability (Current)	1.08	1.08
		<b>1,231.40</b>	1,342.21

<b>NOTE - '18'</b>			
<b>OTHER CURRENT LIABILITIES</b>			
	Advance from Customers	3,501.69	1,976.12
	Other Payable including Statutory Dues, Cheques issued but not presented for payments	4,880.34	6,258.41
		<b>8,382.03</b>	8,234.53

<b>NOTE - '19'</b>			
<b>PROVISIONS (Current)</b>			
	Provision for Employee Benefits/ Gratuity	118.89	-
		<b>118.89</b>	-

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs in Lacs)			
	PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
	NOTE - '20'		
	Revenue from Operations		
	Sale of products	39,129.68	35,216.17
	Other Operating Revenues (Technology Transfer Fee)	641.70	389.76
		39,771.38	35,605.93
20.1	Revenue from Operations		
	Revenue from Contracts with Customers		(Rs in Lacs)
	Segment	Year ending 31-03-22 Pharmaceutical Product	Year ending 31-03-21 Pharmaceutical Product
	Type of goods or service		
	Sale of manufacturers products		
	Pharmaceutical Products	39,129.68	35216.17
	Total Revenue from contracts with Customers	39,129.68	35216.17
(Rs. in Lacs)			
	PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
	India	9,810.63	8,788.81
	Outside India	29,319.05	26,427.36
	Total Revenue from contracts with Customers	39,129.68	35,216.17
	Timing of revenue recognition		
	Goods transferred at a point in time	39,129.68	35,216.17
	Total revenue from contracts with Customers	39,129.68	35,216.17
20.2	Contract balances		
	The following table provides information about receivables, contract assets and contract liabilities from contract with customers.		
(Rs. in Lacs)			
		As at 31-03-22	As at 31-03-21
	Trade receivables	9,062.11	10,794.61
	Advances from Customers	3,501.69	1,976.12
20.3	Reconciling the amount of revenue recognised in the statement of profit and loss with contracted price		
(Rs. in Lacs)			
	PARTICULARS	YEAR ENDED 31-03-2022	YEAR ENDED 31-03-2021
	Revenue as per contracted price	39775.93	36,448.77
	Adjustments		
	Significant financing component		
	Sales return	(273.54)	(669.09)

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)			
	PARTICULARS	YEAR ENDED 31-03-2022	YEAR ENDED 31-03-2021
	Rebate	(153.13)	(146.76)
	Discount	(219.58)	(416.75)
	<b>Revenue from contracts with customers</b>	<b>39,129.68</b>	<b>35,216.17</b>
20.4	The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2022 are, as follows:		
	Advances from Customers	<b>3,501.69</b>	1,976.12

(Rs. in Lacs)			
	PARTICULARS	AS AT 31-03-2022	AS AT 31-03-2021
	<b>NOTE - '21'</b>		
	<b>Other Income</b>		
	Job work	-	84.58
	Interest Received	<b>106.43</b>	181.46
	Profit on Sale of Investment/Assets	<b>3.17</b>	2.61
	Sundry Balances/Excess Provision written Back	<b>1,241.94</b>	196.26
	Export Incentive	<b>404.58</b>	276.34
	Net Gain on Foreign Currency Transaction and Translation	<b>395.49</b>	594.87
	Other non operating Income	<b>202.92</b>	185.94
		<b>2,354.53</b>	1,522.06

	<b>NOTE - '22'</b>		
	<b>COST OF MATERIAL CONSUMED/SOLD</b>		
	Opening Stock	<b>3,537.03</b>	2,771.45
	Purchase	<b>19,650.38</b>	18,132.17
		<b>23,187.41</b>	20,903.62
	Less :Closing Stock	<b>3,959.06</b>	3,537.03
	<b>Total (A)</b>	<b>19,228.35</b>	17,366.59
	Purchase of Stock in Trade	<b>2,015.21</b>	1,732.09

	<b>NOTE - '23'</b>		
	<b>CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS</b>		
	<b>OPENING STOCK</b>		
	Work-in-Progress	<b>539.17</b>	771.33
	Finished Goods	<b>2,120.83</b>	1,442.48
		<b>2,660.00</b>	2,213.81
	<b>CLOSING STOCK</b>		
	Work-in-Progress	<b>369.46</b>	539.17
	Finished Goods	<b>2,431.76</b>	2,120.83
		<b>2,801.22</b>	2,660.00
	<b>Total (B)</b>	<b>(141.22)</b>	(446.19)

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

		(Rs. in Lacs)	
PARTICULARS	YEAR ENDED 31-03-2022	YEAR ENDED 31-03-2021	
<b>NOTE '24'</b>			
<b>EMPLOYEE BENEFIT EXPENSES</b>			
Director Remuneration	540.00	462.00	
Salary & Wages	5,256.27	4,698.05	
P.F. & Other Funds	324.45	241.42	
Staff Welfare	66.39	61.41	
Gratuity	128.05	116.59	
	<b>6,315.16</b>	<b>5,579.47</b>	
<b>NOTE - '25'</b>			
<b>FINANCE COST</b>			
Interest Expenses	5,592.57	5,145.02	
Other Borrowing Cost	123.31	72.78	
	<b>5,715.88</b>	<b>5,217.80</b>	
<b>NOTE - '26'</b>			
<b>OTHER EXPENSES</b>			
<b>MANUFACTURING EXPENSES</b>			
Power, Fuel & Water Charges	1,035.93	915.03	
Repair & Maintenance-Machinery	163.04	157.14	
Repair & Maintenance-Building	52.44	27.09	
Service Charges	1,133.91	1,115.08	
Insurance Charges	1.96	3.94	
Lab Expenses/ETP Expenses	0.36	1.08	
Other Manufacturing Expenses	120.90	104.70	
<b>Total (A)</b>	<b>2,508.54</b>	<b>2,324.06</b>	
<b>ADMINISTRATIVE EXPENSES</b>			
Travelling & Conveyance	495.16	332.90	
Audit Fees	7.50	7.50	
Rent	50.90	44.51	
Rates & Taxes	123.57	58.40	
Telephone & Postage	41.21	41.47	
Repair & Maintenance-Others	36.92	36.72	
Electricity & Power	26.03	18.57	
Insurance Charges	136.23	94.66	
Sundry Balances Written off	131.22	462.07	
Professional & Legal Exp.	275.85	286.61	
Printing & Stationery	57.40	49.46	
Loss on Sale of Assets	0.60	1.59	
Security Expenses	40.74	59.66	

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

		(Rs. in Lacs)
PARTICULARS	YEAR ENDED 31-03-2022	YEAR ENDED 31-03-2021
Corporate & Other Administrative Expenses	147.40	84.58
<b>Total (B)</b>	<b>1,570.73</b>	1,578.70
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Commission to C & F Agents	119.81	460.41
Travelling Expenses	380.13	228.78
Provision for Doubtful Debts	156.23	214.07
Breakage & Expiry	100.01	107.66
Transportation Charges	2,028.86	1,395.94
Sales Promotion	244.07	420.65
Depot/Stockist Expenses	41.55	37.91
Other Selling Expenses	144.69	78.18
<b>Total (C)</b>	<b>3,215.35</b>	2,943.60
<b><u>RESEARCH &amp; DEVELOPMENT EXP.</u></b>		
Salary & Wages (R&D)	354.30	303.51
Consumables	84.62	51.26
Other Administrative Expenses	85.32	35.37
<b>Total (D)</b>	<b>524.24</b>	390.14
<b>Grand Total (A to D)</b>	<b>7,818.86</b>	7,236.50

27.

<b>a) Earnings in Foreign Currency</b>		(Rs.in Lacs)
Particulars	2021-22	2020-21
FOB Value of Export	29319.05	26427.36
Technology Transfer Fees	641.70	389.76

<b>b) Expenditure in Foreign Currency</b>		(Rs.in Lacs)
Particulars	2021-22	2020-21
Tours & Travels	60.37	71.58
Product Registration	202.38	75.00
Business Promotion	29.95	287.39
Commission on Sale	32.91	357.64
Other Expenses	84.46	25.27

<b>c) Value of imports calculated on CIF Basis:</b>		(Rs.in Lacs)
Particulars	2021-22	2020-21
Raw Material	2370.74	1737.73
Packing Material /Cons.	16.33	26.31
Equipments	35.03	17.95

<b>d) Auditor's Remuneration:</b>		(Rs.in Lacs)
Particulars	2021-22	2020-21
Audit Fee	7.50	7.50



## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

**28.** Contingent liabilities outstanding as on 31.03.2022 not provided for in respect of:

a) Bank Guarantee issued by Banks :

	(Rs.in Lacs)	
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
<b>Bank Guarantee</b>	<b>25.00</b>	40.00

- b) Arrears of Cumulative Dividend on cumulative Redeemable Preference Shares amounting to Rs.156.20 Lacs Previous year (Rs.142.00 Lacs).
- 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.43.40 Lacs.
- d) 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.15.69 Lacs
- e) In respect of Sale 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.6944.07 Lacs. Out of it the Punjab & Haryana High Court has directed the Sale Tax authorities to not to take coercive steps to recover the demand of 6633.62 lacs
- f) 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.17.57 Lacs.
- g) 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.213.63 Lacs.
- h) In respect of GST 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. 84.88 Lacs.

29. During the year 2018-19 the sales tax deptt. Chandigarh has completed the sales tax assessment of the Company for the year 2011-12 and raised a demand of Rs. 66.34 crore on account of VAT and CST (VAT Rs. 14.33 cr, CST Rs. 0.17 cr, penalty Rs. 31.61 cr and interest Rs. 20.23 cr). However the Company has filed appeal against said order with VAT Tribunal as per Punjab VAT ACT and has deposited a sum of Rs 16.65 cr being 25.10% of the above said demand to the sales tax deptt, on 08.05.2019 and the matter is subjudice.
30. Provision for Doubtful debt amounting to Rs. 156.23 Lacs has been made by the company during the year, being considered doubtful of recovery, as per company's policy.
31. 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. as laid by Ind AS 38 issued by institute of Chartered Accountant of India on Intangible Assets. Expenditure on R&D incurred by the Company during the Year is:

	(Rs.in Lacs)
a) Addition in Fixed Assets- Panchkula	7.28
b) Product Technology Exp.- Panchkula	Nil
c) Product Technology Exp.- Other Units	266.92
d) Debited to Profit & Loss Account as per note no 26	524.24
e) Depreciation / Amortisation-Panchkula	107.03

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

## NOTES ON FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

#### 32. Segment Reporting

##### Primary Segment (Business Segments)

The Company operates only 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. As such the activities are identified as single segment in accordance with the Indian Accounting Standard (Ind AS 108) issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date.

Secondary Segment (By Geographical Segment)			
S.No.	Particulars	(Rs.in Lacs) 31.03.2022	(Rs. in Lacs) 31.03.2021
(a)	Domestic	9,810.63	8,788.81
(b)	Export	29,319.05	26,427.36
	<b>Total Sales</b>	<b>39,129.68</b>	<b>35,216.17</b>

In view of the interwoven/Intermix nature of business and manufacturing facility and cost to develop information is excessive, the other segmental information is not ascertainable

#### 33. Post Employment Benefits

- (i) **Defined Contribution plans:** The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for the qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost of the retirement benefit plan to fund the benefits.

(ii) **Defined Benefit Plan:**

- (A) The Company makes annual contributions to the Group Gratuity cum life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under :

- (a) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- (b) On the death in Service.

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected Unit Credit Method. Based on the actuarial valuation obtained in this respect the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at the Balance Sheet date.

Amount of Expenses Recognized is as follows	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
In Income Statement	124.48
In Other Comprehensive Income	(87.24)
<b>Total Expenses Recognized during the period</b>	<b>37.24</b>
Movements in the present value of the defined benefit obligation are as follows:	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Present Value of obligation as at the beginning	796.05
Current Service Cost	81.96

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Interest Expenses or Cost	52.50
Re-measurement (or Actuarial) (Gain)/Loss arising from:	-
-change in demographic assumptions	-
-change in financial assumptions	-
Experience variance (i.e Actual experience vs. assumptions)	(88.00)
-Others	-
Past Service Cost	-
Effect of change in foreign exchange rates	-
Benefits Paid	(79.22)
Acquisition Adjustment	-
Effect of Business combinations or disposals	-
Present value of obligation as at the end	763.29
<b>Bifurcation of present Value of obligation at the end of the year as per revised schedule III of the Companies Act, 2013</b>	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Current Liability (Short term)	173.92
Non-Current Liability (Long Term)	589.37
<b>Present Value of Obligation</b>	<b>763.29</b>
<b>Movements in the fair value of the plan assets are as follows:</b>	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Fair Value of plan assets as at the beginning	151.38
Investment Income	9.98
Employer's Contribution	19.92
Employee's Contribution	-
Benefits Paid	(79.22)
Return on plan assets, excluding amount recognized	(0.76)
In net interest:	-
Expense	-
Acquisition Adjustment	-
<b>Fair Value of Plan Assets as at the end</b>	<b>101.30</b>
<b>Expenses Recognized in the Income Statement in as follows:</b>	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Current Service Cost	81.96
Past Service Cost	-
Loss/Gain on settlement	-

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Net Interest Cost/Income on the net Defined Benefit Liability/Asset	42.52
<b>Expenses Recognized in the Income Statement</b>	<b>124.48</b>
<b>Expenses Recognized in the other comprehensive income is as follows :</b>	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Actuarial gains/losses	-
-change in demographic assumptions	-
-Change in financial assumptions	-
-experience variance (i.e Actual experience vs. assumptions)	(88.00)
-others	-
Return on plan assets, excluding amount recognized in net intt. Exp.	0.76
Re-measurement (or actuarial) gain/loss arising because of change in	
Effect of asset ceiling	-
<b>Components of defined benefit costs recognized in other Comprehensive income</b>	<b>87.24</b>
<b>The principal financial assumptions used in the valuation are shown in the table below :</b>	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Discount rate (per annum)	6.60%
Salary growth rate (per annum)	5.00% & 7.00%
The discount rate indicated above reflects the estimated timing and currency of benefit payments. it is based on the yields/rates available on applicable bonds as on the current valuation date.	
The salary growth rate indicates above in the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment marker etc.	
<b>The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :</b>	
(Rs. in Lacs)	
Particulars	For the period ending 31.03.2022
Present Value of Obligation	763.29
Fair Value of Plan Assets	101.30
<b>Surplus/(Deficit)</b>	<b>(661.99)</b>
Effects of Asset Ceiling, if any	-
<b>Net Asset/ Liability</b>	<b>(661.99)</b>

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### iii) Compensatory absences

Actuarial Valuation for compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the statement of Profit and Loss amounting to Rs. 43.73 Lakhs and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employees compensation.

34. During the year under review the Company has made re-payment of Fixed Deposits amounting to Rs. 10lacs. The Company has completed the re-payment of the Deposits as per the re-payment scheme approved by the Hon'ble Company Law Board vide its order dated 30th March, 2013. Few of the fixed deposits holders have however not encashed their Fixed Deposits repayments due to which the amount due to them remain unclaimed as at the year end . The Company is committed to make those repayments as and when the valid claim for the same is filed by the respective Deposit holder.
35. (i) Debts of the Company have been assigned by the various banks/financial institution to Edelweiss Assets Reconstruction Companies (EARC). Accordingly the Company has finalized term sheet dated 25.11.2019 summarizing the principal terms with respect to restructuring the entire debts of the company with EARC. Master Restructuring Agreement with EARC is being finalized and is expected to be executed soon. Accordingly during the year 2021-22 the Company has provided interest liability amounting to Rs. 54.39 crores on the sustainable debt as per the term sheet finalized with EARC and the impact of the waiver of liability will be provided after execution of Master Restructuring Agreement.
- (ii). During the year Bank of India has assigned its debts to Edelweiss Asset Reconstruction Company (EARC). Now the company is repaying interest and principal to EARC as per the agreed terms.
- (iii) During the year the Company has settled and repaid debt of Phoenix ARC. Accordingly waiver of principal and interest on loan amounting to Rs. 73.42 lacs has been accounted for as exceptional/extra ordinary item.
36. Following banks have assigned their debts to Assets Reconstruction Companies:

Sr No.	Name of lender	Amount of debts as on 31.03.2022 (Rs. in crores)	Name of ARC
1.	State Bank of Hyderabad (Now State Bank of India), IFCI, State Bank of Patiala ( Now State Bank of India), Export Import Bank, Punjab National Bank, IDBI Bank, Tata Capital, Canara Bank, State Bank of India, State Bank of Mysore (Now State Bank of India), Central Bank of India	965.38	Edelweiss Assets Reconstruction Company Ltd

37. (i). Since the company is having accumulated losses and there is no virtual certainty regarding availability of any future taxable profits in coming financial years, as such in accordance with Ind AS12 (Income Tax) the company has not recognized deferred tax asset.
- (ii) No provision for MAT has been made as there is no book profit as per section 115JB of Income Tax Act 1961.
38. During the year 2019-20 the Central bank of India (Lender Bank), had declared the Company and its Directors naming Sh. S.R. Mehta, Dr. Gopal Munjal, Dr. V.R. Mehta, Sh. Navrattan Munjal, Sh. S.P. Sharma, Dr. V.K. Arora, Sh. S.C. Galhotra Mr. R.S Bedi as willful defaulters.  
However, on 03.03.2020 the Central Bank of India had assigned its debt to M/s Edelweiss Assets Reconstruction Company (India) Limited and after that the same was full paid by the Company. The Company has also satisfied the ROC Charge in respect of this loan after getting NOC from Edelweiss on 10th July, 2020. The Company has filed the legal suits against the Bank for setting aside the orders, whereby the Directors have been declared as willful defaulters and the matter is subjudice.
39. The aggregate depreciation expenses on ROU assets is included under depreciation and amortisation in expenses in statement of profit & loss account.

## NOTES ON FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

The break up of current & non current lease liabilities as at March 31<sup>st</sup>, 2022 is as under.

Particulars	ROU Assets-Land (in Lacs)
<b>Balance as at April 2021</b>	126.61
Addition	0.00
Depreciation	1.74
<b>Balance as at 31st March 2022</b>	<b>124.87</b>

Particulars	As at 31-03-2022 (in Lacs)
Non Current Liability	20.00
Current Liability	1.08
<b>Total</b>	<b>21.08</b>

The movement in lease liabilities during the year ended March 31, 2022

Particulars	As at 31-03-2022 (in Lacs)
<b>Balance at the beginning</b>	<b>20.15</b>
Additions	0
Finance cost accrued during the period	2.01
Payments of Lease Liabilities	1.08
<b>Balance at the end</b>	<b>21.08</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows :

Particulars	As at 31-03-2022 (in Lacs)
Less than one year	1.08
One to five years	6.48
More than five years	676.50

Rental Expenses recorded for short term lease was Rs.50.90 Lacs for the year ended 31-March-22

40.

Ratios	Items included in computing Ratio	2021-22	2020-21	% change (if there is more than 25% change the reason thereof as well)
Current Ratio	Current Assets/ Current Liabilities	0.338	0.375	(9.87)
Debt-Equity Ratio*	Total Liabilities/ Total Shareholder's equity	-	-	-
Debt Service Coverage Ratio	Net Profit+Dep + intt. On Long Term Loan/ Intt. On Long Term Loan+ Amt. of Intt & Principal paid on Long Term Loan	1.01	0.98	3.06

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Return on Equity Ratio*	Net Earning / shareholder's Equityx 100	-	-	-
Inventory Turnover Ratio	Cost of good Sold/ Average Inventory	3.19	3.24	(1.54)
Trade Receivables Turnover Ratio	Revenue from Operation/ Average Account Receivable	4.01	3.52	13.92
Trade Payables Turnover Ratio	Net Purchase/ Average Account payable	0.99	0.87	13.79
Net Capital Turnover Ratio**	Revenue from Operation/ Working Capital	-	-	-
Net Profit Ratio	Net Profit/ Revenue from Operation x100	(5.03)	(8.37)	(39.90)
Return on Capital Employed #	EBIT / Capital Employed	-	-	-
Return on Investment	Current Value of Investment-Cost of Investment/Cost of Investment x100	49.47	63.30	(21.85)

\* Debt-Equity Ratio and Return on Equity Ratio have not been calculated as the Equity/ Net Worth of the Company is negative.

\*\* Net Capital turnover ratio has not been calculated as net capital of the Company is negative.

# Return on Capital Employed ratio has not been calculated as Capital Employed of the Company is negative.

• Net Profit ratio has primarily improved due to high operating profit due to increase in sales.

41. Total Advance to the Executive Directors outstanding as on 31.03.2022 is Rs. 1087.16 Lacs (P.Y. 1087.16 Lacs).
42. Sundry Balance/Excess Provision written Back amounting to Rs.1241.94 lacs (Previous year Rs. 196.26 lacs) have been written back during the year being not payable/provision not required.
43. Balance of Debtors, Creditors and Loan & Advances and other (imprest) are subject to Confirmation. The impact of the same if any could not be ascertained.
44. The Company believes strongly that it has a rich portfolio of goods to partner with the customers, yet the future revenue streams could be impacted given the current crisis situation resulting in erratic supply of imported Raw Material from the foreign suppliers. The Company has considered such impact to the extent known and available to us currently. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and also has incorporated the impact of likely delays/increased cost in meeting its obligations, if any. The Company has also assessed the impact of any delays/inability to meet contractual commitments and has taken actions in light of current crisis to ensure that revenue recognition in such cases reflect realizable values.

The impact assessment of COVID-19 is dynamic, no one knows if any disruption might happen due to any reason of COVID-19. It may also further impact the contractual commitments beyond anticipations.

### 45. Remittance in Foreign Currency on Account of Dividend:

No Remittance in Foreign Currency on account of dividend was made during the year 2021-22.

### 46. Earning Per Share (EPS)

(a) Basic EPS



## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

S. NO.	Particulars	2021-22 (Rs. in lacs)	2020-21 (Rs. in lacs)
i)	Profit/Loss after tax (Attributable to ordinary shareholders)	(2002.01)	(2981.60)
ii)	Weighted Average number of ordinary Shares (for Basic EPS)	54164653 Nos.	54164653 Nos.
iii)	Basic EPS/Share of Rs.2/-	(3.70)	(5.50)
iv)	Diluted EPS/Share of Rs.2/-	(3.70)	(5.50)

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

48. **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 Jain & Associates**

Chartered Accountants  
(Regd No. 001361N)

**S.R.MEHTA**

Chairman

**G.MUNJAL**

Managing Director & CEO

**(S.C. Pathak)**

**Partner**

Membership No : 010194

**ARUN K. SETH**

Chief Financial Officer

**GINNY UPPAL**

Company Secretary

Place: Chandigarh

Date : 30.05.2022

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### ANNEXURE TO THE NOTES ON ACCOUNTS

### ANNEXURE – '48 A'

RELATED PARTY DISCLOSURES LIST OF RELATED PARTIES AND RELATIONSHIPS		
S.NO.	RELATIONSHIP	
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES</b>	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, DIRECTOR 5. SH. HIMANSHU JAIN, DIRECTOR 6. SH. RISHAV MEHTA, DIRECTOR 7. GINNY UPPAL, COMPANY SECRETARY (APPOINTED W.E.F. 30.05.2022) 8. MR. ARUN K. SETH, CHIEF FINANCIAL OFFICER
<b>B</b>	<b>OTHERS (ENTITIES IN WHICH KMP OR THEIR RELATIVE IS DIRECTOR, OR KMP OR THEIR RELATIVE EXERCISES CONTROL)</b>	1. 3M ADVERTISERS & PUBLISHER LIMITED 2. B.M. COSMED PRIVATE LIMITED 3. DASHMESH MEDICARE PRIVATE LIMITED 4. ESSIX BIOSCIENCES LIMITED 5. FORTUNE (INDIA) CONSTRUCTION LIMITED. 6. HALCYON LIFE SCIENCES PRIVATE LIMITED 7. IND SWIFT LABORATORIES LIMITED 8. PUNJAB RENEWABLE ENERGY PRIVATE LIMITED. 9. SWIFT FUNDAMENTAL RESEARCH & EDUCATION SOCIETY.

ANNEXURE - '48 B'		
(Rs.in lacs)		
RELATED PARTY TRANSACTION	FOR THE YEAR ENDED 31.03.2022	FOR THE YEAR ENDED 31.03.2021
<b>Nature of Transaction</b>		
Purchase of Goods/Services	5905.42	5802.47
Sale of Goods/Services	-	978.82
<b>Debit Balance Outstanding as on 31.03.2022</b>		
Loan & Advances	6658.24	6668.49
Debtors	-	251.68
Investments	6435.32	7030.84
<b>Credit Balance Outstanding as on 31.03.2022</b>		
Loan & Advances	5005.69	-
Advance from Customers	10.62	69.37
Creditors	13483.01	13043.66
<b>KEY MANAGEMENT PERSONNEL</b>		
Remuneration	562.47	483.02

## NOTICE

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the members of Ind-Swift Limited will be held on Wednesday, the 21<sup>st</sup> September, 2022 at 11.30 A.M. through Video Conference ("VC")/Other Audio Visual means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:-

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Sanjeev Rai Mehta (DIN 00005668) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Rishav Mehta (DIN 03028663) who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint the Statutory Auditors and to fix their remuneration and in this regard 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 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Jain & Associates, Chartered Accountants (FRN- 001361N) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office for the second term of 5 years starting from the conclusion of the forthcoming Annual General Meeting of the Company and ending at the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2027, at such remuneration, as may be decided by the Board of Directors of the Company in consultation with the Statutory Auditors."

### 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 the applicable laws, the remuneration of Rs. 2,00,000/- (Rupees Two lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses to be paid to M/s V. Kumar & Associates, Cost Accountants, having Firm Registration No. 100137, to audit the cost records maintained by the Company for the financial year

ending 31<sup>st</sup> March, 2023, as approved by the Board on the recommendation of the Audit Committee, be and is hereby ratified and confirmed.

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

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

**"RESOLVED THAT** pursuant to the provisions of the applicable laws, the Articles of Association of the Company and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sh. Bhupinder Singh (DIN: 09649117) who was appointed as an Additional Director and Independent Director of the Company effective 23<sup>rd</sup> June, 2022, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years i.e. from 23<sup>rd</sup> June, 2022 to 22<sup>nd</sup> June, 2027 (both days inclusive)."

7. **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 Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") read with rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company to enter into and / or continue the related party transaction(s) / contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1)(zc)(i) of the SEBI Listing Regulations, 2015) pursuant to the terms & conditions as set out in the explanatory statement to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Board and any duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as

## NOTICE

may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**On behalf of the Board of Directors**

**Sd/-  
Ginny Uppal  
Company Secretary**

**Place: Chandigarh**

**Date: 09.08.2022**

### NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts in respect Item No. 4 to 7 is annexed hereto and forms part of this notice.
2. In view of continuing social distancing norms due to Covid-19, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020, the latest being 2/2022 dated 5<sup>th</sup> May, 2022 ('Collectively called MCA Circulars') and Securities Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13<sup>th</sup> May, 2022, and other applicable circulars issued in this regard, have allowed the companies to conduct AGM through VC/OAVM till 31<sup>st</sup> December, 2022 without physical presence of Members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars of MCA and SEBI, the 36<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM.

Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and MCA Circulars, the forthcoming AGM of the Company will be held through VC/OAVM only.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the

AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Central Depository Services (India) Limited ("CDSL") in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL. Members of the Company holding shares as on the cut-off date i.e. Wednesday, 14<sup>th</sup> September, 2022 may cast their vote either by remote e-voting or e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The information with respect to voting process and other instructions regarding e-voting are detailed in Note No. 19.

6. Pursuant to MCA circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 15<sup>th</sup> September, 2022 to Wednesday, 21<sup>st</sup> September, 2022, both days inclusive.
8. The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its Members through the electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021 and 13<sup>th</sup> May, 2022, the Notice calling the AGM inter-alia indicating the process and manner of e-voting along with the Annual Report 2021-22 containing Board's Report, Auditor's Report, Audited

## NOTICE

Financial Statements and other documents is being sent only through electronic mode to those members whose e-mail addresses are registered with Company/ Depositories. Members may note that the notice calling the AGM along with the Annual Report for FY 2021-22 has been uploaded on the website of the Company at [www.indswiftltd.com](http://www.indswiftltd.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

9. The members are requested to inform changes, if any, in their Registered Address along with Pin Code Number to the Company Secretary at the Registered Office address.
10. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Company on [companysec@indswift.com](mailto:companysec@indswift.com).
11. Attention of members is hereby invited towards provisions of Section 188 (1) of the Companies Act 2013 wherein under second proviso thereto, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.
12. Electronic copy of the Annual Report and Notice of the 36th Annual General Meeting of the Company along with instructions for e-voting is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes. Since the AGM will be held through VC/OAVM Facility, the Route Map of the AGM venue, proxy form and attendance slip is not annexed in this Notice.
13. In terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company is providing the facility to its Members holding shares in physical and dematerialized form as on the cut-off date Wednesday, 14<sup>th</sup> September, 2022 to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. Necessary information and instructions for e-voting is also enclosed.
14. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
15. The members holding shares in the same name or same

order of names under different folios are requested to send the share certificate for consolidation of such shares to the Company.

16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), bank mandate, nomination, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and for shares held in physical form pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3<sup>rd</sup> November, 2021, the Company has sent individual letters to all the Members holding shares in physical form for furnishing their PAN, KYC details and Nomination forms, to the Company's Registrar and Transfer Agent, Alankit Assignments Limited in case the shares are held by them in physical form.

Members who wish to register their email address/ bank account mandate may follow the below instructions-

Dematerialized Holding	Register/update the details in your demat account, as per process advised by your Depository Participant (DP)
Physical Holding	Register/update the details in prescribed form ISR-1 and other relevant forms with Registrar and Transfer Agents of the Company, Alankit Assignments Limited at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055 or through email at <a href="mailto:kyc-update@alankit.com">kyc-update@alankit.com</a> . Member may download the prescribed forms from the Company's website at- <a href="http://www.indswiftltd.com/images/shareholder-services.pdf">http://www.indswiftltd.com/images/shareholder-services.pdf</a>

17. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar by March 31, 2022 vide its circular dated November 3, 2021 and December 15, 2021. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.
18. Members desirous of seeking any information relating to the accounts of the Company may write to the Company at Registered Office address for the attention

## NOTICE

of Ms. Ginny Uppal, Company Secretary at least 7 days in advance of the meeting so that requisite information can be made available at the meeting.

### 19. The instructions for members for voting electronically are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system will be provided by Central Depository Services Limited (CDSL).

The e-voting facilities will be provided in the following manners:-

- (i) The voting period begins on 18<sup>th</sup> September, 2022 at 9.00 AM and ends on 20<sup>th</sup> September, 2022 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 14<sup>th</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/

websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/ NSDL** is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during</li> </ol>




## NOTICE

	<p>the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at-<a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>3. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>		<p>services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period &amp; voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting</p>		



## NOTICE

	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
	<b>NSDL Mobile App is available on</b> 
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 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](http://www.evotingindia.com) and voted on an earlier e-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 Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records

## NOTICE

	<p>in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>
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(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN (220813004) for IND SWIFT LIMITED to vote on the resolutions.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to

www.evotingindia.com and register themselves in the "Corporates" module.

- 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 a 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; companysec@indswift.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask

## NOTICE

questions during the meeting may register themselves as a speaker by sending their request in advance, at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at email id companysec@indswift.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at email id companysec@indswift.com. The queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

- a. For Physical shareholders- Please provide necessary details vide Form ISR-1 prescribed by SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 03.11.2021 along with prescribed documents by email to Company at companysec@indswift.com or to the RTA at kycupdate@alankit.com. The said form can be downloaded from the website of the Company i.e. www.indswiftltd.com under Investors section.
- b. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory for e-Voting & joining virtual meetings through Depository.
- c. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

Mr. Vishal Arora, Company Secretary (Membership No. 4566) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the entire e- voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of AGM, shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.indswiftltd.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

The results shall also be immediately forwarded to the BSE Limited and National Stock.

**On behalf of the Board of Directors**

**Sd/-  
Ginny Uppal  
Company Secretary**

**Place: Chandigarh**

**Date: 09.08.2022**

**Registered Office Address:-**

**IND-SWIFT LIMITED**

Plot No. 781, Industrial Area  
Phase II, Chandigarh- 160002  
companysec@indswift.com  
www.indswiftltd.com

## NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ TOGETHER WITH REGULATION 17(11) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### For Item No. 4

M/s Jain & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting ('AGM') held on 26th September, 2017 for a period of 5 years, up to the conclusion of 36th AGM. M/s Jain & Associates are eligible for re-appointment for a further period of 5 years. M/s Jain & Associates have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

Based on the recommendation of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. Jain & Associates, Chartered Accountants, having registration No. 001361N, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 36th AGM till the conclusion of the 41st AGM of the Company. The Board of Directors is authorized to fix the remuneration in consultation with the Statutory Auditors of the Company, in addition to reimbursement of all out-of-pocket expenses. The remuneration to be paid to the Statutory Auditors during their second and final term shall be commensurate with the services to be rendered by them during the said tenure.

M/s Jain & Associates is a firm registered with the Institute of Chartered Accountants of India, having more than 50 years of total experience. M/s Jain & Associates audits various companies listed on stock exchanges in India including companies in the Pharmaceutical sector.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

#### 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 30th May, 2022, the Board of Directors of the Company has considered and approved appointment of M/s V. Kumar & Associates, Cost Accountants, to conduct Cost Audit of the Company at a remuneration of Rs. 2.00 Lacs per annum plus GST as applicable and reimbursement of actual travel and out of pocket expenses for the Financial Year 2022-23.

The resolution at Item No. 5 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

On the recommendation of the Nomination and Remuneration Committee, the Board had appointed Sh. Bhupinder Singh (DIN: 09649117) as an Additional Director and an Independent Director of the Company w.e.f. 23rd June, 2022. Pursuant to the provisions of Section 161 of the Act, Sh. Bhupinder holds office up to the date of the ensuing Annual General Meeting on 21st September, 2022 and his appointment is required to be approved by the members in compliance with the provisions of Section 149 of the Act. The Company has received a notice under Section 160 of the Act from a member, proposing the appointment of Sh. Bhupinder as an Independent Director of the Company. Sh. Bhupinder Singh has confirmed that (i) he meets the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1) of the SEBI Listing Regulations; (ii) he is not disqualified from being appointed as an Independent Director. Unless exempted, Sh. Bhupinder Singh would be required to clear the independent Directors' proficiency test within a period of two years from the date of inclusion of his name in databank, i.e., by 22nd June, 2024.

Sh. Bhupinder Singh possesses the requisite skills and capabilities required for the role of Independent Director of the Company and in the opinion of the Board, fulfils the conditions of independence as specified in the Act, the rules made thereunder and the SEBI Listing Regulations to the extent applicable to the Company and is independent of the management of the Company.

Details as required under regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard – 2 and other provisions of the applicable laws are provided in **Annexure 1** to the explanatory statement. A copy of the letter of appointment setting out the terms and conditions of the appointment is available to the members for electronic inspection without any fee.

Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends the appointment of Sh. Bhupinder Singh as set out in the resolution in Item no 6, for approval of the members as a special resolution.

## NOTICE

Except Sh. Bhupinder Singh and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

### For Item No. 7

In furtherance of its business activities, the Company has entered into / will enter into transactions / contract(s) / agreement(s) / arrangement(s) with related parties in terms of Regulation 2(1)(zc)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

All related party transactions of the Company are at arm's length and in the ordinary course of business. Further, all related party transactions are undertaken after obtaining prior approval of the Audit Committee of the Board. The Audit Committee of the Company currently comprises only of independent directors. All related party transactions have been unanimously approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals.

Regulation 23 of the Listing Regulations has been amended effective April 1, 2022 to provide that shareholders' approval should be obtained for all material related party transactions which, in a financial year, exceed the lower of (i) Rs. 1,000 Crore; and (ii) 10% of the annual consolidated turnover of the listed entity as per the last audited financial

statements of the listed entity.

Accordingly in view of the said regulations, the company seek approval for the material related party transaction already entered into (one time approval) and as proposed to be entered into during 2022-23 which mainly includes Transactions between the company and Ind Swift Laboratories Limited (Group Company) for supply of goods and services and transaction related to borrowing of funds and Transaction related to advance of funds by company to Swift Fundamental Research and Educational Society (one time approval). **The shareholders have already once approved the threshold limits as contemplated in Item No. 7 in their 33<sup>rd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2019, the present approval is a repetition of those approvals.**

The approval of the shareholders pursuant to Resolution No. 7 is being sought for the related party transactions / contracts / agreements / arrangements as set out in Table 1-3 of this explanatory statement. In addition to the transactions set out in the Tables below, approval of the shareholders is also being sought for any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee. The value of such additional transactions is included in the values set out in each of the Tables below.

The details as required under Regulation 23(4) of the Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 ("SEBI Circular") are set forth below:

### Transactions between the Company and Related Parties as per Resolution No. 7

#### 1. Transactions between Ind Swift Limited (ISL) and Ind Swift Laboratories Limited (ISLL) - Sale/Purchase

S. No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Name- Ind-Swift Laboratories Limited Nature of relationship- Group Company ISL holds 16.08% shares in ISLL. ISLL was set up as a backward integration move to provide quality APIs and intermediates to ISL.
2.	Name of Director(s) or Key Managerial Personnel who is related, if any.	Dr. Gopal Munjal, Sh. N R Munjal, Sh. S R Mehta, Dr. V R Mehta, Sh. Himanshu Jain and Sh. Rishav Mehta.
3.	Type, tenure, material terms and particulars	Contracts in terms of section 188(1)(a) to 188(1)(g) of Companies Act, 2013 mainly being Sale/purchase of pharmaceutical products. The above arrangements are continuing business transactions. Approval of the shareholders is being sought for transactions during the 5 financial years i.e from FY 2022-23 to FY 2026-27. The pricing of the goods shall be the negotiated prices at an arm's length basis.



## NOTICE

S. No.	Particulars	Details
4.	Value of the transaction	Not exceeding Rs. 120 Cr
5.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	The value of transaction with ISLL during 2021-22 was Rs. 58.97 crores and if the proposed value of the transaction of Rs. 120 crores is achieved fully in 2022-23 then it would constitute 30.17% of its FY 2021-22 turnover.
6.	Details of the transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not Applicable
7.	Justification as to why the RPT is in the interest of the listed entity	Ind-Swift laboratories limited is a company promoted by Ind-swift limited as a backward integration step. After being in operations for 25 years, ISLL has developed itself into one of the largest producer of APIs in India; it has developed state of the art manufacturing facilities and has few niche products which are widely accepted globally. ISLL supplies APIs to ISL, which has facilitated the entry of the company through exports to various countries in Europe including few long term P2P agreements with the European companies.
8.	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Transactions are continuing and based on market conditions.
9.	Any other information that may be relevant	All relevant information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

### 2. Transactions between Ind Swift Limited (ISL) and Ind Swift Laboratories Limited( ISLL) -Loans and advances

S. No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern	Name- Ind-Swift Laboratories Limited Nature of relationship- Group Company ISL also holds 16.08% shares in ISLL.
2.	Name of Director(s) or Key Managerial Personnel who is related, if any	Dr. Gopal Munjal, Sh. N R Munjal, Sh. S R Mehta, Dr. V R Mehta, Sh. Himanshu Jain and Sh. Rishav Mehta.
3.	Type, tenure, material terms and particulars	Loans & advances in terms of Section 179(3)(d) and Section 180(1)(c) of Companies Act, 2013. The amount has been borrowed from ISLL primarily to meet the routine working capital requirements of the company and retire the creditors which had become overdue. The amount has been borrowed for a period of ten years at the rate of interest of 10% PA.
4.	Value of the transaction	Not exceeding a sum of Rupees 100 Crores
5.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	The amount of Loan advanced till 31-03-2022 is for a sum of Rs. 50.06 crores which constitutes 12.59% of the Turn-over during 2021-22 of the Company and if the proposed value of the transaction of Rs. 100 crores is achieved then it would constitute 25.14% of its FY 2021-22 turnover.

## NOTICE

S. No.	Particulars	Details
6.	Details of the transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	The Transaction relates to loan and advances only and all relevant details have been covered.
7.	Justification as to why the RPT is in the interest of the listed entity	Working capital is essence for the smooth running of any business organization. Since the Company went into CDR in the year 2013, it has been making all efforts to keep its' operations afloat. It invested on its exports business and kept on spending on filing the required dossiers so as to have sizeable exports. With the passage of time and increase in its operations, the Company realized the need for additional working capital for the smooth running of its ongoing plans and to pay off the creditors which had become long overdue. The timely loan/advance from the Group Company is extremely in interest of the Company to achieve its budgeted targets and the growth of the company's business.
8.	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Not Applicable
9.	Any other information that may be relevant	All relevant information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

### 3. Transactions between Ind Swift Limited (ISL) and Swift Fundamental Research and Educational Society (SFRE)

S. No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Name- Swift Fundamental Research and Educational Society Nature of relationship- A society promoted by the Directors of the company and who are also trustees of the Society.
2.	Name of Director(s) or Key Managerial Personnel who is related, if any	Dr. Gopal Munjal, Sh. N R Munjal, Sh. S R Mehta, Dr. V R Mehta, Sh. Himanshu Jain and Sh. Rishav Mehta.
3.	Type, tenure, material terms and particulars	Loans & advances. The Company seeks one time approval of the shareholders in terms of Regulation 23(8) for funds already advanced to the society, the majority being during 2002 to 2009.
4.	Value of the transaction	Not exceeding Rs. 70 Cr
5.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	The amount of Loan advanced till 31-03-2022 is for a sum of Rs. 66.58 crores which constitutes 16.74% of the turnover during FY 2021-22 of the Company.
6.	Details of the transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Applicable
	details of the source of funds in connection with the proposed transaction;	Corporate Funds

## NOTICE

S. No.	Particulars	Details
	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,	Corporate Funds
	• nature of indebtedness;	
	• cost of funds; and	
	• tenure	
	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	Unsecured loan
	the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	General corporate purposes.
7.	Justification as to why the RPT is in the interest of the listed entity	The funds have been already advanced and approval is being sought under regulation 23 (8) of the Listing Regulations, 2015. The society holds assets worth Rs. 64.26 crores as per the valuation report of Sh. R.D Sharma, Approved Chartered Engineer dated 07.03.2019. The said assets are held for monetization by the Company and same shall facilitate the recovery of the sum advanced as and when the same is achieved in the best interest of all the stakeholders.
8.	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Yes the report of Sh. R.D Sharma, Approved Chartered Engineer dated 07.03.2019.
9.	Any other information that may be relevant	All relevant information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of Members.

Pursuant to Regulation 23 of the Listing Regulations, Members may also note that no related party of the Company shall vote to approve the Ordinary Resolutions set out at Item No7 whether the entity is a related party to the particular transaction or not.

Except Sh. Gopal Munjal, Sh. N R Munjal, Sh. S R Mehta, Sh. V R Mehta, Sh. Himanshu Jain and Sh. Rishav Mehta, and relatives of these directors, none of the other Directors or Key Managerial Personnel are concerned or interested in this Resolution.

**On behalf of the board of Directors**

**Sd/-**

**Ginny Uppal**  
**Company Secretary**

**Place: Chandigarh**

**Date: 09.08.2022**



## NOTICE

### INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 FOR ITEM NO 2 AND 3 IS AS FOLLOWS -

S.No.	Particulars		
1	Name of Director	Sh. Sanjeev Rai Mehta	Sh. Rishav Mehta
2	Date of First (Original) Appointment on the Board	30/11/2006	23/03/2010
3	Date of Birth, Age	01/08/1956 (66 Years)	06/01/1991 (31 Years)
4	Designation	Chairman & Whole Time Director	Non-Executive Director
5	Qualification	Graduate	Graduate
6	Experience	36 years	12 years
7	Nature of Expertise in Specific Functional Area and experience	Marketing & Strategic Planning Expert	Project Planning, Monitoring & Control
8	Terms and Conditions of Re-appointment and Remuneration, if any		
	Term	Shareholders of the Company in their 32 <sup>nd</sup> Annual General meeting held on 28.09.2018 had appointed Sh. Sanjeev Rai Mehta (DIN: 00005668) as the Whole time director & Chairman of the company to hold office for a term of 5 years ending on 31 <sup>st</sup> March, 2024.	Sh. Rishav Mehta (DIN-03028663), who is liable to retire by rotation, is proposed to be re-appointed as a Non Executive Director by the Shareholders of the Company in the ensuing Annual General Meeting. No term has been fixed for him.
	Remuneration last drawn, if applicable	Please refer Corporate Governance Report	Apart from receiving sitting fee for attending Board Meetings, he has not drawn any remuneration from the company.
	Remuneration sought to be paid	Same as Above	Same as Above
9.	List of Other Directorships	NIL*	<ul style="list-style-type: none"> <li>Ind Swift Laboratories Limited</li> <li>Vibrant Agro Industries Limited</li> <li>Dashmesh Medicare Private Limited</li> <li>Essix Biosciences Limited</li> </ul>
	Names of Listed Entities in which the person also holds the directorship	No company other than Ind Swift Limited	Ind Swift Laboratories Limited
	Chairmanship/Membership of the Committees of the Board of Directors of Ind Swift Ltd	NIL	NIL
	Chairmanship/Membership of the Committees of the Board of Directors of other Companies	NIL	NIL
	Names of listed entities from which the person has resigned in the past three years	Ind Swift Laboratories Limited	NIL
10	Shareholding in the Company	20,35,871 (3.76%) Equity shares	1,11,700 (0.21%) equity shares
11	Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company	Sh. S R Mehta is the brother of Dr. V R Mehta and uncle of Sh. Rishav Mehta, who are both directors of the company.	Sh. Rishav Mehta is the nephew of Sh. S R Mehta & Sh. V R Mehta.
12	No. of Meetings of Board attended during the FY 2021-22	5	5

*\*Sh. Sanjeev Rai Mehta has been disqualified under section 164 of the Companies Act, 2013 due to fixed deposit scheme of the Ind-Swift Limited. Pursuant to section 164 Sh. Sanjeev Rai Mehta has ceased to be Director in all other Companies except for Ind Swift Limited.*

## NOTICE

### ANNEXURE-1

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 FOR ITEM NO. 6 IS AS FOLLOWS -**

S.No.	Particulars
1	Name of Director Sh. Bhupinder Singh
2	Date of First (Original) Appointment on the Board 23/06/2022
3	Date of Birth, Age 12/05/1964, Aged 59 years
4	Designation Independent Director
5	Qualification 1. Master's of commerce 2. Bachelor's of Law
6	Experience 29 years
7	Nature of Expertise in Specific Functional Area and experience He has worked with the Income Tax Department and has handled diverse assignments w.r.t., Assessments, Investigations, Administration, besides handling Judicial and Prosecution Matters.
8	Terms and Conditions of Appointment and Remuneration, if any Term Appointed as Independent Director for a term of 5 years (commencing from 23.06.2022 and ending on 22.06.2027), not liable to retire by rotation. Remuneration last drawn, if applicable Nil Remuneration sought to be paid He will be paid sitting fees for attending meetings of the committees thereof (if he is a member), and reimbursement of actual travelling and other expenses, if any will be made to him for attending meetings of the Board and Committees.
9	List of other directorships Nil Names of Listed Entities in which the person also holds the directorship No company other than Ind Swift Limited Chairmanship/Membership of the Committees of the Board of Directors of Ind Swift Limited Nil Chairmanship/Membership of the Committees of the Board of Directors of other Companies Nil Names of listed entities from which the person has resigned in the past three years Nil
10	Shareholding in the Company Nil
11	The skills and capabilities required for the role Ability to understand Financial Statements and experience in general management.
12	The manner in which the proposed person meets above mentioned requirements Sh. Bhupinder Singh has a vast exposure of dealing with Income Tax matters, assessments, investigations, etc. He retired from the post of an Income Tax Officer in the year 2021. Therefore, he is having the required skills and capabilities to discharge his duties as an Independent Director of the Company.
13	Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company Sh. Bhupinder Singh is not related to any Director, Manager or Key Managerial Personnel of the Company.

## NOTICE

S.No.	Particulars
14	No. of Meetings of Board attended during the FY 2021-22 Nil
15	Justification for Appointment and Remuneration Sh. Bhupinder Singh is about 59 years and having educational qualification of Master of Commerce and Bachelors' degree in law to his credit. He has worked with the Income Tax Department for over 29 years. He retired from the department in the year 2021 from the post of Income Tax Officer. During his service with the Income Tax Department he has handled diverse assignments w.r.t., Assessments, Investigations, Administration, besides handling Judicial and Prosecution Matters. Therefore, considering his qualifications and experience, his appointment as Non Executive Independent Director of the Company and his sitting fee is justified. Nomination and Remuneration Committee of the Board has also approved his appointment.

**On behalf of the board of Directors**

**Sd/-**

**Ginny Uppal**  
**Company Secretary**

**Place : Chandigarh**

**Date : 09.08.2022**

## CLOBENATE-GM

Clobetasole Propionate, Miconazole Nitrate,  
Neomycin Sulphate, Chlorocresol Cream

## ROXY-150

Roxithromycin IP 150 mg Tablets

## AMYCLOX-LB

Amoxicillin 250 mg & Dicloxacillin 250 mg  
Capsules

## AMIBEX-TZ

Norfloxacin IP 400 mg & Tinidazole IP 600 mg Tablets

## OXO-200

Ofloxacin 200 mg Tablets

## DICOLIV-MR

Diclofenac Potassium BP 50 mg, Paracetamol IP 325 mg  
& Chlorzoxazone USP 250 mg

## PROTAMINE

Capsules & Protein Powder  
(Nutritional Supplements)

## N-Vit

CAPSULES & PROTEIN POWDER  
Protein Rich Supplement with  
Multivitamin & Minerals Fortified with DHA

## FOOT CARE

Urea IP 10% w/w, Lactic Acid IP 10% w/w, Propylene  
Glycol IP 10% w/w, Liquid Paraffin IP 10% w/w Cream



**Ind-Swift**

Because Life is Precious...

## FIXIT-OF

Tablets  
Dry Syrup  
Racemadotril 100 mg & Ofloxacin 200 mg Tablets  
Ofloxacin 50 mg, Ornidazole 125 mg & Racemadotril 15 mg/5 ml

## Swift SUCCEE®

Vitamin C with Zinc Tablets

## MAJIK

Multivitamin & Multimineral Capsules

## Fexidine

Fexofenadine 120/180 mg Tablets

## ANIN®

Hydroxyprogesterone 250 mg/ 500 mg Injection  
Allyloestrenol 5 mg Tablets

## CLARIE

Clarithromycin 250/ 500 mg TABLETS/  
500 mg Extended Release TABLETS

## SUPROX-SR

Isoxsuprine 40 mg SUSTAINED RELEASE TABLETS

## NEUROSWIFT

Micobalamin 2500 mcg Injection

## OLIADE OIL

Olive Oil, Vitamin A, D & E (MASSAGE OIL)

## COZY PLUS

Phenylephrine 5 mg, Paracetamol 325 mg, Caffeine 30 mg & CPM 2 mg TABLETS  
(EFFECTIVE IN COMMON COLD/ CONGESTION/ FEVER)

## DISTONE®

CAPSULES & SYRUP  
(FOR RENAL STONES)

## ANAPROCT

CAPSULES & OINTMENT  
(HEMORRHOIDS/ ANAL FISSURES)

## ARTHRILL

LINIMENT  
FORTE CAPS  
(FOR LOW BACK PAIN & ARTHRITIC PAIN)



**Ind-Swift**

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