



*Celebrating 25 Years  
of Commitment to Health...*

**Ind-Swift Limited**  
Because **Life is Precious.**



Annual Report 2010-11



**Ind-Swift**  
ISO 9001:2008



## Ind-Swift Limited

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

A Chandigarh based pharmaceutical company, **celebrating 25 Successful Years**, with a mission of winning global customers through innovative pharmaceutical products. ISL, with a turnover of Rs. 900 crores, has been ranked 35th among top and the most promising pharmaceutical companies in India by IMS/ORG. ISL is ISO 9001-2008, WHO GMP certified and is listed on Bombay Stock Exchange (BSE) and National Stock exchange (NSE). ISL is committed to offer quality and innovative products to all its clients globally.



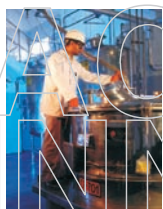
An ISO 9001:2008 Company

**Regd. Office:** 781, Industrial Area, Phase-II, Chandigarh.  
<http://www.indswift.com>

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delivering quality through experience



## Celebrating 25 Glorious Years of Commitment to Health...

ISL congratulate & thank all swiftarians, well wishers, investors, and organisations for their contributions, efforts & dedication throughout its journey of growth & reputation.



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# Corporate information



## Board of Directors

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

**Mr. N. R. Munjal**  
Vice Chairman

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

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

**Mr. Himanshu Jain**  
Director

**Mr. Rishav Mehta**  
Director

**Mrs. Nirmal Aggarwal**  
Director

**Mr. K. M. S. Nambiar**  
Director

**Dr. N. D. Aggarwal**  
Director

**Dr. R. S. Bedi**  
Director

**Dr. H. P. S. Chawla**  
Director

**Dr. S. K. Mathur**  
Director

**Vice President (Finance)**  
Mr. Amit Tarafder

**Company Secretary**  
Mr. R.K. Sood

**Auditors**  
J. K. Jain & Associates  
Chartered Accountants  
S.C.O. 1132-33, Sector 22-B  
Chandigarh 160 022

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

### Bankers

**Punjab National Bank**  
Sector 28, Chandigarh.

**State Bank Of India**  
Industrial Estate Branch  
Industrial Area-I, Chandigarh.

**Canara Bank**  
Sco 311-314, Sector 35-B,  
Chandigarh.

**State Bank Of Patiala**  
(Commercial Branch)  
Sco 103-107, Sector 8-C, Chandigarh.

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

### Works

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

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

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

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

Village Jawaharpur, Teh. Dera Bassi  
(Punjab).

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



# History & Milestones Achieved

*Completing 25 Years  
of Commitment to Health...*

## 1986

- Birth of Ind-Swift Limited
- Introduced for the first time in India Sustained Release tablet ISOXSUPRINE HCl

## 1990

- Set up a sterile plant for injectable, eye, ear drops

## 1993

- ISL went public with issue oversubscribed 52 times

## 1997

- A 30 crore multipurpose plant commissioned with five independent blocks erected as per cGMP and USFDA standards, designed by QUARA, Switzerland

## 2000

- Launched SUPER SPECIALITY DIVISION (SSD) focusing on cardiology & diabetology segments

## 2001

- Launched Institution/ Hospital division

## 2002

- Bagged ISO 9001:2000 certification

## 2003

- ISL enters into formulations export to six countries

## 2004-05

- Launched combination of Nitazoxanide & Ofloxacin with the brand name Netazox-OF first time in Asia

## 2006-07

- Filled Dossiers for registration in about 20 countries
- ISL launched new division AGILE in joint venture with a Dubai based pharma company focussing on pain management & anti-infectives

## 2007-08

- Achieved 35th rank among top 300 pharma industries
- ISL generics emerged as a 2nd rank pharma generic company

## 2009-10

- ISL Received US and EU patent for extended release dosage form of Clarithromycin
- Received European patents for the taste masked formulations of Fexofenadine for pediatrics
- Developed Nitazoxanide an Anti-Diarrhoeal drug for the first time in India after successful clinical trial and bioequivalence studies

## 2010-11

- Restructuring of 3 divisions **GENERIC**, **MEGASWIFT**, **GYNOSWIFT** and launched three new divisions

• ISL ranked 97th largest pharma company in the global market by Plimsoll Global Analysis

• ISL completed 25 glorious years of commitment to health



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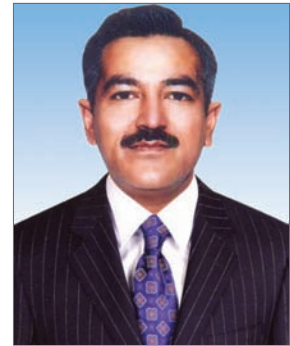
# Founders Message...



ISL is committed to provide better health care and healthier lives



Lt. Sh. Anil Jain



Lt. Sh. V.K. Mehta



Mr. S.R. Mehta  
(Chairman)



Mr. N.R. Munjal  
(Vice Chairman)



Dr. G. Munjal  
(MD & CEO)



Dr. V.R. Mehta  
(JMD)

ISL pushing forward to break new boundaries and seize emerging opportunities

Our magnificent journey started more than two decades ago when we envisaged a pharma enterprise with its body spread internationally and soul routed ethics. Our focus and dedication of developing innovative therapies and processes to produce safe, effective and consistent quality products still dominates all our policies and strategic decisions. The dynamics of business have changed very rapidly but not our ethics and commitment which we imbibed two decade back ensuring value for money and customer satisfaction globally. In doing so we have delivered long term profitable returns to our investors, value to our partners and rewarding careers to our employees. Ind-Swift Limited is a research driven forward looking pharmaceutical company with a turnover of 900 crore having product range of finished dosage forms & herbal products. With strong network presence globally in around 50 countries we are committed to provide better health care and healthier lives.

We felicitate all our valued shareholders for their unflinching support and trust, what we have achieved today would not have been possible without them.

We would like to assure you that we will continue to push forward to break new boundaries and to seize emerging opportunities in research, design and implementation for the welfare of humanity.

A research driven forward looking pharmaceutical company having product range of finished dosage forms & herbal products with a strong network presence globally in around 50 countries





# CHAIRMAN Speaks...

## Overcoming challenges

A big step to taking ISL towards new heights of success

“Silver jubilee is a time to celebrate our achievement, historic enriching & eventful journey while moving forward with determination & commitment towards our goal”



Firmly standing with our **ethics & committments** which we imbibed at the inception, which has made us today what we are

### Dear Members,

The year 2011 holds a special significance as your company completes 25 years of incorporation. Please allow me to thank all swiftarians, for their contributions, efforts, dedication and unflinching support throughout these years. Our magnificent journey started two decades ago when three visionaries Mehtas, Munjals and Jains envisaged a pharma enterprise dedicated to develop innovative therapies and processes to produce safe, effective and consistent quality products at affordable prices. It is indeed a proud moment for us today, starting as a small domestic company in 1986 we have transformed into a truly global organisation with its operations and product range in more than 50 countries.

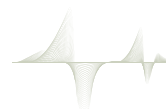
This inspiring and breath taking journey had its moments of ups and downs, moments of pride and low in life. During the process of our growth, we lost two of our founder members Mr.Anil Kumar Jain, & Mr.V.K. Mehta, their contribution to the growth of the company has been substantial and outstanding, whatever we have achieved today would not be possible without their vision, leadership, sincere efforts, dedication and determination, They were true visionaries and without their support the mission just cannot be visualized. I wish to salute them today on achieving this milestone in our journey.

Silver jubilee is a time to celebrate our achievement, historic enriching and eventful journey while moving forward with determination and commitment towards our goal. In the past 25 years we have seen rapid change in dynamics of business but we are firmly standing with our ethics and commitment which we imbibed at the inception, which has made us today what we are.

I see coming years as years of opportunities, and I am sure with teamwork and your support as always, we will overcome all challenges, to take next big step and take our company towards new heights of success.

I would like to thank all our valued shareholders for their support and trust they have shown in us, as what we have achieved today would not have been possible without them. Together we will grow and emerge as top pharmaceutical company of India.

Mr. S.R Mehta  
Chairman



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# Corporate Philosophy to Future Growth

## A Flash back of 25 years from MD & CEO's Desk



ISL is well positioned in the emerging business scenario with a clear objective to enhance market share in the domestic & select international markets.

CEO Speaks...

### **Dear shareholders,**

This year your company has completed 25 years of its business operations, these twenty five years of glorious journey has it all, thoughts, process, innovation, challenges, research, persistence, consistency, striving attitude, exuberance, achievements, and success. Silver jubilee is a time to look back, pause and reflect on all the work we have done in past, the journey we have been through, the commitment we have fulfilled and milestones we have achieved, it's the time to thank every individual whose assiduous efforts have contributed directly or indirectly to the growth and achievement of the business.

When I reflect back, I see how a small domestic business with a humble start has changed to a 900 crore company today. How an idea which was envisaged two decade ago is a reality now and still growing to new di-



“

A small domestic business with a humble start has changed to a multicore company today. An idea which was envisaged two decade ago is a reality now and still growing to new dimensions and spheres every day”



Dr. Gopal Munjal  
Managing Director & CEO

mensions and spheres every day. As no road is straight and has twists and turns, dead ends, U turns, our journey too was full of immense challenges and hardships but slowly, steadily we created a place for ourselves. We grew as we marched; we defined and redefined our goals and achieved what we have aimed for. We changed and evolved with changing business dynamics but without changing our values and ethics which we engrafted during the inception, this why we stand today, where we are. Ind-Swift is a name in Indian pharma industry today. We were focused on present and kept eye on future. During this enriching and exploring journey there was notable growth, development, innovations in various key areas of our business R&D, Marketing, Exports & International Operations, Production & Manufacturing facilities, let me take you through that.



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# Research & Development



From the mere basics of R & D facilities 25 years ago... today ISL possess a spawning research & development facilities offered by its State-of-art Drug Formulations, Chemical Research and Analytical Development Centre equipped with the latest equipments.

Research and development is the back bone of any pharmaceutical company, in order to sustain in business. Today affordability and quality goes hand in hand, an innovation is worth calling innovation only if it reaches common man. On this front company has seen tremendous change and development in last twenty five years. From mere basics of R & D facilities twenty five years ago, today we possess a spawning research & development facilities (duly approved by department of science and technology, govt of India) offered by its state-of-art drug formulations, chemical research & analytical development centre, equipped with the latest equipments needed for combinational synthesis, ultramodern HPLC and GC systems. We have best talent pool of scientists and researchers constantly engaged in developing and innovating new products and medicines, which can be provided at affordable prices in market.

## Some Significant R&D achievements

- Received US and EU patent for extended release dosage form of Clarithromycin
- Received European patents for the taste masked formulations of Fexofenadine for pediatrics
- Developed tasteless, directly compressible, fast dissolving, Fexofendine carboner complex to be used in all solid dosage form of Fexofenadine for all age groups
- Developed soluble and stable Macrolide citrate salts to be used in all solid dosage form of Macrolide especially in modified release forms.
- Developed Nitazoxanide an anti-diarrheal drug for the first time in India after successful clinical trials and bioequivalence studies.

## R& D future plans >>>

- To be clinical research organisation
- To conduct bio- Equivalence
- Dossier preparation in CTD format
- Working on 10 new molecules with market size worth US\$ 6 Billion

- Involved in creating international opportunities & alliance for CRAMS
- Research on ayurvedic medicinal plants those shows promise in treating chronic ailments, conditions and life style disorders.

All these developments have allowed us to successfully market our finished formulations-generics, in incremental amounts, both nationally and internationally.



## Sales & Market Presence

**25 years earlier...** ISL started marketing operations with a modest team of just 16 field persons and **today** we have more than **2500 multitalented**, robust marketing professionals, a portfolio of **750 product** with presence in high growth therapeutic segments of cardiology, diabetology, anti-depressant, anti-allergic, anti-infective, neurology & oncology...

Pharmaceutical market has seen various shades during last two decades from a time when people followed company, to the time today where companies have to prove worth of their products in the mind of the consumers and that too for a long period as a continuous process. Providing quality at affordable prices is certainly a challenge, in such a competitive market, where we have all level of players. No business can survive without efficient and proactive marketing. In 1986 we started our marketing operations with a modest team of just 16 field persons and today we have more than 2500 multitalented, robust marketing professionals pan India to ensure significant revenues through acquisitions in key markets.

We have strong prescribing doctor's base of over 2.50 Lacs from gynecology, pediatrics, cardiology, diabetics, dermatology, ENT, dentistry, neuropsychiatry, gastroenterology, urology specialty and personal health care. Indswift possess portfolio of over 750 products with presence in high growth therapeutic segments of cardiology, diabetology, anti-depressant, anti-allergic, anti-infective, neurology, and oncology. A well distribution system with over 3200 stockiest and 50 C & F in India catering to over 60 lakhs customers and 5 lakhs retailers.

- The Global Business Unit is GMP compliant
- ISO 9001-2008 by BSI, IDMA Quality Excellence
- Ranked 35 among top Indian pharma cos.

## Production Capabilities

When I look back in 1986, I feel very elated to see how we started with just one semi automatic production unit in a very limited space of 1000 meters and today we command six multipurpose, multilocation WHO GMP approved manufacturing set-up, spread over 12 lakhs square feet's with robust manufacturing capacity. Our production capacity has seen massive change from:

- 60,000 Capsules to 84 million Capsules
- 500,000 tablets to 2300 Million Tablets
- 15000 Ointment to 18 Million Ointments
- 15000 Liquid Syrups to 62 million Liquid syrups.

**In the international market**  
ISL has grown from nil to 700million in the 25 years & **emerged as a world-class pharmaceutical** company covering the entire value chain from discovery to delivery...



## Aiming Global Markets

Commencing our business at a local level, escalating to domestic, today we hold strong position in global market by our presence in more than 50 countries. Twenty five years back we could not ideate our business having presence in international market, we have grown in our exports from practically nil to 700 million today. With our Global business unit (100 % EOU), we are poised and focused to create new milestones in international market. We expect a major boost to our export turnover in coming years by working, to double the exports every year for next five years, with exports contributing to 25 % of revenues. Under the process we have already filed more than 680 dossiers in several countries and tied up with leading generic players as TEVA, Mylan, Stada, and Ratiopharm to supply our products to various countries including UK, Canada, and Australia.

### Forward thinking

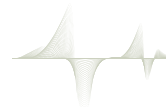
sales & research capabilities for current & future products

**We are ready to embrace future as we believe best is yet to come.** We have learned from our past experiences and challenges. Our **future plans include actively pursuing and exploring new growth areas.**

We plan to:

- Invest 3 to 4 % revenues into the Research & development
- Develop expertise in NDDS, which has found acceptability in India and rest of the world.
- Develop non-infringing processes & patent filing
- Target New Chemicals Entities.
- More Focus on contract research & contract Manufacturing.
- Conduct Bio-Equivalence
- Stability data Profiling

*Today we are at rank 35 envisaging a vision to be in top ten pharma companies of India in next five years. Let us all synchronize our energy and focus to achieve excellence in every aspect of business and scale new heights and achieve new milestones.*



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# Management Discussion & Analysis Report

“

We are synchronizing our team to seek excellence in every aspect of business. We look forward to develop new markets & product with a focus on finding better ways of research, innovation & production technology, to serve all our communities more effectively”

The rising trend of consolidation and amalgamations among pharma companies is bringing in stiff challenge in the marketplace



According to IMS Health in a recently released report, IMS Market Prognosis, it is forecasted that the global pharmaceutical market will experience 5% to 7% growth in the coming year, compared with only 4% to 5% in 2010. The growth will result in an overall market value of \$880 billion. It estimates that after a rather sluggish 2010, the global pharmaceutical market is expected to rebound in 2011. The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in the third world, in terms of technology, quality and range of medicines manufactured. Most of the medicines are now made indigenously. Playing a key role in promoting and sustaining development in the vital field of medicines, Indian Pharma Industry boasts of quality producers and many units approved by regulatory authorities in USA and UK. As per a report by IMS Health India, the Indian pharmaceutical market reached US\$ 10.04 billion in size in July 2010. A highly organized sector, the Indian Pharma Industry is estimated to be worth \$ 4.5 billion, growing at about 8 to 9 percent annually. According to an estimate by McKinsey & Company, the Indian pharmaceuticals market is expected to reach US\$ 55 billion in 2020. In the same report, it was also mentioned that in an aggressive growth scenario, the pharma market has the further potential to reach US\$ 70 billion by 2020. India's population is growing rapidly, as is its economy - creating a large middle-class able to afford western medicines. India's epidemiological profile is

## From the MD's Desk...

The journey from good to great...

**A need to safeguard against any attempts by vested interests to extend the monopoly of certain big companies and to delay launch of generic version even after expiry of related patent.**



also changing and the population is ageing, so demand is likely to increase for drugs for cardio-vascular problems, disorders of the central nervous system and other chronic diseases such as diabetes which is increasing at an alarming rate.

### Internal Control System

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness. The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements. We believe that the company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures. The Company encourages and recognizes improvements in work practices. The internal control system of the company is also reviewed by the Audit Committee periodically.

### Opportunities & Threats

The major strengths, weaknesses, opportunities & Threats of Indian Pharmaceutical market are such as mentioned herewith-

### Strength

- Excellent Chemistry & process re-engineering skills
- Massive Pharmaceutical market Growth potential
- Strong local manufacturing sector with leading domestic players establishing a notable international presence.
- Long established International trading patterns mainly with western Europe and the US.
- Growing number of market approval and accreditations.

### Weaknesses

- Among the least-developed pharmaceutical markets in Asia, with extremely low per-capita consumption.
- Low entry Barriers to new players
- Government drug pricing control and re-imbursement policy
- Underdeveloped health care infrastructure
- Vast regional disparities in health care coverage.

### Opportunities

- Robust generic & OTC drug market growth, with the latter benefiting from expected liberalization of sales channels.
- Potential for developing India as a centre for International clinical trials.
- Underdeveloped market for chronic illnesses.
- The recognition of pharmaceutical patents from January 2005.



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- Rising demand for generic drugs globally.
- Global outsourcing hubs for pharmaceutical products.
- Increasing R&D activity by domestic firms.

### Threats

- Threat from Other low cost countries like China.
- Failure to enforce World Trade organization (WTO)-compliant patent legislation for Drugs property.
- Considerable counterfeit drug industry.
- Further price controls on essential medicines.

The company invests in the training and development needs of its employees through tailor made programs and extensive workshops

### Human Resources

Human resource management is a key focus area for the company and the company has been making constant endeavor to attract and retain the best talent. The company invests in the training and development needs of its employees through tailor made programs and extensive workshops. Focused initiatives were undertaken to improve HR process tools and techniques.

### Outlook on Threats, Risks and Concerns

The global generic business is becoming more competitive with the entry of newer players from emerging economies. As stated earlier, the rising trend of consolidation and amalgamations among Pharma companies is bringing in stiff challenge in the marketplace. There is a need to safeguard against any attempt by vested interests to extend the monopoly of certain big companies and to delay launch of generic version even after expiry of related patent. Several issues like ever greening of patents and compulsory licensing still remains to be solved at Governments' end and unless the Government takes some decisive steps, these can have serious adverse effects on the functioning and future of Indian Pharmaceutical Industry. Also, the Drug pricing policy of the Government has a direct bearing on the prices of products and product margins.

### Cautionary Statement

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. This report may also contain certain statements that the company believes are or may be considered to be 'forward looking statements' which are subject to certain risks and uncertainties.



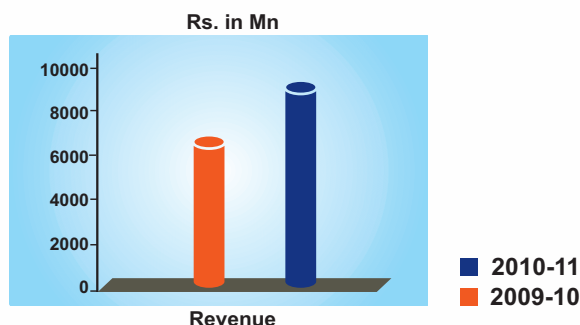


# Financial Performance with Respect to Operational Performance



## Revenue

Gross revenue has increased from Rs. 6894.33 million in 2009-10 to Rs. 8987.93 million in 2010-11 recording a growth of 30.37% over the previous financial year. Gross revenue includes income from contract research for Rs. 123.27 millions (previous year Rs. 102.51 million)



## Expenditure

The company's total expenditure increased by 31.16% i.e. Rs. 8539.84 million during 2010-11 compared to Rs. 6511.12 million during 2009-10. The increase is due to increased level of operations and normal rate of inflation. Break up of expenses as %age to revenue from operations:-

	2010-11	%age	2009-10	%age
Revenue from operations	8987.93	100.00	6894.33	100.00
Cost of Material Consumed	6738.67	74.97	5197.16	75.38
Manufacturing expenses	217.59	2.42	171.60	2.49
Administrative expenses	250.97	2.79	212.16	3.08
Selling & Dist. Expenses	388.24	4.32	298.44	4.33
Financial Expenses	716.41	7.97	429.92	6.23
Other Expenses	227.96	2.54	201.84	2.93
Operating Profit	448.09	4.99	383.22	5.56

## Material Consumed

Cost of material consumed decreased from 75.38% (Rs. 5197.16 mns) of revenues to 74.97% (Rs. 6738.67 mns) of revenue mainly on account of better product mix.

## Manufacturing Expenses

Decrease in manufacturing expenses from 2.49% ( Rs. 171.60 mns ) of the Revenues to 2.42% ( Rs. 217.59 mns) of the revenues. This is mainly due to advancement of better efficiency and better control of expenses.

## Administrative Expenses

Administrative expenses have increased by 18.29% as compared to last year mainly due to:-

- Increase in staff cost due to Annual Increments and new recruitments.
- Balance administrative expenses have increased in normal course and due to inflation.

## Selling & Distribution Expenses

Selling & Distribution cost almost same as 4.33% of the revenues to 4.32% of the revenues is mainly due to better budgetary control and management.

## Financial Expenses

Financial expenses consists of Interest on Term Loan, Interest on working capital, exchange rate fluctuations and Bank Charges.

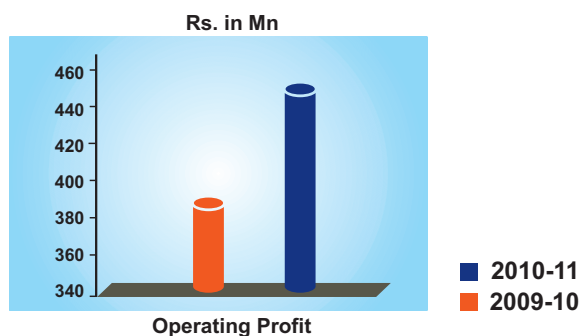
- Increase in interest on working capital loan is due to following reasons
  - Increase in working capital availment / utilisation due to increase in operational level of the company
  - Due to increase in rate of interest

## Other Expenses

Other Expenses consist of depreciation and amortised expenses. Depreciation increased because of increase in gross block of fixed assets

## Operating Profit

Operating Profit has increased from Rs. 383.22 million during the previous year 2009-10 to Rs. 448.09 million in the current year 2010-11 showing an increase of 16.93% from the previous year.



## Fixed Assets

Investment in the fixed assets of the company has increased by 4.31% over the previous financial year 2009-10. It has increased to Rs. 2620.62 million in 2010-11 from Rs. 2512.28 million in 2009-10. This was mainly due to the additions during the year in tangible as well as intangible assets.



## Reserves

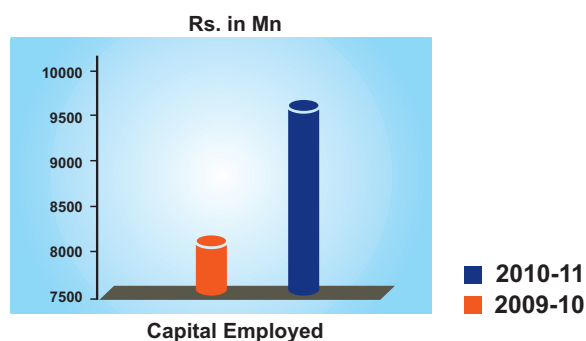
Reserves represent the shareholders wealth and as it are ploughed back in the business, is the most cost effective fund for the company.

The company's reserves has increased by 22.18% i.e. Rs. 3001.73 million in 2010-11 from Rs. 2456.74 million in previous year 2009-10



## Capital Employed

Capital employed of the company has increased from Rs. 8214.19 millions in 2009-10 to Rs. 9527.24 million during the current year 2010-11. The capital employed of the company increased due to new manufacturing facilities and expansion in the existing facilities.



## Working Capital

In a pharmaceutical company, working capital is critical for a number of reasons, mainly due to

- 1) Investment in large number of raw materials due to large number of products in Product profile
- 2) Disbursement of credit to the agents and dealers for a comparatively longer Period than any other business.

## Debtors

The debtor cycle have been brought down to 96 days from 104 days (an improvement by 8 days) during the current financial year.

## Creditors

The company has been able to increase the creditors cycle from 122 days to 130 days in the financial year 2010-11.

## Inventory

The inventory holding has same level during the year 2010-11.



# Director's Report



## Dear Shareholders

The Board of Directors of the Company has pleasure in presenting the 25th Annual Report of the Company for the financial Year 2010-11.

## Financial Results

The Financial performance of the Company for the year ended 31st March 2011 is summarized as below:

Rs. (In Lakhs)

Particulars	Year ending 31st March 2011	Year ending 31st March 2010
Sales and other income	89879.28	68943.34
Profit before interest and depreciation	13196.35	9346.37
Interest	7164.09	4299.20
Depreciation	1551.39	1214.98
Profit before tax	4480.87	3832.19
Provision for tax	879.83	651.28
Provision for deferred tax	147.21	173.77
Profit after tax available for appropriation	4345.17	3671.50

## Performance

The sales revenue and other income for the year under review at Rs.898.79 Crores is up from Rs. 689.43 Crores in the previous year. Profit Before tax is Rs.44.81 Crores (previous year Rs. 38.32 Crores), profit after tax is Rs.43.45 Crores as compared to Rs. 36.71 Crores in the previous year.

## Dividend

The Board has recommended a dividend of 1% (i.e. Rs. 1/- per share) on cumulative redeemable preference shares and 20% (i.e.Rs. 0.40 per share) on equity shares for the year under consideration. The dividend if approved by the shareholders at the ensuing annual general meeting will be paid on or before 26-10-2011 to those shareholders whose names appear on the register of members of the company as on the date of book closure.

The Company has deposited the unclaimed/unpaid dividend for the year 2002-2003 into Investor Education and Protection fund u/s 205-C of the Companies Act, 1956.

## Global Business Unit

During the past fiscal, Global Business Unit of the company continued its journey towards growth. We have been creating and achieving milestones year after year. The GBU achieved a growth of 38% during last year. We plan to increase our revenue by approximate 19 Mn USD in the current fiscal year thereby achieving a growth of 50% over previous year. GBU underwent successful National Health Surveillance Agency (ANVISA) Brazil audit and is expecting the approval very soon. GBU also got Gulf Co-operative Council (GCC) approval certificate and registration of products has commenced across gulf Countries.

## Formulation Business

In the formulation business, we have continued adding new territories and register new products in the already operational territories. We have also undertaken major initiative in developing more products and expanding our product portfolio. Our mission of adding new and interesting products to our portfolio is continuing. We have established tie-ups with new partners in many countries such as Uzbekistan, Georgia, Ethiopia, Malaysia, Singapore, Algeria, Oman & Bahrain and the operations are now being initiated with new set ups.

## CRAM and Licensing

We have done exceptionally well in our licensing business and motivated by our success with the existing dossiers. We are looking at greatly enhancing our service offers in this segment. Our strategy for the contract manufacture business is to scale up the business with prudence ensuring that only projects with predefined bottom line are undertaken. We have successfully managed to strike a fine balance between volume based CM projects and the value based ones in synchronization of the above strategy. Besides contract manufacturing activities, our own products which were licensed out in Europe and Australia have been launched commercially to become the first generic.

## Domestic Business

In order to further strengthen Indswift's position in domestic as well as international market and to further allow more penetration in pharmaceutical market your company has shifted its entire marketing operations to Mumbai. The company has restructured three divisions i.e. **GENERIC, MEGASWIFT, GYNOSWIFT** and launched three new divisions **ONCRIT, Q-DEN and CARDIA SWIFT**, with this Indswift has entered into all major therapeutic segments. The Company has taken this strategic decision, as Mumbai provides a competitive market for pharmaceutical industry, growth trends are very favourable, alongwith the availability of skilled manpower. The results can be clearly seen as our ethical and generic divisions have seen around 30% growth as compared to last year. Apart from this we have launched new product range in all the new divisions including monopolistic products. Two new divisions in the segment of Nutraceuticals and over the counter products (OTC) are also in pipeline.

## Research and Development

The Company has a spawning Research & Development facilities offered by its State-of-Art drug formulations, chemical research & analytical development centre, equipped with the latest equipments needed for combinational synthesis, ultramodern HPLC and GC systems.



Because Life is Precious.

## Directors

Mr. N.R.Munjal, Mrs. Nirmal Aggarwal, and Dr. S.K.Mathur Directors of the company are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

## Director's Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to director's responsibility statement, your directors confirm:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation to material departure, if any;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the net profit of the company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2011 on going concern basis.

## Auditors

M/s J.K.Jain & Associates, Chartered Accountants, Chandigarh, statutory auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Auditor's Report is self-explanatory and does not require any explanation by the Board.

Pursuant to the provision of section 233B of the Companies Act, 1956 read with General Circular No. 15/2011 dated April 11, 2011, M/s V.Kumar & Associates, Cost Accountants has been appointed as Cost Auditors to conduct Cost Audit of the company for the year 2011-12.

## Energy, Technology and Foreign Exchange

Information required under section 217(1)(e) of The Companies Act 1956, read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed as per Annexure -A and form part of this report.

## Personnel

The information under section 217(2A) of The Companies Act, 1956 is enclosed as per Annexure -B. The employer employees' relations remained cordial throughout the year at all locations.



## Fixed Deposits

The Company's fixed deposit scheme has drawn good response and confidence from the public. The aggregate amount of fixed deposits as on 31st March 2011 was Rs.6389.26 Lakhs (previous year Rs. 6208.84 Lakhs). There was no default in repayment of principal as well as interest in relation to deposits. Further, there is no unclaimed or unpaid amount in relation to deposits.

## Listing

The shares of the Company are listed at following Stock Exchanges:

1. Bombay Stock Exchange Limited
2. National Stock Exchange of India Limited

The listing fee for the concerned year has been paid to the respective Stock Exchanges.

## Depository System

The shares of the Company are being traded in compulsory de-materialized form. The Company has ensured connectivity with both the depositories i.e.. NSDL and CDSL.

## Corporate Governance

A detailed report on Corporate Governance is annexed herewith and forms part of this Report.

## Acknowledgment

Yours directors would like to express their grateful 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.

Yours Directors also thank its distributors, agents, stockiest, retail traders, medical professionals, employees and customers for their continued patronage of the company products.

For **and On behalf of the Board**

**Place:** Chandigarh

**Dated:** 31-08-2011

Chairman

# Annexures to the Directors Report

## ANNEXURE A

### Statement of particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988

The Company's operation involves low energy consumption and there are no major areas where energy conservation measures could be considered. However efforts to conserve and optimized the use of energy and improved operational method will continue. Training programs are conducted to increase awareness of conservation of energy among the workforce.

## FORM A

Disclosure of particulars with respect to energy conservation

<b>A. Power &amp; Fuel Consumption</b>	<b>2010-11</b>	2009-10
1. Electricity		
a) Purchased		
Units	<b>8596788</b>	6544918
Total Amount	<b>41005679</b>	30237522
Rate/ Unit (Rs.)	<b>4.77</b>	4.62
b) Own generation		
i) Units through diesel generator	<b>3328939</b>	1553318
Units per litre of diesel oil	<b>5.71</b>	5.71
Cost per unit( Rs.)	<b>6.62</b>	6.51
ii) Through steam turbine/ generator	<b>N.A</b>	N.A
2. Coal	<b>N.A</b>	N.A
3. Furnace Oil consumption per unit of production	<b>10 unit/ltr</b>	10 unit/ltr
4. Others/ Internal Generation	<b>N.A.</b>	N.A.
B. Consumption per unit of production		
Injection eye and ear drops	<b>0.006 unit/ml</b>	0.006 unit/ml
Tablets and Capsules	<b>0.06 unit/100 tab &amp; caps</b>	0.06 unit/100 tab & caps
Ointments	<b>0.02 unit/per tube</b>	0.02 unit/per tube

## FORM B

### B. Technology Absorption

#### I) Research and development (R&D)

## 1. Specific areas in which R&D carried out by the company.

- Taste masking technology of macroides for the first time in India.
- Development of NDDS for old and new molecules.
- Developing non-infringing process of four products.
- Unique tablet in tablet technology.
- Development of sustained release process of Isoxsuprine HCL tablets first time in India.
- Researching such ayurvedic medicinal plants those show a promise in treating chronic ailments, conditions and life style disorders.
- Working on finished dosage of all latest molecules being launched by the group company Ind Swift Laboratories Limited.

## 2. Benefits derived as a result of the above R & D.

- Received US patent for Clarie-OD having a market size of US\$ 300 mn
- Received two process patents- in India for Innovative processes; i.e. Clarie-OD and Fexo ODT.
- Launched Anti-Diarroheal Drug, Nitazoxanide for the first time in Asia.
- Registration of dossier different countries.
- Filed another US Patent for Fexofenadine ODT having market size of US\$ 2.5 bn.
- Developed expertise in NDDS, which has found acceptability in India and rest of the world.
- Successfully developed and marketed 15 products based on NDDS.
- Entered into Co-marketing arrangements with leading pharma companies.

## 3. Future Plan of Action

- New products process development in collaboration with leading Global Pharma Companies.
- Greater thrust in the area of novel drug delivery system and value added dosage forms.
- More focus on patent non-infringing process and patent filing.
- Regulatory filing, networking and compliances.
- Up gradation of existing R&D facilities.

### 1. Expenditure on R&D.

(a) Capital	3676220
(b) Recurring	46256982
(c) Total	49933202
(d) Total R&D expenditure as a percentage of total turnover	0.57%

## II) Technology Absorption, Adaptation and Innovation.

The company is using indigenous technology. All operating staff are well-conversant and trained in the Process.

## A. Foreign Exchange Earning and Outgo

Total (Rs)

FOB value of exports	US \$ 5971813.52	Rs.267468452	
	EURO 3021994.07	Rs. 179578078	
	GBP 1921156.55	Rs.134260604	
	AUD 2731713.47	Rs.117104222	<b>698411356</b>
Technology Transfer Fees	US \$ 2060000.00	Rs.85091750	
	EURO 536647.00	Rs.31431315	
	GBP 60000.00	Rs.4084000	
	AUD 38218.00	Rs.1655616	<b>122262681</b>
Other Income	AUD 7830.14	Rs.310191	
	EURO 12000.00	Rs.690000	
	GBP 5163.81	Rs.364897	<b>1365088</b>
Tour & Travel	US \$ 17593.31	Rs.827839	
	EURO 10385.51	Rs.700850	
	GBP 1721.10	Rs.122492	<b>1651181</b>
Import Material	US \$ 8101729.24	Rs.369631974	
	EURO 545061.87	Rs.33866296	
	CAD 13756.97	Rs.616050	
	GBP 17023.68	RS.1208819	<b>405323139</b>
Import Equipment	US \$ 16515.64	Rs.752753	
	EURO 6948.03	Rs. 427764	<b>1180517</b>

The company focus on increasing its Export Turnover in the coming years. It has already filed more than 52 dossiers in unregulated and semi-regulated countries. The Company is also making efforts to enter into tie-up in these markets for marketing of its products.

For and On behalf of the Board

Place: Chandigarh

Dated: 31-08-2011

Chairman

## ANNEXURE `B`

The statement pursuant to section 217(2A) of The Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of Director's Report:

Name	Designation/ nature of Duties	Age	Qualifications	Total Experience	Date of commencement of appointment	Gross Remuneration Rs. in lacs	Previous Employment held
Mr. S.R. Mehta	Chairman	55	B.Sc	32 yrs	06.06.1986	112.5	Synthico Formulation Pvt. Ltd (Area Manager)
Dr. Gopal Munjal	Mg. Director & CEO	52	Medical Graduate	27 Yrs.	11.12.1986	112.5	Nil
Dr. V.R.Mehta	Jt. Mg. Director	54	M.Sc	32 yrs	30.9.1993	112.5	Rallis India (Sales Officer)
Mr. H.Jain	Exec. Director	29	B.Com	8 yrs	31.07.2003	22.5	NIL

Note: Mr. Himanshu Jain held the office as Executive Director till 30th June 2010 only.

For and On behalf of the Board

Place: Chandigarh

Dated: 31-08-02011

Chairman



# Report on Corporate Governance



## Ind-Swift philosophy on code of governance

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

## Board of Directors

The Board of Directors of your company consists of twelve directors who have a rich experience in their respective fields. Out of these twelve directors, three are Promoter/ Executive Directors, three are Promoter/ Non-Executive Directors and remaining six are independent directors. There is no nominee director. The Chairman of Board is an executive director. The detail of composition of Board of directors is given below:

S.No.	Name	Designation	Promoter /Non- Promoter/ Independent/ Executive/ Non-Executive	No. of Other Directorships	No. of Committee Memberships
1	Mr. S.R.Mehta	Chairman	Promoter/Executive	3	3
2	Dr. G. Munjal	Managing Director & CEO	Promoter/Executive	4	NIL
3	Mr. V.R.Mehta	Jt.Managing Director	Promoter/Executive	2	1
4	Mr. Himanshu Jain	Director	Promoter/Non-Executive	4	2
5	Mr.N.R.Munjal	Director	Promoter/Non-Executive	3	3
6	Mr. Rishav Mehta	Director	Promoter/Non-Executive	2	NIL
7	Mr. K.M.S.Nambiar	Director	Non-Executive/Non promoter/Independent	1	07**
8	Dr.R.S.Bedi	Director	Non-Executive/Non promoter/Independent	1	1
9	Dr. N. D. Aggarwal	Director	Non-Executive/Non promoter/Independent	NIL	2
10	Mrs.Nirmal Aggarwal	Director	Non-Executive/Non promoter/Independent	NIL	NIL
11	Dr. H.P.S.Chawla	Director	Non-Executive/Non promoter/Independent	2	NIL
12	Dr. S.K.Mathur	Director	Non-Executive/Non promoter/Independent	NIL	1

\* The Directorship mentioned above excludes private limited companies, foreign companies & section 25 companies.

\*\* Mr. K.M.S Nambiar holds position as chairman in 5 committees.

## Non-Executive Directors' Compensation and Disclosures

Apart from receiving sitting fees for attending the meetings of the Board/Committees, there are no pecuniary relationships or transactions between the company and independent directors. None of the directors holds the office of directorship in more than fifteen Companies and membership in more than ten committees of the board and chairmanship of more than five committees. The details of Board Meetings held during 2010-11 are as follows:-

Date of Meeting	Place	No. of Directors present
30-04-2010	Chandigarh	12
28-07-2010	Chandigarh	10
06-08-2010	Chandigarh	6
06-09-2010	Chandigarh	8
13-11-2010	Chandigarh	8
29-01-2011	Chandigarh	7
11-02-2011	Chandigarh	8
26-03-2011	Chandigarh	8

The attendance of Directors at Board meetings and the last annual general meeting is as under:-

Sr. No	Name	Nos. of Board meeting attended	Whether Last Annual general meeting held on 30 <sup>th</sup> September, 2010	Membership of Committees		
				Audit	STC*	RC**
1.	Dr. G. Munjal	5	Yes			
2.	Mr.S.R. Mehta	7	Yes			
3.	Mr. V.R.Mehta	5	Yes		Yes	
4.	Mr. Himanshu Jain	5	Yes		Yes	
5.	Mr.N.R.Munjal	6	Yes			Yes
6.	Mr. Rishav Mehta	4	Yes			
7.	Mr. K.M.S.Nambiar	6	Yes	Yes		Yes
8.	Dr.R.S.Bedi	1	Yes	Yes		
9.	Dr. N. D. Aggarwal	8	Yes	Yes		Yes
10.	Mrs. Nirmal Aggarwal	8	Yes			
11.	Dr. H.PS. Chawala	5	Yes			
12.	Dr. S.K.Mathur	1	Yes		Yes	

## Re-appointment of Directors

Mr. N.R.Munjal, Mrs. Nirmal Aggarwal and Dr. S.K.Mathur, Directors are retiring by rotation in the forthcoming AGM. The required information regarding these directors is given with the notice of the Annual General Meeting.

## Code of Conduct

The Board of Directors have approved and adopted Code of Conduct for Board members and senior management. The Managing Director has affirmed that each Board Member and Senior Management acknowledged the receipt of the code of conduct and has affirmed compliance with this code.

## Audit Committee

The Audit committee of the company consists of three directors and all of them are independent and non-executive directors. The Chairman of Audit Committee, Mr. K.M.S. Nambiar is a Fellow member of the Institute of Company Secretaries of India and has rich experience of financial matters and management. 5 meetings of Audit Committee were held during the financial year 2010-11. The constitution of audit committee and attendance of each member are as under:-

Name of Directors	Category	Designation	No. of meetings attended
Mr.K.M.S. Nambiar	Non-Executive and Non Promoter	Chairman	5
Dr. N.D.Aggarwal	Non-Executive and Non Promoter	Member	5
Dr. R.S.Bedi	Non-Executive and Non Promoter	Member	1

The Company Secretary of the company acts as Secretary to the Committee. The terms of reference of the audit committee have been approved by the Board and include the following:

1. To review the quarterly and yearly financial statements before being submitted to the Board.
2. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To review, act and report to the Board of directors with respect to various auditing and accounting matters, including recommendations for appointment of independent auditors, the scope of annual audits.
4. To hold periodical discussions with statutory auditors on the scope and content of audit
5. To discuss with the auditors any significant findings and follow up thereon.
6. To review the company's financial and risk management policies.
7. To ensure compliance of internal control system.
8. To consider such other matter as may be required by the Board; and
9. To do and to ensure compliance of all other matters specified under clause 49 of the listing agreement.

## Share transfer/Shareholder's Grievance committee

During the financial year 2010-11, Share Transfer/Shareholder Grievance committee meetings were held on fortnightly basis to consider share transfer and Investor grievances matters. The members of the committee are as follows:-

Name	Category	Designation
Dr. S.K. Mathur	Non-Promoter and Non-Executive	Chairman
Dr. V. R. Mehta	Promoter and Executive	Member
Mr. Himanshu Jain	Promoter and Non-Executive	Member

The Company Secretary of the company acts as Secretary to the Committee.

## Remuneration of Directors

There is no pecuniary relationship or transaction of the company with its independent directors other than payment of sitting fee for attending Board and Committee meetings. All the Executive Directors are paid by way of monthly remuneration, which is explained in detail in notice of Annual General Meeting and no commission on profits is paid to any of the Directors. The details of remuneration paid to executive directors is given as per Annexure' B to the Directors' Report

## Remuneration Committee

Though Company is not mandatory required to form remuneration Committee, however as a gesture of good Corporate Governance a remuneration committee has been constituted. The members of the committee are as under:-

Name	Category	Designation
Mr. K.M.S. Nambiar	Non-Promoter and Non-Executive	Chairman
Dr. N.D. Aggarwal	Non-Promoter and Non-Executive	Member
Mr. N.R.Munjal	Promoter and Non-Executive	Member

The terms of appointment of whole time directors are governed by resolution of board of directors and shareholders and rules applicable to the company. There was no meeting held during the year

## General Body Meetings

Details of last three Annual General Meetings:

Financial Year	Annual General Meeting	Date	Time	Venue	No. of Special Resolutions
2009-10	24 <sup>th</sup> AGM	30 <sup>th</sup> September 2010	10.30 a.m.	PHD House , Sector 31, Chandigarh	3
2008-09	23 <sup>rd</sup> AGM	24 <sup>th</sup> September 2009	10.30 a.m	PHD House , Sector 31, Chandigarh	1
2007-08	22 <sup>nd</sup> AGM	26 <sup>th</sup> September 2008	10.30 a.m.	BMS Lobana Bhawan, Sector 30-A, Chandigarh	4

- In the AGM held on 26-09-2008, four special resolutions regarding re-appointments and increase in remunerations of Mr. S.R. Mehta Chairman, Dr. Gopal Munjal MD& CEO, Dr. V.R.Mehta, Jt. Mg. Director and Mr. Himanshu Jain, Executive Director were passed.
- In the AGM held on 24-09-2009, one resolution regarding preferential allotment of 40,00,000 Zero Coupon Convertible Warrants was passed.
- In the AGM held on 30-9-2010, three special resolutions viz. appointment of Sh. Rishav Mehta as Director, Increase of Authorised Capital, and preferential allotment of 80,00,000 Zero Coupon Convertible warrants were passed.

## Disclosures

- There were no transactions of material nature with the promoters, directors, management or their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.
- Transactions with the related parties are disclosed in Note No. 24 (Annexure A & B) of Notes on Accounts in the attached balance Sheet.



- There has been no instance of non-compliance by the company on any matter related to capital markets. The Company has complied with all the applicable laws whichever applies to the company.

## Means of communication

The Company has adopted following means of communication:

- Quarterly and annual financial results published in
  - Financial Express
  - Business Standard
  - Jansatta (Hindi)
  - Business Standard (Hindi)
  - Uploading of Annual Reports, Shareholding Pattern, financial results etc at the official website of company [www.indswift.com](http://www.indswift.com).
- The press releases of relevance to the investors are also made available on website for a reasonable period of time
- Annual Report being sent to all Shareholders.

## Management Discussion and Analysis Report

A detailed report on Management Discussion and Analysis Report forms part of this report.

## General Shareholder Information

### A. 25th Annual General Meeting

Date: 26th September 2011

Time: 11.00 AM

Venue: PHD House, Sector 31, Chandigarh

Financial Year: 2010-11

### B. Financial Calendar :

Financial reporting for the financial year 2011-12

- Quarter ending  
30 June 2011                      Adopted on 10th August, 2011
- Quarter ending  
30 September 2011              By 15th November 2011
- Quarter ending  
31 December 2011              By 15th February 2012
- Quarter ending  
31 March 2012                  By 15th May 2012

- Annual General Meeting  
for the year ending  
31 March 2012

By September 2012

Date of book closure: 23-09-2011 to 26-09-2011 (Both days inclusive)

C. Dividend payment date: by 26th October 2011

#### D. Equity Shares Details

Stock Code BSE: 524652  
NSE: INDSWFTLTD

Company's ISIN No. INE788B01028

### Monthly Share Price Movement:

The high and low prices of the company's share (of Rs. 2/-each) at The Stock Exchange, Mumbai on monthly basis from April 2010 to March 2011 are as under:

Month	High (Rs.)	Low (Rs.)	Volume of shares
April 2010	32.80	28.60	1065037
May 2010	31.80	27.10	603940
June 2010	33.60	28.50	856124
July 2010	37.15	31.60	1456546
August 2010	44.70	33.55	5233460
September 2010	49.75	39.60	5700963
October 2010	46.25	41.25	1902047
November 2010	46.40	31.50	1563944
December 2010	37.40	30.70	685768
January 2011	36.50	28.15	402371
February 2011	33.30	27.10	643716
March 2011	32.75	28.65	339006

Source: BSE website

#### E) Registrar and Share Transfer Agent (for Physical and demat)

Alankit Assignments Limited (Unit: Ind-Swift Limited)  
2-E/21, Jhandewalan Extension  
New Delhi - 110055  
Tel: - +91-11-51540060-63  
Fax: - + 91-11-51540064  
E-mail: alankit@alankit.com

## F) Share Transfer System (Physical Shares)

- The Share Transfer/shareholders Grievance Committee approves the transfer and transmission of shares, issue of duplicate share certificates and related matters. The transfers received are processed within 15 days of the receipt of the same subject to the transfer document being complete and valid in all respects. The Committee also monitors the redressal of Investor's grievances. As on 31st March, 2010, there were no shares pending for transfer.
- The practicing Company Secretary appointed by the Board is conducting secretarial Audit of the company on quarterly basis and report is being filed with the stock exchanges.
- M/s Alankit Assignments Ltd., Registrar and Transfer Agent appointed by the Company have adequate infrastructure to carry out the share transfer, transmission and other related assignments.
- The Company has during the year under review received 30 complaints from shareholders and all the complaints have been duly settled. There was no unsettled complaint as on 31st March, 2011.

## G) Distribution of shareholding: as on 31st March 2011

Shareholding of Nominal value of (Rs.)	Nos. of share-holders	Percentage	Share Amount	Percentage
Up to 5000	15541	93.54	13616808	16.14
5001 to 10000	550	3.31	4148318	4.92
10001 to 20000	288	1.73	4271090	5.07
20001 to 30000	74	0.45	1883628	2.23
30001 to 40000	39	0.23	1426244	1.69
40001 to 50000	23	0.14	1031728	1.22
50001 to 100000	46	0.28	3323770	3.94
100001 and above	53	0.32	54655154	64.79
<b>TOTAL</b>	<b>16614</b>	<b>100.00</b>	<b>84356740</b>	<b>100.00</b>

## H) Shareholding pattern as on 31st March 2011

Category	No. of shares	Percentage
Promoters/Promoters group	18388306	43.60
Mutual Funds & FIs	1725239	4.09
Bodies Corporate	7874289	18.67
NRI's/OCB's/FII	268653	0.64
Public	13921883	33.00
<b>Total</b>	<b>42178370</b>	<b>100.00</b>

## I) Dematerialisation of Shares

The shares of the Company are being traded in compulsory de-materialised form. The Company has ensured connectivity with both the depositories i.e National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March 2011, 36789100 equity shares of the company, forming 87.23 % of the share capital of the company, stand de- materialized.

Mode of Shares	Number of Shares	Percentage
Physical	5389270	12.77
NSDL	31048748	73.61
CDSL	5740352	13.62
<b>Total</b>	<b>42178370</b>	<b>100.00</b>

## J) Outstanding GDRs / ADRs / Warrants or any other Convertible Investments.

1. Out of 40,00,000 zero coupon convertible warrants (Series 2009) 19,56,000 warrants were converted into equal number of equity shares on 30-04-2010 and 20,44,000 warrants were converted into equal number of equity shares on 26-03-2011.

2. Out of 80,00,000 zero coupon convertible warrants (Series 2010), 10,00,000 warrants were converted into equal number of equity shares on 26-03-2011. There are 70,00,000 warrants outstanding.

## K) Registered office

Ind-Swift Limited  
781, Industrial Area-II,  
Chandigarh – 160002  
Ph.: 0172-2638781, 2638782, 2638786  
Fax: 0172-2652242  
Website: [www.indswift.com](http://www.indswift.com)

## L) Company Secretary & Compliance officer

Mr. R.K.Sood  
781, Industrial Area-II,  
Chandigarh – 160002  
e-mail: [companysec@indswift.com](mailto:companysec@indswift.com)

## M) Plant Locations:-

- 123, Industrial Area, Phase-I,  
Panchkula – 134109 (Haryana)
- Plot No. 23, Sector – 2,  
Parwanoo (H.P.)(Unit-I)
- 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)



# Auditor's Report on Corporate Governance

**The Members**  
**M/s Ind - Swift Ltd.**  
**Chandigarh.**

We have examined the compliance of conditions of Corporate Governance by **M/s Ind Swift Ltd.** for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said company, with Stock Exchange (s).

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination is limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanation given to us by the Directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

Based on the records maintained & certified by the secretary of the company there are no investor grievances pending against the company for a period exceeding one month as on 31st March, 2011.

We further state that such compliance 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.

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

**Place:** Chandigarh  
**Date :** 31-08-2011

**(J. K. Jain)**  
Partner

# Auditor's Report



**The Members**  
**Ind-Swift Limited**  
**Chandigarh.**

1. We have audited the attached Balance Sheet of **M/s Ind-Swift Limited** as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on the same date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by Companies (Auditor's Report) Order, 2003, and as amended by Companies (Auditors

Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Further to our comments in the annexure referred to in Paragraph (3) above:-

a.) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purpose of our audit.

b.) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.

c.) The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred to in this Report are in agreement with the books of accounts.

d.) In our opinion the Profit and Loss Account and Balance Sheet and cash flow statements comply with the requirements of the accounting standards referred to in

Sub Section (3C) of Section 211 of the Companies Act 1956.

e.) During the course of our Audit, we have not come across with any such observation which has any adverse effect on the functioning of the company.

f.) Pursuant to the provisions of sub section (1)(g) of section 274 of the Companies Act 1956, we report as under :

On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director of the company in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

g.) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with notes thereon, give the information required by Companies Act, 1956 in the manner as required and give a true and fair view:-

a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,

b) In the case of the Profit and Loss Account, of the profit for the year ended on 31.3.2011 and

c) In the case of Cash flow Statement, of the Cash Flow of the Company for the year ended on that date.

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

**CHARTERED ACCOUNTANTS**

**Place:** Chandigarh

**Date:** 31.08.2011

**(J.K. JAIN)**

Partner

Membership No. 83140

# Annexure to The Auditor's Report

(Referred to in Para (3) of our Report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to information and explanations given to us, the Company has a system of physical verification of all its fixed assets once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No serious discrepancies were noticed on such verification.

(c) During the year, company has not disposed off any substantial/major part of fixed assets.

(ii) (a) As explained to us, the stocks of stores, spare parts, raw materials and finished goods have been physically verified by the management at regular intervals during the year.

(b) In our opinion and according to information & explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion & according to the information & explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of stocks of stores, spare parts, raw material and finished goods were not significant in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.

(iii) (a) According to the information and explanation

given to us, the Company has taken/granted any loans, secured or unsecured from/to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Company has taken loan from one party and balance outstanding as on 31st March, 2011 is NIL. As regards the loan given, Company has granted loan to parties and the balance outstanding as on 31st March 2011 of Balance Sheet is Rs.588.94 lacs.

(b) According to the information & explanations given to us, the loans granted are unsecured and in our opinion, the terms & conditions of loans granted, are not prima facie prejudicial to the interests of the company.

(c) According to the information & explanations given to us, the company as well as the parties to whom loan have been given are regular in repayment of principal amount and payment of interest as stipulated.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.

(v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.

(a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that needed to be entered into the register have been so entered.



- (b) According to the information and explanations given to us, the transactions exceeding Rs.5,00,000/- (Rupees five lacs only) have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the directions issued by the Reserve Bank of India and provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.
- (vii) In our opinion, Internal Audit System followed by the management is commensurate with the size of the company and nature of its business.
- (viii) The Company is required to maintain cost records under section 209 (1)(d) of the Companies Act, 1956 for the products of the company and according to the information & explanations given to us, the company has maintained proper records as prescribed by the Central Government but we have not carried out the examination of these records.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed dues of Income Tax, FBT, Wealth Tax, Sales Tax, Custom Duty and Excise Duty and cess matters.
- (x) The company does not have accumulated losses as at the end of the financial year March 31, 2011. Further the company has not incurred any cash losses during the financial year ended March 31, 2011 and in the preceding financial year ended March 31, 2010.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company during the year has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information & explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under paragraph 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information & explanations given to us, the company has maintained proper records of the transactions relating to dealing in shares, securities & other investments & also entries have been made therein timely. Also all the shares, securities etc. have been held by the company in its own name.
- (xv) In our opinion and according to the information & explanations given to us, the terms and conditions on which the company has given guarantees during the year for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the company.
- (xvi) In our opinion and according to the explanations given to us, the term loans taken during the year have been applied for the purpose for which they were obtained.
- (xvii) According to the information & explanations given to us and on overall examination of the balance sheet of the company, we report that short term funds have not been used to finance long term investments and vice versa.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.



- (xix) During the year, since the company has not issued any debentures, paragraph 4 (xix) of the Order is not applicable.
- (xx) During the year, since the company has not raised any money by way of public issue, paragraph 4 (xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

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

**CHARTERED ACCOUNTANTS**

**Place:** Chandigarh

**Date:** 31.08.2011

**(J. K. JAIN)**

Partner

Membership No. 83140

# Balance Sheet as at 31-03-2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31-03-2011	AS AT 31-03-2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUND</b>			
Share Capital	I	226,356,740	74,356,740
Advance against Share Capital		-	242,000,000
Zero coupon convertible warrants		70,000,000	25,000,000
Reserves and Surplus	II	3,001,728,929	2,456,736,793
		<b>3,298,085,669</b>	<b>2,798,093,533</b>
<b>LOAN FUNDS</b>			
Secured Loans	III	4,943,565,124	4,209,301,511
Unsecured Loans	IV	1,044,272,842	980,200,538
		<b>5,987,837,966</b>	<b>5,189,502,049</b>
<b>DEFERRED TAX LIABILITY</b>		<b>241,314,165</b>	<b>226,593,165</b>
<b>TOTAL</b>		<b>9,527,237,800</b>	<b>8,214,188,747</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	V	2,620,622,410	2,512,278,238
Less: Depreciation		554,147,148	399,651,311
Net Block		2,066,475,262	2,112,626,927
Add: Capital Work in Progress		1,610,786,380	915,704,957
		<b>3,677,261,642</b>	<b>3,028,331,884</b>
<b>INVESTMENTS</b>	VI	<b>455,747,785</b>	<b>340,999,785</b>

## AUDITOR'S REPORT

As per our separate report  
of even date

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

**J.K. JAIN**

Partner  
Membership No. 83140

Place : Chandigarh  
Date : 31-08-2011

**RAMAN K. SOOD**  
Company Secretary

**AMIT TARAFDER**  
Vice President (Finance)

**S.R. MEHTA**  
Chairman

**N.R. MUNJAL**  
Vice Chairman

**RISHAV MEHTA**  
Director

**NIRMAL AGGARWAL**  
Director

**K.M.S NAMBIAR**  
Director

## For and on behalf of the Board

**Dr. G. MUNJAL**  
Managing Director & CEO

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

**HIMANSHU JAIN**  
Director

**N.D. AGGARWAL**  
Director

# Balance Sheet as at 31-03-2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31-03-2011	AS AT 31-03-2010
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	VII	4,717,450,076	3,689,727,301
Sundry Debtors	VIII	2,316,239,717	1,947,703,225
Cash & Bank Balances	IX	367,806,686	524,018,502
Loans & Advances	X	682,478,983	569,398,936
		<b>8,083,975,462</b>	<b>6,730,847,964</b>
<b>Less :Current Liabilities &amp; Provisions</b>			
Current Liabilities	XI	2,738,446,503	1,964,124,072
Provisions		106,214,510	82,526,833
<b>Net Current Assets</b>		<b>5,239,314,449</b>	<b>4,684,197,059</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(to the extent not w/off or adjusted)			
(Capital issue/Prem. exp/Seed Mkt. exp./			
Market Survey)	XII	154,913,924	160,660,019
		<b>9,527,237,800</b>	<b>8,214,188,747</b>
<b>TOTAL</b>			
SIGNIFICANT ACCOUNTING POLICIES	XXI		
NOTES ON ACCOUNTS	XXII		

## AUDITOR'S REPORT

As per our separate report  
of even date

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

**J.K. JAIN**  
Partner  
Membership No. 83140

**Place :** Chandigarh  
**Date :** 31-08-2011

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Company Secretary

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Vice President (Finance)

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Chairman

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Managing Director & CEO

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

**HIMANSHU JAIN**  
Director

**N.D. AGGARWAL**  
Director

# Profit & Loss Account for the Year Ending 31-03-2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	YEAR ENDED 31-03-2011 (Rs.)	YEAR ENDED 31-03-2010 (Rs.)
<b>INCOME</b>			
Sale & Other Income	XIII	<b>8,987,927,793</b>	6,894,334,323
<b>TOTAL (A)</b>		<b>8,987,927,793</b>	<b>6,894,334,323</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	XIV	<b>6,738,671,838</b>	5,197,155,699
Manufacturing Expenses	XV	<b>217,594,803</b>	171,601,054
Administrative Expenses	XVI	<b>250,972,202</b>	212,159,637
Selling & Distribution Expenses	XVII	<b>388,235,252</b>	298,439,639
Financial Charges	XVIII	<b>716,409,593</b>	429,920,388
Depreciation/Amortisation	V	<b>155,138,552</b>	121,497,968
Research & Development Exp.	XIX	<b>5,248,885</b>	7,314,373
Loss on Sale of Assets		<b>716,718</b>	-
Misc. Expenditure W/off.	XX	<b>66,852,604</b>	73,026,476
<b>TOTAL (B)</b>		<b>8,539,840,447</b>	<b>6,511,115,234</b>
<b>Profit Before Tax (A-B)</b>		<b>448,087,346</b>	383,219,089
Provision for Tax		<b>87,982,800</b>	65,128,100
Mat Credit Entitelment		<b>(87,982,800)</b>	(65,128,100)
Provision for Defferred Tax		<b>14,721,000</b>	17,377,000
Add Income Tax for Previous Year Adjusted		<b>1,150,491</b>	1,308,032
<b>Net Profit after Tax</b>		<b>434,516,837</b>	<b>367,150,121</b>

## AUDITOR'S REPORT

As per our separate report of even date

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

**J.K. JAIN**  
Partner  
Membership No. 83140

**Place :** Chandigarh  
**Date :** 31-08-2011

**RAMAN K. SOOD**  
Company Secretary

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Vice President (Finance)

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Joint Managing Director

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Director

**N.D. AGGARWAL**  
Director



Because Life is Precious.



# Profit & Loss Account for the Year Ending 31-03-2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	YEAR ENDED	YEAR ENDED
		31-03-2011	31-03-2010
<b>Profit b/f from previous year</b>		<b>1,248,324,329</b>	1,048,572,941
Proposed Dividend on Equity Shares		<b>15,611,600</b>	14,871,348
Proposed Dividend on Preference Shares		<b>23,342</b>	-
Tax on Dividend		<b>2,596,768</b>	2,527,385
Profit Trfd. to General Reserve		<b>150,000,000</b>	150,000,000
<b>Profit c/f to Balance Sheet</b>		<b>1,514,609,456</b>	1,248,324,329
Basic Earning per Share		<b>11.13</b>	9.88
Diluted Earning per Share		<b>10.87</b>	9.70
Nominal Value per Share		<b>2.00</b>	2.00

## AUDITOR'S REPORT

As per our separate report  
of even date

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

Chartered Accountants

**J.K. JAIN**

Partner

Membership No. 83140

**Place :** Chandigarh

**Date :** 31-08-2011

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## For and on behalf of the Board

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Managing Director & CEO

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Joint Managing Director

**HIMANSHU JAIN**  
Director

**N.D. AGGARWAL**  
Director

# Schedules Forming Part of Balance Sheet & Profit and Loss Account

(Amount in Rs.)

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
<b>SCHEDULE-'I'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
7,50,00,000 (P/Y- 7,50,00,000)	150,000,000	150,000,000
Equity Shares of Rs. 2/- Each		
25,00,000 (P/Y-Nil) Cumulative Redeemable	250,000,000	-
Preference Share of Rs. 100/- Each	<u>400,000,000</u>	<u>150,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
4,21,78,370 Equity Shares (P/Y 3,71,78,370)		
of Rs.2/- Each Fully Paid up in Cash	84,356,740	74,356,740
14,20,000 Cumulative Redeemable Preference Shares	142,000,000	-
(P/Y Nil) of Rs. 100/- each Fully Paid	<u>226,356,740</u>	<u>74,356,740</u>
<b>SCHEDULE-'II'</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance :	896468983	
<b>Add:</b> Trf. from Profit & Loss A/c	150000000	
<b>Less:</b> I.Tax for Previous year Adj.	<u>1150491</u>	
Capital Reserve	1,045,318,492	896,468,983
Securities Premium	6,790,981	6,933,481
Surplus in Profit & Loss Account	435,010,000	305,010,000
	<u>1,514,609,456</u>	<u>1,248,324,329</u>
	<u>3,001,728,929</u>	<u>2,456,736,793</u>
<b>SCHEDULE-'III'</b>		
<b>SECURED LOANS</b>		
Term Loans from Banks & Financial Institutions are secured by way of Equitable Mortgage of Immovable Properties Hypothecation of Plant & Machinery, Vehicles, and second charge on Equipments, Utilities, Other Fixed Assets, Current Assets and personal guarantee of Directors.	1,998,992,164	1,791,823,293
Bank Borrowings for working Capital are Secured by a Pari-Passu, first charge by way of hypothecation of the company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to Plant and Machinery (Consumable Stores & Spares), Bills Receivable & Book Debts and all other movables of the Company both present and future excluding such movables as may be permitted by the said Banks from time to time. The said facility is further secured by way of pari passu second charge on the company's immovable and movable properties (other than current assets) and personal guarantees of Directors.		
	2,944,572,960	2,417,478,218
	<u>4,943,565,124</u>	<u>4,209,301,511</u>
<b>SCHEDULE-'IV'</b>		
<b>UNSECURED LOANS</b>		
Fixed deposits from Public	638,926,677	620,884,293
From Others	405,346,165	359,316,245
	<u>1,044,272,842</u>	<u>980,200,538</u>



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# Schedules Forming Part of Balance Sheet & Profit and Loss Account

## SCHEDULE-V

### (A) SCHEDULE OF FIXED ASSETS AS ON 31/03/2011

(Amount in Rs.)

GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
PARTICULARS	BALANCE AS ON 01/04/2010	ADDITIONS/ TRSF DURING THE YEAR	SALE/ TRANSFER/ WRITTEN OFF	AS ON 31/03/2011	AS ON 31/03/2010	DURING THE YEAR	ON ASSETS SOLD	TOTAL DEPRECIATION UPTO 31/03/2011	AS ON 31/03/2011	AS ON 31/03/2010
<b>TANGIBLE ASSETS</b>										
LAND	63831272	5940000	0	69771272	64566	21522	0	86088	69685184	63766706
BUILDING	655930203	2853486	0	658783689	54986217	21998139	0	76984356	581799333	600943986
PLANT & MACHINERY	950803431	10338719	1543650	959598500	120708381	45334898	0	166043279	793555221	830095050
LAB. EQUIPMENT	112007810	38445933	0	150453743	16107060	7002793	0	23109853	127343890	95900750
VEHICLE	71272411	11409612	512000	82170023	31708885	6097498	123533	37682850	44487173	39563526
OFFICE EQUIPMENT	69234887	6788248	0	76023135	31660302	8871479	0	40531781	35491354	37574585
FURNITURE & FIXTURE	46727082	2919172	0	49646254	9506085	3077644	0	12583729	37062525	37220997
OTHER ASSETS	144073086	6272166	2741800	147603452	19553041	6943432	519182	25977291	121626161	124520045
BUILDING (R&D)	7241337	1344904	2729884	5856357	2320052	161881	0	2481933	3374424	4921285
FURNITURE & FIXTURE (R&D)	2704946	860682	632555	2933073	1606737	183405	0	1790142	1142931	1098209
EQUIPMENT (R&D)	138502138	1470634	13147592	126825180	47507046	6016785	0	53523831	73301349	90995092
<b>INTANGIBLE ASSETS</b>										
PATENT & TRADE MARK	3605618	0	0	3605618	1230804	410268	0	1641072	1964546	2374814
PRODUCT TECHNOLOGY **	246344017	41008097	0	287352114	62692135	49018808	0	111710943	175641171	183651882
<b>TOTAL</b>	<b>2512278238</b>	<b>129651653</b>	<b>21307481</b>	<b>2620622410</b>	<b>399651311</b>	<b>155138552</b>	<b>642715</b>	<b>554147148</b>	<b>2066475262</b>	<b>2112626927</b>
<b>TOTAL AS ON 31/03/2011</b>	<b>2512278238</b>	<b>129651653</b>	<b>21307481</b>	<b>2620622410</b>	<b>399651311</b>	<b>155138552</b>	<b>642715</b>	<b>554147148</b>	<b>2066475262</b>	<b>2112626927</b>
TOTAL: P/Y (31/03/2010) :->	1749616968	805014145	42352875	2512278238	278153343	121497968	0	399651311	2112626927	1471463625

### (B) CAPITAL WORK IN PROGRESS

PARTICULARS	BALANCE AS ON 01/04/2010	ADDITIONS DURING THE YEAR	CAPITALISED DURING THE YEAR	BALANCE AS ON 31/03/2011
Capital Work In Progress	915704957	812671473	117590050	1610786380
BALANCE AS 31-03-2010 (P/Y)	1054207267	541122707	679625017	915704957

**Note:** Land includes leasehold land at Jammu (Rs.19.37 Lacs.) for 90 years from the date of execution of lease deed. The leasehold land is being written off Over the Period of lease Propotinatly.

\*\* Other than internally generated

# Schedules Forming Part of Balance Sheet & Profit and Loss Account

(Amount in Rs.)

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
<b>SCHEDULE-'VI'</b>		
<b>INVESTMENTS (AT COST)</b>		
<b>(QUOTED)</b>		
9499720 (P/Y- 6499720) Equity Shares in M/s Ind Swift Laboratories Ltd.	400,552,555	250,552,555
Investment in Principal Large Cap Fund	2,500,000	-
Investment in Principal Emerging Bluechip Fund	500,000	500,000
2207(P/Y-2207) Equity Shares of Punjab National Bank	860,730	860,730
<b>(UNQUOTED)</b>		
2000000 (P/Y-2000000) Equity Shares of Fortune India Construction	20,000,000	20,000,000
Zero Coupon Convertible Bonds of Ind Swift Labs. Ltd	-	37,752,000
300000 {P/Y-300000} Equity Shares of EssixBiosciences Ltd.	30,000,000	30,000,000
66000(P/Y-66000) Equity Shares of Mansa Print @Rs. 10/-Per Share	660,000	660,000
Share Application Money of Mansa Print & Publishers Ltd.	674,500	674,500
	<b>455,747,785</b>	<b>340,999,785</b>
<b>SCHEDULE-'VII'</b>		
<b>INVENTORIES</b>		
(As taken, valued & certified by the Management)		
Raw Material	814,393,271	914,111,716
Work- in- Progress	313,113,378	287,758,302
Finished Goods	3,536,982,188	2,453,079,777
Consumables	13,387,795	13,016,642
Material in Transit	37,490,904	20,053,634
Printing & Stationery in Hand	2,082,540	1,707,230
	<b>4,717,450,076</b>	<b>3,689,727,301</b>
<b>SCHEDULE-'VIII'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured but considered good by the management)		
Debtors Outstanding for a Period Exceeding Six Months		
Considered good	48,756,417	66,323,731
Considered doubtful	50,327,806	220,816
Other Debts	2,267,483,300	1,881,379,494
	<b>2,366,567,523</b>	<b>1,947,924,041</b>
Less: Bad Debts written off	49,911,591	-
Less: Provision for Doubtful Debts	416,215	220,816
	<b>2,316,239,717</b>	<b>1,947,703,225</b>



# Schedules Forming Part of Balance Sheet & Profit and Loss Account

(Amount in Rs.)

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
<b>SCHEDULE-'IX'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash/Imprest/Stamps in Hand	118,758,066	43,945,802
Balance with Scheduled Banks	106,513,733	300,246,248
Fixed Deposits with Scheduled Banks	142,534,887	179,826,452
	<u>367,806,686</u>	<u>524,018,502</u>
<b>SCHEDULE-'X'</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured but considered good by the management)		
<b>ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED</b>		
Due from Others	390,273,866	386,609,449
Advance Income Tax	24,581,123	20,983,584
Prepaid Expenses	17,792,477	2,615,875
Mat Credit Entitelment	229,941,286	143,108,977
Excise Balances	19,890,231	16,081,051
	<u>682,478,983</u>	<u>569,398,936</u>
<b>SCHEDULE-'XI'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(A) CURRENT LIABILITIES</b>		
Sundry Creditors	2,401,151,638	1,737,924,312
Other Liabilities	252,487,765	164,063,902
Expenses Payable	66,251,840	44,212,086
Statutory Liabilities	18,555,260	17,923,772
	<u>2,738,446,503</u>	<u>1,964,124,072</u>
<b>(B) PROVISIONS</b>		
Proposed Dividend	15,634,942	14,871,348
Tax on Dividend	2,596,768	2,527,385
Income Tax	87,982,800	65,128,100
	<u>106,214,510</u>	<u>82,526,833</u>
	<u>2,844,661,013</u>	<u>2,046,650,905</u>
<b>SCHEDULE-'XII'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off/adjusted)		
Seed Marketing Expenses	146,753,584	138,196,756
Public/Capital Issue Expenses	341,100	454,800
Preliminary Expenses	50,000	75,000
Product Development Expenses	5,848,271	18,366,002
Software Development Expenses	1,920,969	3,567,461
	<u>154,913,924</u>	<u>160,660,019</u>



# Schedules Forming Part of Balance Sheet & Profit and Loss Account

		(Amount in Rs.)	
PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010	
<b>SCHEDULE-'XIII'</b>			
<b>SALES &amp; OTHER INCOME</b>			
Sale of Finished Products	8,658,255,493	6,711,957,040	
Technology Transfer Fee	123,273,208	102,507,058	
Miscellaneous Income	158,534,600	-	
Interest on FDR	8,551,183	12,304,549	
Other Income	39,313,309	67,565,676	
	<u>8,987,927,793</u>	<u>6,894,334,323</u>	
<b>SCHEDULE-'XIV'</b>			
<b>COST OF MATERIAL CONSUMED/SOLD</b>			
Opening Stock	927,128,358	843,179,471	
Purchases	7,750,042,610	6,097,162,972	
	<u>8,677,170,968</u>	<u>6,940,342,443</u>	
Less: Spoilage & Expiry	1,460,577	-	
Less :Closing Stock	827,781,066	927,128,358	
<b>TOTAL (A)</b>	<u>7,847,929,325</u>	<u>6,013,214,085</u>	
<b>INCREASE/(DECREASE) IN INVENTORY</b>			
<b>OPENING STOCK</b>			
Work-in-Progress	287,758,302	293,911,536	
Finished Goods	2,453,079,777	1,630,868,157	
	<u>2,740,838,079</u>	<u>1,924,779,693</u>	
<b>CLOSING STOCK</b>			
Work-in-Progress	313,113,378	287,758,302	
Finished Goods	3,536,982,188	2,453,079,777	
	<u>3,850,095,566</u>	<u>2,740,838,079</u>	
<b>TOTAL (B)</b>	<u>1,109,257,487</u>	<u>816,058,386</u>	
<b>TOTAL (A-B)</b>	<u>6,738,671,838</u>	<u>5,197,155,699</u>	
<b>SCHEDULE-'XV'</b>			
<b>MANUFACTURING EXPENSES</b>			
Wages & Benefits	89,473,434	85,256,886	
Power, Fuel & Water Charges	63,069,592	40,392,078	
Other Manufacturing Expenses	65,051,777	45,952,090	
	<u>217,594,803</u>	<u>171,601,054</u>	
<b>SCHEDULE-'XVI'</b>			
<b>ADMINISTRATIVE EXPENSES</b>			
Director's Remuneration	33,187,500	29,160,000	
Salary & Benefits	80,800,961	58,846,649	
Travelling & Conveyance	36,044,848	30,224,930	
Auditor's Remuneration	1,013,273	974,648	
Rent, Rates & Taxes	12,226,385	8,870,319	
Telephone & Postage	12,488,773	10,486,333	
Corporate & Other Administrative Expenses	75,210,462	73,596,758	
	<u>250,972,202</u>	<u>212,159,637</u>	



# Schedules Forming Part of Balance Sheet & Profit and Loss Account

(Amount in Rs.)

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
<b>SCHEDULE-'XVII'</b>		
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Excise Duty	16,814,081	8,168,665
Salary & Benefits	87,112,943	74,742,979
Commission to C & F Agents	28,056,857	26,112,966
Discount Allowed	1,391,609	2,630,045
Travelling Expenses	76,691,084	69,620,020
Bad Debts Written off	50,327,806	-
Other Selling Expenses	127,840,872	117,164,964
	<u>388,235,252</u>	<u>298,439,639</u>
<b>SCHEDULE-'XVIII'</b>		
<b>INTEREST &amp; FINANCIAL CHARGES</b>		
Interest on Term Loans	193,757,863	150,178,691
Interest on Working Capital Loans	273,200,397	174,296,766
Bank Charges/Processing/Exchange Rate	134,893,766	39,341,144
Interest Others	114,557,567	66,103,787
	<u>716,409,593</u>	<u>429,920,388</u>
<b>SCHEDULE-'XIX'</b>		
<b>RESEARCH &amp; DEVELOPMENT EXP.</b>		
Salary, Wages & Other Allowances	3,871,205	3,512,261
Administration Expenses	599,747	896,236
Consumable & Chemicals	426,084	2,803,088
Repair & Maint.- Machinery	351,849	102,788
	<u>5,248,885</u>	<u>7,314,373</u>
<b>SCHEDULE-'XX'</b>		
<b>MISC. EXPENDITURE WRITTEN OFF</b>		
Seed Marketing Expenditure	52,549,680	54,997,752
Product Development Expenses	12,517,732	16,297,352
Public Issue Expenses	113,700	113,700
Preliminary Expenses	25,000	25,000
Software Development Expenses	1,646,492	1,592,672
	<u>66,852,604</u>	<u>73,026,476</u>

# Schedules Forming Part of Balance Sheet & Profit and Loss Account

## SCHEDULE-'XXI' SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention

The Financial statements are prepared in accordance with applicable Accounting Standards in India. A summary of important Accounting Policies, which have been applied consistently, is set out below. Accounting Policies comprises Accounting Standards specified by the Central Government u/s 211 (3C) of the Companies Act 1956, other pronouncements of The Institute of Chartered Accountant of India and Guidelines issued by SEBI. The Financial Statement have also been prepared in accordance with relevant presentational requirements of the Companies Act 1956. The Financial Statements are rounded off to the nearest Rupees.

### 2. Basis of Accounting

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

### 3. Use of Estimates

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

### 4. Fixed Assets and Depreciation

- (a) All fixed assets are stated at cost less accumulated

depreciation. Cost of acquisition or construction is inclusive of freight, duties, fees and incidental expenses to bring the assets to its present condition and location and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

(b) The company is following the straight line method of depreciation at the rates as specified in schedule XIV of the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of additions, except in the case of assets costing up to Rs.5000/- each, where each such asset is fully depreciated in the year of purchase. On assets sold, discarded etc, during the year depreciation is provided up to the date of sale/discard.

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

(d) Capital work in Progress include advance paid towards the acquisition of Fixed Assets outstanding at each Balance Sheet date and the cost of Fixed Assets not ready for their intended use before such date.

### 5. Inventories are valued as under:-

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

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

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

(d) Stock in Transit: At Cost

## 6. Investments

Investments are classified into current and long term Investments.

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

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

## 7. Revenue Recognition

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

Sales are net of VAT, breakage, leakage and trade discount but include Excise Duty.

## 8. Foreign Exchange Transactions

(a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction and variation, if any, is accounted for on the date of payment, if squared the same accounting year.

(b) Monetary items denominated in foreign currencies remaining unsettled at the year end if not covered by forward exchange contracts are translated at year end rates.

(c) Any income/expense arising from foreign currency transactions is dealt in the profit and loss account for the year except in cases where they relate to acquisition of fixed assets in which case they are adjusted in the carrying cost of such assets.

(d) Where company enters into a forward exchange contract, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract except in the case of fixed assets, in which case, such difference is adjusted in the carrying amount of respective fixed assets.

## 9. Borrowing Costs:

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

## 10. Employee Benefits:

### a) Short term Employee Benefits:

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

### b) Defined Contribution Plans:

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

## 11. Proposed Dividend

Dividends (including income tax thereon) as proposed by the Board of Directors are provided in the books of account, pending approval at the Annual General Meeting.

## 12. Income Tax:

### a) Current Tax:

Provision is made for income tax, based on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment.

### b) Deferred Tax:

Consequent to the Accounting Standard –22 “Accounting for taxes on income” becoming mandatory the differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted regulations.

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

Minimum alternative tax payable under the provisions of the Income Tax Act, 1961 is recognized as an asset 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.

## 13. Provisions, Contingent Liabilities and Contingent Assets

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

## 14. Intangible Assets

(a) Intangible Assets are recognised only if they meet the recognition criteria as laid by Accounting Standard (AS) 26 on “Intangible assets”.

(b) Intangible assets are measured at cost and amortised over their useful life.

(c) Expenditure on Research phase is recognised as an expense when it is incurred.

(d) Expenditure on development phase is recognised as an Intangible Asset only if it meets the recognition criteria as laid by AS 26 on Intangible Assets. These assets are amortised over the useful period of life starting from the year when the asset first meets the recognition criteria.

## 15. Impairment of Assets

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which as 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. During the year no impairment of Assets is recognised.

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





# Schedules Forming Part of Balance Sheet & Profit and Loss Account

## SCHEDULE - 'XXII'

### NOTES ON ACCOUNTS

1. The previous year figures have been re-arranged and re-grouped wherever necessary.
2. The Company has sent letter of balance confirmation to all the parties but only a few have responded so far. So the balance in the party accounts whether in debit or in credit are subject to reconciliation.
3. The Company is a manufacturing company, so the information pursuant to the provisions of paragraph 3 & 4 of part II of schedule VI to the Companies Act, 1956 is as under: -
  - a) (i) Licensed Capacity - N.A.
  - (ii) Installed Capacity - (As on 31.03.2011)
  - (As certified by the Management) (In Lacs)

Particulars	Unit	2010-11	2009-10
Ampoules/Vials	No's	1170.40	1170.40
Tablets/Capsules	No's	30350	30350
Ointment	No's	550	550
Liquid/Dry Syp.	No's	405	405

- b) Particulars of actual production, sales & closing stock of finished goods  
- As per annexure - I

- c) Particulars of consumption of Material- As per annexure - II

- d) Earnings in Foreign Currency (Rs.in Lacs)

Particulars	2010-11	2009-10
FOB Value of Export	6984.11	3063.62
Technology Transfer Fees	1222.63	725.07
Other Income	13.66	165.94

- e) Expenditure in Foreign Currency (Rs.in Lacs)

Particulars	2010-11	2009-10
Tours & Travels	16.51	23.01

- f) Value of imports calculated on CIF Basis: (Rs.in Lacs)

Particulars	2010-11	2009-10
Raw Material	3930.26	2432.97
Packing Material /Consumables	122.98	50.37
Equipment	11.81	365.50

## g) Value of Imported/indigenous Raw Materials consumed

Raw Material	Current Year Value	%age	Previous Year value	%age
Imported	<b>Rs. 4053.24 lacs</b>	<b>6.01%</b>	Rs. 2483.34 lacs	4.78%
Indigenous	<b>Rs. 63333.48 lacs</b>	<b>93.98%</b>	Rs. 49488.22 lacs	95.22%

## h) Director Remuneration Includes:

Particulars	2010-11	2009-10
<b>Salary</b>		
i) Chairman	<b>11,250,000</b>	8,700,000
ii) Managing Director & CEO	<b>11,250,000</b>	8,700,000
iii) Joint Managing Director	<b>11,250,000</b>	8,700,000
iv) Executive Director	<b>2,250,000</b>	8,700,000
<b>Contribution to Provident Fund</b>		
i) Chairman	<b>9360</b>	9360
ii) Managing Director & CEO	<b>9360</b>	9360
iii) Joint Managing Director	<b>9360</b>	9360
iv) Executive Director	<b>2340</b>	9360

\* Remuneration to Directors is as per the limits Prescribed as per Company act 1956

\* Other Expenses under head administrative Expenses includes Rs. 32000/- (Rs. 36000/- Previous year) as paid to Directors as Sitting Fees.

## i) Auditor's Remuneration:

Particulars	2010-11	2009-10
Audit Fee	Rs. 741923/-	Rs. 741923/-

4. Fixed deposits with banks are **Rs.142534887/-** (P/Y Rs.179826452/-) out of which **Rs. 116208122/-** (P/Y- Rs.90825353/-) are pledged as margin money with banks.

5. Expenses includes **Rs.1828674/-** (P/Y Rs.875994/-) as expenses relating to previous years.

6. Depreciation on assets has been provided for the entire accounting year on straight line method at the rates prescribed by Schedule XIV of the Companies Act, 1956. Depreciation in respect of additions to assets has been charged on prorata basis with reference to the period of use of such assets.

7. Contingent liabilities outstanding as on 31.03.2011 are as under:

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

(Rs.in Lacs)

Particulars	2010-11	2009-10
FLC	2221.77	679.00
ILC	17777.04	11762.58
BG	140.40	96.89



Because Life is Precious.

b) Corporate Guarantee on behalf of Ind Swift Laboratories Ltd of which company is the shareholder amounting to **Rs. 3749 Lacs** (Previous Year Rs.5000 Lacs) based on outstanding balances at the year end.

c) In respect of Income Tax matters pending before appellate authorities/CIT (Appeals) which the Company expects to succeed, based on decisions of Tribunals/Courts. There is contingent liability amounting to Rs. 5.78 crores.

8. Miscellaneous Income of Rs. 15,85,34,600/- is on account of surplus as difference of price on cancellation of contracts due to non supply of CMO by various parties during the year and on account of any possible error in the records. The said surplus has been accounted for on the basis of disclosure of income made by the company during action u/s 132 of the Income Tax Act ,1961.
9. Sales figures for Chandigarh Depot are not reconciled with Sales Tax Returns in the absence of sales tax records which was lying with sale tax deptt. at the time of compilation of Balance Sheet.
10. During the year the company was allotted 30,00,000 equity shares of Ind Swift Laboratories Ltd, the promoters Group company on conversion of 30,00,000 Zero Coupon convertible warrants.
11. a) During the year the company has allotted 1420000 cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs.14.20 Crores against advance Share Capital money received.  
  
b) During the year the Company has allotted 8000000 zero coupon convertible warrants to promoters group companies and other body corporate out of which 1000000 zero coupon convertible warrants have been converted in 1000000 equity shares of the company of Rs. 2/-each at a premium of Rs. 38/- per share.  
  
c) During the year 4000000 zero coupon convertible Warrants issued by the company to M/s Essix Bioscines Ltd have been converted in equity shares of Rs. 2/-each at a premium of Rs. 23/- each.
12. The company has introduced new product ranges like Inorine M, Menoguard MF, Aclovir 800(AD), Telhim, Arnold Combipack, Bodyfit, NEO Quadrimix (AD), Televo-OZ etc. during the year 2010-2011. The company has also substantially increased the number of head quarters in the states where it was working on a smaller scale. Expenses relating to the introduction & establishment of New Products Head Quarters have enduring beneficial effect beyond the year in which these are incurred. Such expenses are clubbed under the head Seed Marketing Expenses to be amortized in subsequent five equal annual installments.
13. R & D: Company is consistently undertaking Research & Development in new areas of Medicine. The R & D facility of the company is duly recognized by Deptt. of Science & Technology, Govt. of India. Company's team consisting of highly qualified scientists has proven their expertise in various areas of technology development. Expenses on Research phase are charged to Profit and Loss account and Expenses relating to development phase shall be capitalised in subsequent years in accordance with AS-26. Expenditure on R&D incurred by the Company during the Year is:

	(Rs.in Lacs)
a) Addition in Fixed Assets- Panchkula	36.76
b) Product Technology Exp.- Panchkula	169.86
c) Product Technology Exp.- Other Units	240.22
d) Debited to Profit & Loss Account	
as per Schedule XIX	52.49
e) Depreciation / Amortisation-Panchkula	205.77
f) Misc. Expenses W/off - Panchkula	97.82

The Depreciation and Misc. Exp. w/off related to Research & development are clubbed under respective heads in profit & loss account.

14. Total amount of term loans/installments of term loans repayable during twelve months following 31.03.2011 is **Rs 8049.28 Lacs** (Previous year Rs.5964.71 Lacs).

15. Loans and Advances due from officers of the company is Rs. **Nil** (Previous Year Rs.Nil)
16. 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.
17. The Company has not received any information from its suppliers regarding registered under "The Micro Small and Medium Enterprises Development act 2006". Hence, the information required to be given in accordance in this section 22 of the said act is not ascertainable and not disclosed.
18. There were no lease obligations outstanding during the year and consequently no lease rentals were payable. There are no unexpired lease obligations as at the year end.
19. In the opinion of the management, the company is mainly engaged in the business of Pharmaceuticals. All activities of the company revolve around the main business and as such there are no separate reportable segments. The company caters mainly to the needs of the domestic market. The export turnover being less than 10% of the total turnover, there are no reportable geographical segments.
20. Company has taken a Defined Contribution Plan from Life Insurance Corporation of India which takes care its liability towards Gratuity entirely. As per Accounting Standard 15 on "Employee Benefits" the disclosure is given below.

- i) Employer's Contribution to PF                      Rs .12046525/-
- ii) Contribution to Gratuity                              Rs. 3593962/-

## 21. Intangible Assets :

- a) Product Technology acquired by the company is recognized as an intangible asset and is amortised over its useful life of 5 years.
- b) Product Technology addition forming Part of Depreciation schedule consists of following:

	(Rs. in Lacs)
Addition during the year	410.08

## 22. Earning Per Share (EPS)

- (a) Basic EPS

S. NO.	Particulars	2010-2011 (Rs. In lacs)	2009-2010 (Rs. In lacs)
i	Profit after tax (Attributable to ordinary shareholders)	<b>4344.93</b>	3671.50
ii	Weighted Average number of ordinary Shares	<b>39029000 Nos.</b>	37178370 Nos.
iii	Basic EPS/Share of Rs.2/-	<b>Rs. 11.13</b>	Rs.9.88
iV	Diluted EPS/Share of Rs.2/-	<b>Rs. 10.87</b>	Rs.9.70

23. Investments of Rs. 4557.48 Lacs are stated at Cost and includes quoted investments of Rs. 4044.14 Lacs.  
The Market value of quoted investment are as under:-

S.No.	Name of the company	Nos.of Shares	Cost price (in lac)	Market value (in lac)
1	Ind. Swift Laboratories Ltd.	9499720	Rs. 4005.53	Rs. 10168.98
2	Principal Large Cap Fund	95890	Rs. 25.00	Rs. 27.79
3	Principal Emerging Bluechip	50000	Rs. 5.00	Rs. 14.51
4	Punjab National Bank	2,207	Rs. 8.61	Rs. 26.93

24 Related Party Disclosure

- (a) List of related parties & their relationship – As per annexure- 'A'  
(b) Related party transactions. – As per annexure- 'B'

- 25 During the year, the Company has undertaken a review of all fixed assets in line with the requirement of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Based on such review, no provision for impairment is required to be recognized for the year.

- 26 The figures have been rounded to the nearest rupee.

**AUDITOR'S REPORT**

As per our separate report  
of even date

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

**J.K. JAIN**  
Partner  
Membership No. 83140

**Place :** Chandigarh  
**Date :** 31-08-2011

**RAMAN K. SOOD**  
Company Secretary

**AMIT TARAFDER**  
Vice President (Finance)

**S.R.MEHTA**  
Chairman

**N.R. MUNJAL**  
Vice Chairman

**RISHAV MEHTA**  
Director

**NIRMAL AGGARWAL**  
Director

**K.M.S NAMBIAR**  
Director

**For and on behalf of the Board**

**Dr. G.MUNJAL**  
Managing Director & CEO

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

**HIMANSHU JAIN**  
Director

**N.D. AGGARWAL**  
Director

# Annexure to the Notes on Accounts

## ANNEXURE – 'A'

### Related Party Disclosures List of Related Parties and Relationships

S.NO.	RELATIONSHIP	NAME OF PARTY
(A)	<b>ASSOCIATES</b>	1. ESSIX BIOSCIENCES LTD.
		2. IND SWIFT LABORATORIES LIMITED
		3. MANSA PRINT & PUBLISHERS LTD.
		4. FORTUNE INDIA CONSTRUCTION LTD
		5. 3M ADVERTISING & PUBLISHERS LTD
		6. SWIFT FUNDAMENTAL RESEARCH & EDUCATION SOCIETY
(B)	<b>KEY MANAGEMENT PERSONNEL DIRECTORS</b>	1. MR. S.R. MEHTA
		2. DR. G. MUNJAL
		3. DR. V.R.MEHTA
		4. MR. HIMANSHU JAIN

## ANNEXURE -B

### Related Party Transaction (2010-2011) (Rs. in lacs)

Nature of Transactions	ASSOCIATES	
	2010-11	2009-10
Purchase of goods/Services	4330.67	3998.84
Sale of Goods	3557.80	11934.26
Sale of Intangible Asset	0.00	300.00
Investment in Shares	1126.00	375.00
Expenses	3.11	91.70
Capital Advance	0.00	1000.00
Interest Receivable	270.58	118.89
Interest Payable	193.39	296.89
Dividend Paid	19.01	19.01
Corporate Guarantees Given	3749.00	5000.00
Dividend Received	65.68	65.68
<b>Debit Balance Outstanding as on 31.03.2011</b>		
Debtors	59.63	238.75
Loan & Advances	588.94	2067.53
Investments	4518.88	3393.88
<b>Credit Balance Outstanding as on 31.03.2011</b>		
Advance Recd Agst Share Capital	0.00	250.00
Creditors	455.60	494.76
Loan & Advances	0.00	195.38

Detail of remuneration to Directors (Key Management Personnel) are as given in note no. 3(h)



# Annexure to the Notes on Accounts

## ANNEXURE -1

### Production, Sales and Closing Stock of Finished Goods

(Value in lacs)

Group	Unit	Year	Prod. / Purchase	Opening Stock		Closing Stock		Sale	
			Qty.	Qty.	Value	Qty.	Value	Qty.	Value
Injections, Eye/Ear Drops	Liters	<b>2010-2011</b>	<b>195024.87</b>	<b>653237.03</b>	<b>2840.20</b>	<b>780096.88</b>	<b>4913.79</b>	<b>68165.02</b>	<b>2726.60</b>
		2009-2010	44489.35	666426.51	1665.07	653237.03	2840.20	57678.83	2232.36
Tablets	No./ Lacs	<b>2010-2011</b>	<b>18086.36</b>	<b>16545.99</b>	<b>8778.41</b>	<b>24643.11</b>	<b>13490.33</b>	<b>9989.24</b>	<b>12486.55</b>
		2009-2010	14638.72	9718.42	5464.37	16545.99	8778.41	7811.15	9808.52
Capsules	No./ Lacs	<b>2010-2011</b>	<b>4792.08</b>	<b>5021.79</b>	<b>4109.43</b>	<b>6758.74</b>	<b>5385.66</b>	<b>3055.13</b>	<b>5748.85</b>
		2009-2010	4528.40	2007.04	2134.96	5021.79	4109.43	1513.65	4024.06
Liquids/Dry Syrup	Liters	<b>2010-2011</b>	<b>3006910.61</b>	<b>2790365.23</b>	<b>3343.63</b>	<b>4373268.99</b>	<b>4993.99</b>	<b>1424006.85</b>	<b>3987.22</b>
		2009-2010	2151827.19	1798153.38	2526.61	2790365.23	3343.63	1159615.34	3285.71
Ointments	Kgs.	<b>2010-2011</b>	<b>448423.43</b>	<b>616519.00</b>	<b>5368.82</b>	<b>904559.93</b>	<b>6499.86</b>	<b>160382.50</b>	<b>2566.12</b>
		2009-2010	372021.76	385247.18	4473.87	616519.00	5368.82	140749.94	2012.73
Medical Equipments	No	<b>2010-2011</b>	<b>0.00</b>	<b>23440.00</b>	<b>90.31</b>	<b>22999.00</b>	<b>86.20</b>	<b>441.00</b>	<b>5.27</b>
(Diagnosis)		2009-2010	14405.00	17946.00	43.80	23440.00	90.31	8911.00	64.19
Others		<b>2010-2011</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>		<b>59061.94</b>
(Mint Derevatives, Cyclo Hexanone, M.I.B.K, Butanol etc.)		2009-2010	0.00	0.00	0.00		0.00		45692.00
<b>Total</b>		<b>2010-2011</b>			<b>24530.80</b>		<b>35369.83</b>		<b>86582.55</b>
		2009-2010			16308.68		24530.80		67119.57

# Annexure to the Notes on Accounts

## ANNEXURE - II

### Particulars of Consumption of Raw Material

S.No.	PARTICULARS	2010-11 QTY. (IN KGS.)	VALUE (RS. IN LACS)	2009-10 QTY (IN KGS.)	VALUE (RS.IN LACS)
1	ANTIBIOTICS	<b>312746.90</b>	<b>10602.12</b>	286217.64	8427.68
2	STEROIDS	<b>32555.63</b>	<b>1041.78</b>	37379.04	1174.49
3	HORMONES	<b>6951.63</b>	<b>2224.52</b>	3203.42	922.40
4	CARDIO VASCULAR	<b>10988.52</b>	<b>1758.08</b>	5593.36	508.02
5	OTHERS		<b>10289.64</b>		7874.47
6	FORMULATION		<b>36911.40</b>		29759.65
7	PACKING MATERIAL		<b>4559.18</b>		3304.85
	<b>TOTAL</b>		<b>67386.72</b>		51971.56



# Cash Flow Statement



For the year ended on 31st March

	(Rs. in lacs) 31.03.2011	(Rs. in lacs) 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	<b>4480.87</b>	<b>3832.19</b>
<b>Adjustment for Non Cash &amp; Non Operating Items</b>		
i) Misc. Expenditure Written off	668.53	730.26
ii) Depreciation/Amortisation	1551.39	1214.97
iii) Interest Income	(85.51)	(123.05)
iv) Bad Debts Written off	503.28	0.00
v) Loss on Sale of Assets	7.17	0.00
vi) Dividend Income	(66.28)	(67.69)
vii) Financing Charges	6124.94	4100.45
viii ) Profit on Sale of Assets	(0.87)	(5.05)
<b>Operating Profit before Working Capital Changes</b>	<b>13183.52</b>	<b>9682.08</b>
<b>Adjustment for Current Items</b>		
i) Increase in current Liabilities	7743.22	3722.89
ii) Increase in current Loan & Advances	(226.49)	(1261.81)
iii) Increase in Debtors	(4190.85)	(3187.60)
iv) Increase in Inventory	(10277.23)	(8802.01)
<b>Cash Flow from Operating Activities before Taxes</b>	<b>6232.17</b>	<b>153.55</b>
<b>Taxes Paid</b>		
i) Income Tax Paid	(245.81)	(209.84)
<b>Net cash Flow from Operating Activities (A)</b>	<b>5986.36</b>	<b>(56.29)</b>

**B. Cash Flow from Investing Activities**

i) Dividend Received	66.28	67.69
ii) Subsidy Received	(14.06)	(55.03)
ii) Interest Received	85.51	123.05
iii) Net Increase in Investments	(1147.49)	(375.00)
iv) Net Purchase of Fixed Assets ( Including Capital WIP)	(8034.25)	(5576.36)
v) Increase in Misc. Expenditure	(611.06)	(372.56)
vi) Exchange Fluctuation	0.00	(51.45)
vii) Sale of D.E.PB Licence/SFIS	0.00	(72.55)
<b>Net Cash used in Investing activities (B)</b>	<b>-9655.07</b>	<b>-6312.21</b>

**C. Cash Flow from Financing Activities**

i) Financing Charges	(6124.94)	(4100.45)
ii) Dividend Paid	(181.82)	(173.99)
iii) Increase in Unsecured Loans	640.72	2211.91
iv) Increase in Secured Loans	7342.63	11105.21
v) Proceed from Advance against Share Capital	430.00	270.00
<b>Net Cash Flow from Financing Activities (C)</b>	<b>2106.59</b>	<b>9312.68</b>

**Net increase in Cash or Cash Equivalents (A+B+C)**

	-1562.12	2944.18
Add : Opening Balance of Cash & Equivalents	5240.19	2296.01
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>3678.07</b>	<b>5240.19</b>

**AUDITOR'S REPORT**

As per our separate report  
of even date

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

**J.K. JAIN**

Partner  
Membership No. 83140

**Place :** Chandigarh

**Date :** 31-08-2011

**RAMAN K. SOOD**  
Company Secretary

**AMIT TARAFDER**  
Vice President (Finance)

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Chairman

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Vice Chairman

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Director

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Director

**K.M.S NAMBIAR**  
Director

**For and on behalf of the Board**

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Managing Director & CEO

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

**HIMANSHU JAIN**  
Director

**N.D. AGGARWAL**  
Director



# BALANCE SHEET ABSTRACT

## And Company's General Business Profile

### I. Registration Details

Registration No. 6 8 9 7 - 8 6 State Code 5 3  
Balance Sheet Date 3 1 0 3 2 0 1 1

### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue 0 0 0 0 0 0 0 Right Issue NIL  
Bonus Issue NIL Private Placement 1 5 2 0 0 0

### III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities 1 2 3 7 1 8 9 9 Total Assets 1 2 3 7 1 8 9 9

#### Sources of Funds

Paid-up Capital 0 2 9 6 3 5 7 \*\* Reserves & Surplus 3 2 4 3 0 4 3 \*  
\*\*Includes Advance against Share Capital \* Includes Deferred Tax Liabilities  
Secured Loans 4 9 4 3 5 6 5 Unsecured Loans 1 0 4 4 2 7 3

#### Application of Funds

Net fixed Assets 3 6 7 7 2 6 2 Investments 0 4 5 5 7 4 8  
Net Current Assets 5 2 3 9 3 1 4 Misc. Expenditure 0 1 5 4 9 1 4  
Accumulated Losses 0 0 0 0 0 0 0

### IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other incomes) 8 9 8 7 9 2 8 Total Expenditure 8 5 3 9 8 4 0  
Profit/Loss Before tax 0 4 4 8 0 8 7 Profit/Loss After tax 0 4 3 4 5 1 7  
Earning Per Share in Rs. 0 0 1 1 . 1 3 Dividend Rate % 2 0

### V. Generic Names principal products of company

Item Code No. NOT APPLICABLE  
Product Description PHARMACEUTICAL FORMULATIONS

### AUDITOR'S REPORT

As per our separate report  
of even date

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

**J.K. JAIN**  
Partner  
Membership No. 83140

**Place :** Chandigarh  
**Date :** 31-08-2011

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Director

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Director



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of Commitment to Health...*



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