

# Re-inventing

...for a Healthy Tomorrow



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Ind Swift Labs Ltd. seeks to establish [global leadership](#) through innovative pharmaceutical solutions.

Focusing on the development of active pharmaceutical ingredients, involving complex chemistry for high-growth therapeutic segments, coupled with an excellence in execution.



# KEY STR

One of the Leading

**API player** leveraging  
strong research skills in complex  
chemistry

**Global  
leadership** in key  
products

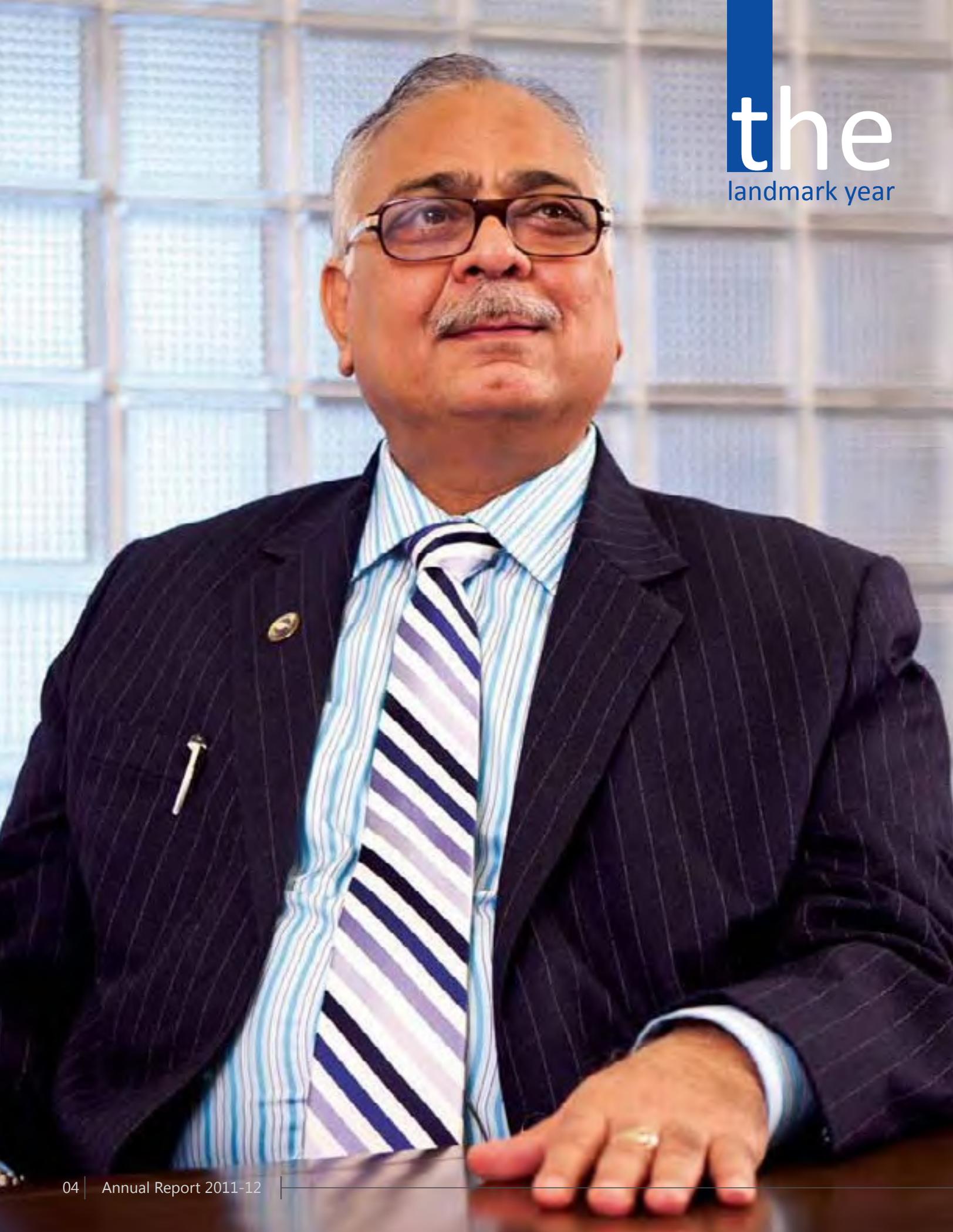
**Reliable  
supplier** to domestic as  
well as global formulation  
players

# ENGTHS

**USFDA, PMDA, TGA**  
approved facilities

**Global reach -**  
presence in more than 50 countries

**Research  
capabilities &  
CRAMS.**



the  
landmark year

My Dear Shareowners,

Twenty five years ago, when we set up our footprints in the pharma industry by entering in finished dosages business, we had a dream to reach globally and to this dream the foundation was laid down in 1995 when Ind-Swift Laboratories Limited came into existence.

On this day after 17 years of hard work and efforts we have been able to establish our mark in the highly regulated markets of US, Europe, Japan, Canada, Australia etc. Although our presence in some of these markets is at nascent stage but the road map has been built, resources have been allocated and the focus has been set to achieve not less than a leadership position in these markets. The marketing efforts are fully supported by the Research and Development and Manufacturing fields.

We are continuously taking systematic steps to upgrade and enhance the quality of our business and manufacturing processes and we are pleased with the progress that we have made. As one of the major global generic pharmaceutical companies, all our efforts are focused on continuing to provide safe, effective and affordable products to consumers around the world.

The year 2011-12 has been the landmark year in the history of the company as the Company received the USFDA(United States Food & Drug Administration) approval for the five major products viz.

Clarithromycin Special, NaratriptanHCl, Donepezil HCl, Ropinirole HCl and Acamprosate Calcium. Significant efforts were undertaken at our Jammu Facility also to cost reduction and improvement in productivity . The consistent efforts resulted in overall productivity increase of 25-30% during the year .

Over the years the Ind-Swift group has grown into a fully integrated group, providing end to end solutions to its customers i.e from drug development to finished goods supply. In this regard a major success was recorded recently when Ind-Swift Limited in joint sharing arrangement launched Atorvastatin on the very first day of its launch in UK. Ind-Swift launched generic formulations of the World's best selling drug Atorvastatin in UK in collaboration with Wockhardt UK Ltd. on the first day of its patent expiry. Atorvastatin, is the World's best selling drug with World Market size of US\$ 16 billion. The API required for the product was supplied from the USFDA and MHRA approved plant of Ind-Swift Laboratories Limited and the formulations was manufactured and supplied from the 100% export Oriented facility of Ind-Swift Limited located at Jawaharpur near Derabassi Punjab.This will open up a World of opportunities to the Group going forward.

Global markets are seeing a sea changes. Europe stands today at the epicenter of global risks.The focus being on the risk of a Greek default, Euro

## The year 2011-12 has been the landmark year in the history of the company as the Company received the USFDA(United States Food & Drug Administration) approval for the five major products

zone exit and lack of growth in the region. The peripheral economies are in severe recession and the core economies barring Germany, are seeing a sharp slowdown. Europe faces several issues such as austerity measures taken up by various governments, uncompetitive economies, political uncertainties and the weakening of the Euro (which has fallen over 10% in the past one year). Several countries such as Spain, Germany, Greece, France and Turkey have reinforced decisions to make cuts to drug spending. Overall this will put pressure on prices, on the other hand the push from the innovator products to generic products will also increase.

There is hope that the signs of stabilization in the US, supported by growth in the emerging markets will offset the weaknesses in Europe. This region will play a key role for the company and the pharmaceutical industry.

Company has done well in all these economies and the business is expected to grow as the products go off patent in near term. In US we have entered into a strategic tie-up for co-development and co-marketing of three major molecules for Worldwide markets. Company is continuously building alliances with top North American Pharmaceutical companies.

Operationally the future looks promising with a lot of opportunities to unfold as we have been

investing into our manufacturing facilities, Research and Development and marketing for over a decade now. We are well settled for reaping the fruits of the investments and efforts made in making ISLL a truly global entity with World Class infrastructure and Accreditations. However, overall global economic conditions, rupee devaluation and rising debt cost have put the company in a tight financial position where re-structuring the financial model of the company is necessary for the life span of the Company.

Besides these measures the company has been continuously concentrating from the last three years on process improvement and cost effectiveness for its production processes and these efforts will be continued in future as well so as to provide the cost effective processes to our customers.

We appreciate the efforts made by our people in taking Ind-Swift to these heights and are sure that they will be instrumental to support our future growth too.

The journey ahead will be challenging but a bright future will unfold once we face the challenges. I am sure that together we will succeed.

**N.R.Munjaj**  
Vice-Chairman cum Managing Director

# MILESTONES

**1995**

Incorporated by Ind Swift Limited with PSIDC

**1998**

First Plant at Derabassi commences production

**2005**

Second Plant at Jammu established

**2006**

- USD 10 mn GDR raised
- New R&D facility in Mohali.
- JV in Iran to manufacture APIs

**2011**

PMDA approval for two of the products

**1997**

IPO for ₹75 mn raised

**2004**

- Maiden dividend
- Sets up subsidiary in US
- Launched Nitazoxanide in Asia for the first time

**2007**

USFDA approval for Clarithromycin

**2008**

Ventured into Phyto-Chemicals business

**2012**

USFDA approval for five major products







**I**nd-Swift continues to grow its products presence in India while broadening its footprints in emerging & developed markets through value creating strategies like tie-ups, partnerships, joint venture.

Looking at the export markets first, the **Europe** stands today at the epicenter of global risks. The focus being on the risk of a Greek default, Euro zone exits and lack of growth in the region. The peripheral economies are in severe recession and the core economies barring Germany, are seeing a sharp slowdown. Europe faces several issues such as austerity measures taken up by various governments, uncompetitive economies, political uncertainties and the weakening of the Euro (which has fallen over 10% in the past one year).

Despite the prevailing conditions, the company witnessed a strong growth as projected over the last year. Sales grew by 28% in this region despite the continuing economic turmoil in the region. This was mainly on account of growth in certain molecules such as Atorvastatin (the world's largest selling medicine) going off-patent in early 2012, thereby leading to sudden surge in demand during the second half of the year.

Demand from markets such as **Turkey** grew in the year giving support to the region. Turkish Pharmaceutical Industry supported by its Government continues to be dominated by a strong generic industry. Several restrictions are in place for import of finished product in the market, giving boost to the local generic producers. The market is likely to witness sustained growth in the coming years. The company enjoys excellent market share for some its main products in this market and has well established business relations with top generic companies in the region. Several countries such as Spain, Germany, Greece, France and Turkey have reinforced decisions to make cuts to drug spending.

Besides the major five countries, Germany, France, Italy, Spain and the UK, the company has remained focused on other regions such as Eastern Europe. There has been a surge of new projects initiated in markets like Hungary, Poland, Romania, Czech Republic and Slovenia. There is hope that the signs of stabilization in the US, supported by growth in the emerging markets will offset the weaknesses in Europe. This region will play a key role for the company and the pharmaceutical industry is one of the few sectors which have suffered less as compared to the overall situation in the European Union. This region shall continue to demand higher levels of excellence in quality and support and shall maintain good revenues for the company in future years.

The majority of the Latin American pharmaceutical markets are dominated by generic consumption. **Latin American** pharmaceutical market is among the fastest growing across the world. Although individual markets are growing at different rates, the total market is expected to grow at a compound annual growth rate of more than 12% over the next five years. One of the major drivers of growth for the pharmaceutical markets is the growth of population aged above 65 years, which provides ample opportunities for the growth of drugs treating cardiovascular, Alzheimer's disease and diabetes. In addition, the national governments have stepped up efforts to increase access to healthcare for its citizens. The Latin American markets, which are already growing at double-digit rates, will receive a huge boost from the increasing use of pharmaceuticals.

The major part of the sales came from Argentina, Brazil, Chile, Colombia and Mexico whereas a better potential was observed in the other countries like Paraguay, Uruguay and Peru. In Argentina, we started the developments of our new products through sampling and documentation. We added few more new customers with whom we are in the



development of new as well as existing products. In Brazil, few of our customers showed their interest in our new products for the treatment of Prostate Hyperplasia and diabetes. We have started working with these customers on the new products. In Mexico, we have started the development of Ezetimibe and Nitazoxanide with some big players. The Colombian market also showed a positive growth wherein we have added 2-3 new products through sampling. We expect to have some commercial enquiries after the patents of those products expire.

We have a major share of Macrolide Antibiotics and its Pellets, besides Atorvastatin Amorphous in Chile and are trying to introduce new products in this market. Ind-Swift opened a sales office in Santiago, Chile in August 2011 in order to penetrate the Latin American market more aggressively. This has fetched good

results for the Company and we were able to exploit a good pulse of hidden potential in the markets like Paraguay, Peru, and Uruguay; we have started the development for the same through sampling and commercial quantities. We are projecting good sales revenue to come during the financial year of 2012-2013 from these countries.

**Japanese** pharmaceutical market will experience a slight CAGR contraction in dollar terms between 2012 and 2017. Japan will be the second largest pharmaceutical market in the Asia Pacific region, having been overtaken by China in 2016. Japan has a growing elderly population and in 2017 it is expected to be the largest in percentage terms in the Asia Pacific region, at over a quarter of the population. This will put enormous pressure on the government's healthcare budget. Japan will also rank as the country with the second largest total health expenditure and third highest per capita health spending in the Asia Pacific region in 2017, due to its large population of over 65 years old that creates a high demand for pharmaceuticals.

Ind Swift's foray in JAPAN has now started yielding results. Company has placed it self as a leading Generic API manufacturer and has been able to establish commercial tie up with various large well known GENERIC companies in Japan. Ind-Swift is Foreign Manufacturer Accredited & the plant was successfully audited in 2011 by PMDA Japan for Residronate and Pioglitazone and moreover we have received the DMF approval for two more products.

Booming economy and high GDP growth make **China** the fifth largest markets in the world. Market is growing with a CAGR of 16-17% with generic market accounting about 80 to 90%. However, SFDA's stringent IDL's norms, our cost effective technical competencies and growing number of local formulators has generated excellent opportunities for international pharma players .

ISLL has registered it's presence in this market with the registration of Fexofenadine. With a robust lucrative Product pipeline, we endeavour to expect an exceptional growth from this market in coming years.

**South Korea** has a market economy which ranks 15th in the world by nominal GDP and 12th by purchasing power parity (PPP), identifying it as one of the G-20 major economies. It is a high-income developed country, with a developed market, and is a member of OECD. South Korea is one of the Asian Tigers, and is the only developed country so far to have been included in the group of Next Eleven countries.

We are the largest supplier of Macrolide Antibiotics (Pellets) in Korea since last two years and the same position was maintained this year as well. ISLL started the sampling of few more products that will fetch good sales in the coming years. KDMF of two products were filed successfully during this year for which the approval is awaited to be received in year 2012-13.

In year 2011-12, ISLL has successfully registered TDMF for Quetiapine Fumerate and Clarithromycin with Drug Control Authority in Taiwan. ISLL is in process of developing new business for several API's like Atorvastatin, Cinacalcet, Quetiapine and others with generic manufacturers in this country. ISLL has been catering to a number of customers through trade channels based in Singapore.

ISLL is in process of registering Clarithromycin with the Drug Authority HongKong to cater local market. ISLL has been working on couple of newly developed products which Indonesian markets are developing for the EU markets. We also have added few more products in Thailand and Malaysia as well. On the other hand, we are catering to many big and small companies in Vietnam and have been adding new products continuously.

The price war is the main concern in highly non-regulated markets like Bangladesh and Pakistan but due to our pricing competency, we have been able to secure a good market share in both the countries. We faced high price competition in both the countries nevertheless, the markets showed positive growth and we are continuously gaining more and more market share of most of our manufactured APIs in these countries.

Overall the **Middle East's** pharmaceutical market is valued at more than \$12bn and is expected to grow at healthy 10-15% annually. There are more than 450 pharmaceutical manufacturers in the Middle East. Countries are increasingly adopting liberal economic policies in the healthcare sector, the introduction of mass health insurance and the determination of the region's governments to become self-sufficient in pharmaceuticals production. The Middle East represents a diverse mix of markets, with Jordan the largest Arab pharmaceutical market.

Ninety percent of raw materials used by Arab pharmaceutical companies are imported from India & China. The majority of Arab manufacturers produce generic or under-licensed products, which indicates that Arab manufacturers depend mainly on the R&D of foreign companies. While multinational pharmaceutical companies invest about 12-20% of annual sales revenue in R&D, Arab pharmaceutical industries invest less than 0.2%. These expenditures are mostly directed towards new formulations and creating innovative drug-delivery systems of existing, off-patent molecules. Due to this, Arab pharmaceutical industries are obligated to search for new markets to penetrate in order to continue annual growth.

ISLL has achieved good growth rate i.e. around 30% in terms of revenue from year 2010-11 to 2011-12. Jordan as a primary market for ISLL, wherein we have achieved good growth and new business is being developed day by day in this market, we have introduced new products and developed many new customers too, we have got good business with major players in this market like Dar Al Dawa, Hikma, Jordanian Pharmaceutical Company and many more.

The Egyptian pharmaceutical industry has enjoyed a period of considerable development in recent years. ISLL is catering its products to many companies and we have developed many new customers in this market and still developing many by providing the samples.

The latest financial sanctions have a major impact on pharmaceutical trade in Iran, although ISLL is reaping benefits as it has got a joint venture with HFC and this year also we have got good growth as compared to last year.

ISLL has good customer base in Syria, Oman, Yemen, and Saudi Arabia.

Political unrest in region is affecting the growth rate of the sector, Egypt, Bahrain, Yemen and Syria – hardly a state in North Africa and the Persian Gulf has been untouched by popular demands for political reform. However in some countries situation are becoming stable but some are still struggling.

We are spreading our territorial area by focusing on **North African** countries as well. North African market although small in global terms, per capita health expenditure is comparatively high. Market is growing with a CAGR of 10% with generic market share is expected to grow from 20 % to 40% by 2017. Imports are as high as to 70%. The pharmaceutical regulatory climate in the region has tended to favor local drug makers creating a space for other international companies.

ISLL strategy to target North Africa countries specifically Algeria, Tunisia and Morocco has paid us rich dividend in terms of customer expansion and positioning the products like Fexofenadine and Clarithromycin in the region.

We also have strategized to introduce few more products to generate sustainable business growth from this market. In North Africa manufacturing base is expanding and many units are under process which further would strengthen our presence in this market. The Company is exploiting to set up a manufacturing base there, through acquisition or Joint Venture participation in the region.

The company has enjoyed another good year with all top products enjoying healthy double digit growths. Ind-Swift is today regarded as the preferred partner by all major **India** and MNC finished dosage manufacturers. Our key products have been growing well and we have consolidated on our market leadership in Clopidogrel and emerged as the leader for Atorvastatin in the domestic market. All our key products have registered growths well in excess of 30%.

Continuing the trend for the last 3 years we again managed to register a growth in excess of 30% despite the global economic slowdown which affected the pharmaceutical industry as a whole. The growth registered by us was well ahead of the average for the Pharma industry. The **US** generics market, currently estimated at \$350 billion continued to be most lucrative in the world, comprising more than half of the share of the global generics market. The huge potential of this market can be interpreted from its vast pharmaceutical market, which is again the largest in the world. Generics had an estimated share of around 78% in the US pharmaceuticals market and growth of generics has outpaced the growth of overall pharmaceutical market. This generic drugs market is anticipated to grow by around 11-12 % over next two to three years.

This year the Company has received USFDA approval for 5 APIs manufactured at its Derabassi manufacturing facility. With this approval the Company has entered in the league of big Pharma majors having multi product approval for its facilities. The Company started commercial supply of Quetiapine Fumarate in North America in addition to ongoing Clarithromycin and Naratriptan HCl. ISL INC. will be launching four more products in US immediately after expiry of their patent in coming year. Also the Company has supplied biobatch quantity of four more APIs this year. The Company's five additional products are being actively reviewed by regulatory agencies.

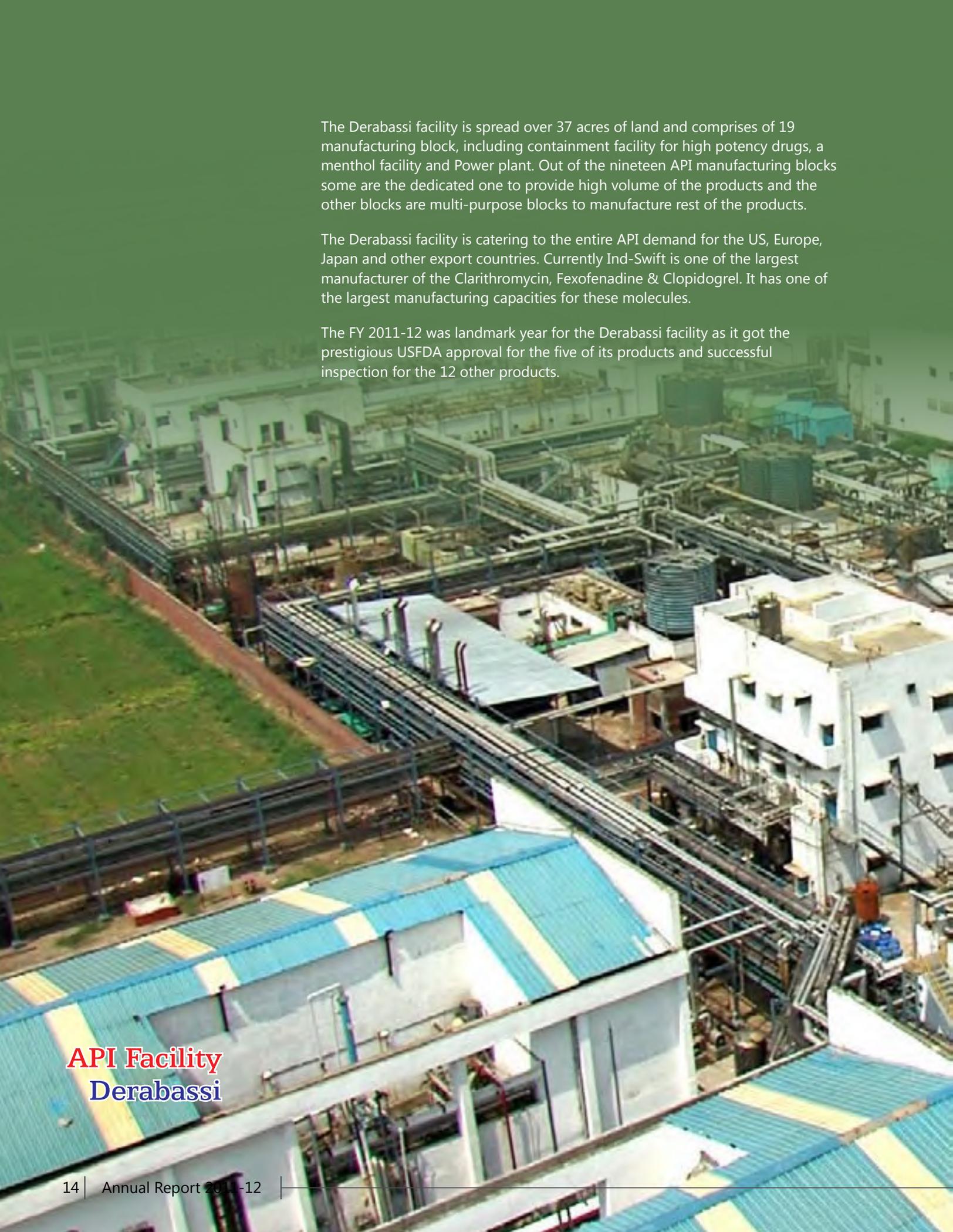
This year company has also entered into co-development and co-marketing agreement for three molecules for worldwide markets. The Company is continuously building its alliances with top North American Pharmaceutical companies.



The Derabassi facility is spread over 37 acres of land and comprises of 19 manufacturing block, including containment facility for high potency drugs, a menthol facility and Power plant. Out of the nineteen API manufacturing blocks some are the dedicated one to provide high volume of the products and the other blocks are multi-purpose blocks to manufacture rest of the products.

The Derabassi facility is catering to the entire API demand for the US, Europe, Japan and other export countries. Currently Ind-Swift is one of the largest manufacturer of the Clarithromycin, Fexofenadine & Clopidogrel. It has one of the largest manufacturing capacities for these molecules.

The FY 2011-12 was landmark year for the Derabassi facility as it got the prestigious USFDA approval for the five of its products and successful inspection for the 12 other products.



**API Facility**  
**Derabassi**

The second API manufacturing facility which caters to the Domestic market is at Samba, J&K. The plant is located south-east of Jammu and is spread over an area of 8 acres and has two manufacturing blocks. The facility is ISO 9001:2008 certified and is used for production of Atorvastatin, Clopidogrel Bisulphate and Nitazoxanide. During the FY 2011-12 various capacity expansions were carried out at the plant and resultantly the capacity for Clopidogrel was increased by 30%, Atorvastatin by 25% and Nitazoxanide by 12%. During the year Moxifloxacin was also commercially produced. Continuous efforts are being made at the plant to increase the production and the productivity within the available resources and significant reduction in budgeted expenditure was carried out during the year.





R&D spend

**10.32%**  
of Total Turnover

The efforts of the R&D had been into developing non-infringing processes for the products going off patent over next ten years so that a continuous supply of the products is provided to feed the marketing team.

Major opportunities for generic players like us lies ahead as peak years of patent expiries shift major therapies to generic dominance. Over the next five years, products with sales of more than \$142 billion are expected to face generic competition in major developed markets of Europe, US and Japan. The impact of patients shifting to lower-cost generics in major therapy areas such as cardiovasculars,

antipsychotics, antidiabetics and antiulcerants is estimated to reduce total drug spending by about \$80 – \$100 billion worldwide in next 3-4 years.

In Europe, ISLL aims to drive future growth by (i) supplying APIs for molecules that are expected to go off-patent over the next 2-3 years and (ii) supplying APIs to its group company for forward integration into formulations.

R&D and Pharmaceutical Services

- Filed 51 DMFs in FY 12
- Cost effective, operationally feasible



ISLL has also started offering

## Contract Research and Manufacturing Services (CRAMS),

to innovators, generic and biotech companies, across the globe.

As a part of CRAMS services, ISLL is offering

- Early phase drug development
- Process research, development, accommodation
- Contract manufacturing services for intermediates and APIs
- Custom chemical synthesis of speciality chemicals
- FTE services (chemists, analysts, IP – RA services)

and patent non infringing processes were developed for Deferasirox, Sunitinib Maleate, Solifenacin succinate, Lisdexamphetamine mesylate, Vardenafil hydrochloride, Aprepitant, Rosuvastatin calcium and Rifaximin.(new polymorph).

- Process improvement by improving yields and operational efficiency, leading to higher throughput, undertaken for Colesevelam Hydrochloride, Eletriptan hydrobromide, Anastrozole, Sitagliptin, and Mecloxacine citrate, Olmesartan Medoxomil
- Commercialized the production of Mecloxacine citrate, Bexarotene and Dutasteride.
- Developed new processes for the key intermediates of Sunitinib and Mitiglinide calcium.
- Robust and reproducible process developed for polymorph FORM I of Rifaximin.
- Filed 19 process patents in 2011-12.
- 1 US patent has been granted and 1 US patent has been accepted



**The importance of quality cannot be undermined in any organization. The customers both in India and overseas are becoming increasingly demanding with respect to cost, quality and delivery performance. Achieving these three require imbining the philosophy of 'Total Quality Management' into the organization's culture. It has to become the very essence of the organization. More so in the case of the pharmaceutical industry. The pharma industry is subject to strict quality control and scrutiny. India by far has the largest number of USFDA approved plants, outside of US which exemplifies the increasing focus on quality assurance of the industry.**

Quality Assurance & Quality Control plays an important role at Ind-Swift maintaining world-class quality standards and delivering innovative products have been the cornerstones of Ind-Swift's manufacturing philosophy. A system of very vigilant quality control involving multiple tests operates through the entire gamut of production to ensure the safety, efficacy and dependability of every product.

At Ind-Swift, we take considerable pride in the quality that we ensure and assure. Our operations are guided by our Quality Policy. We believe that quality is the mainstay of competitiveness. We thus constantly create an environment of Quality and Compliance in line with the global best practices.

QA monitors effectiveness of site Quality organization through periodic quality reviews, periodic audits, budgetary reviews and review of compliance to regulatory inspections and customer audits.

Quality reviews focus on review of failures, rejections, market complaints, deviations, non-compliances, product stability, various Corrective and Preventive actions planned, productivity, cost of quality etc. QA also supports the site Quality organization by providing necessary resources, technical guidance and training. QA also continuously endeavors to upgrade skills and competence levels in QC / QA function by introducing advanced technologies.



**Quality Control gives the analytical support to each modules of plant. To meet the analytical requirement and to improve the efficiency of process development from different area.**

About 40 different method transfers has been done between quality control and R&D, quality control and customer in the year 2011-12 to avoid the future analytical variation.

To meet the audit requirement network software attached with HPLC & GC upgraded with Empower 3 and new software Chromaleion 7.0 attached with Dionex instruments which results complete security of electronic analytical data.

In addition to this Quality Control reduce the down time cycle by switch over the few reaction monitoring from HPLC to UPLC which reduce the analytical time as well cost of analysis. To reduce the cost of analysis introduces few different makes of laboratory solvents in analysis having low prices value. Documentation process redefines in quality control to meet the cGMP requirement and to avoid the overlapping of the system.



# Human Resources

## Developments & Key Achievements

**The Human Resource Team at ISLL is actively geared towards playing its demanding role in achieving the vision and goals of the organization and advocating its values and mission. With the ultimate aspiration of becoming a valuable strategic partner to the organisation, ISLL HR team is working towards setting in place HR management system and processes which aims at channelizing efforts and energies of people towards the growing needs of the organization and achieving envisioned goals.**

Development of Human Capital is one of the most critical component of our growth. Various new training programs have been introduced for employee development. External trainings were arranged to develop leadership competencies in employees at leadership position. New forum, Gyan Manch, has been formed for knowledge sharing and employee development, where employees can share their knowledge and can grow in their respective areas.

New Performance Management System has been introduced to measure employee's performance expectations in conjunction with the position description and to identify employee's development need. To bring role clarity and to link individuals' efforts and energies to organization's goal and objective, Balanced Scorecard approach has been introduced for Senior Positions. Policy Updation and Introduction of new policies: Existing policies have been revised and some new policies have been introduced for Employee welfare and benefits.

Employee Engagement: In order to create enthusiasm in employees about their work and to promote teamwork, various Employee Engagement Activities have been introduced. Various Events have been celebrated at different locations.

Employee Self Services: In order to provide better service to our employees and save their time new portal is under development, which will help employees to perform most of the activities online.

With a consistent challenge of attaining and retaining best talent in management and to align individuals efforts to organization's goal, several new initiatives have been planned for the coming financial year.



# Corporate Social Responsibility



**As a member of today's rapidly changing global community, Ind Swift is striving to adapt to the evolving needs of society and contribute to the overall health and wellness of the people. We are continually reviewing and improving our efforts to lessen our impact on the environment, nurture a workplace of diversity and inclusion, conduct responsible business practices, and uphold the highest ethical standards in everything from research and development to sales and marketing. We are building partnerships in communities to strengthen health systems, increase access to our medicines and find sustainable solutions to the health challenges of today and tomorrow.**



Our inherent belief that all workplace illnesses and injuries are preventable has been the driving force in keeping our manufacturing sites, R&D and Corporate Office safe.

Numerous positive initiatives were undertaken during the year to enhance workplace safety.

Emergency preparedness at plants was ensured through regular mock drills exercises, at all manufacturing sites as well as at R&D.

Company's primary economic contribution to society is the result of our investments and production with due consideration for sustainable social, environmental and economic development.

This also includes making profits and paying taxes. In that way, company

contributes positively to sustainable economic growth wherever we operate.

## **Some of our initiatives are:- Community Services**

- Sponsored Medical Check up Camps in Village – Samgouli, & Behra.
- Sponsor Education Awareness Camp in Village - Rampur Saini.
- Scholarship for meritorious Science students in Villages - Rampur Saini, Sangouli, haripur, Kuranwala & Behra etc.
- Development of landscaped parks in Village - Haripur.
- Construction of "Mandir" at Derabassi.
- Contributed for "Religious Festival" in Villages- Rampur Saini, Sangouli, haripur, Kuranwala & Behra etc.
- Contribution for "Hanuman Mandir" in Village - Ramgarh.

## **Promotion of Sports among the Youth**

- Contributions made to various Sports and Cultural Associations to promote Sports and Arts in the surrounding villages.

# Corporate Information

## Board Of Directors

S.R. Mehta	Chairman
N.R. Munjal	Vice-Chairman cum Managing Director
Himanshu Jain	Jt. Managing Director
Rishav Mehta	Executive Director
Dr. V.R. Mehta	Director
Dr. G. Munjal	Director
K.M.S. Nambiar	Director
Dr. H.P.S. Chawla	Director
S.P. Sharma	Director
Dr. J.K. Kakkar	Director
Pradeep Kumar	Director
Dr. N.P. Singh	Director

## Senior Management Team

Dr. Lalit K. Wadhwa	Director & Chief Operating Officer
Vijay Kumar	Director Marketing & Special Projects
N.K. Bansal	Chief Financial Officer
Vikas Narendra	President-US Operations
G.K. Sharma	Member Executive Board
Subodh Gupta	Member Executive Board
Dr. Rajesh Naik	Senior Vice-President (R&D & CRAMS)
Uresh Raval	Vice President (HR)
Ajay K. Srivastava	Vice President (Derabassi API facility)
Sandeep Singh	Vice President (Procurement)
Saranjai Tyagi	Vice President (QA)
Rakesh Bahuguna	Vice President (QC)

## Committees of the Board

### Audit Committee

K.M.S. Nambiar	Chairman
Dr. J.K. Kakkar	Member
S.P. Sharma	Member
S.R. Mehta	Member

### Remuneration Committee

K.M.S. Nambiar	Chairman
S.P. Sharma	Member
Pradeep Kumar	Member
Dr. H.P.S. Chawla	Member
S.R. Mehta	Member

## Share Transfer & Shareholder/Investor Grievance Committee

K.M.S. Nambiar	Chairman
Dr. J.K. Kakkar	Member
N.R. Munjal	Member
S.R. Mehta	Member

## Compensation Committee

Dr. J.K. Kakkar	Chairman
K.M.S. Nambiar	Member
S.P. Sharma	Member

## Sub-Committee of Board

N.R. Munjal	Chairman
Dr. J.K. Kakkar	Member
K.M.S. Nambiar	Member
Himanshu Jain	Member

## Company Secretary & Compliance Officer

Pardeep Verma

## Solicitors

P.K. Goklaney & Company  
Advocate & Solicitors  
#38, Sector 16A, Chandigarh – 160 015

## Auditors

Jain & Associates  
Chartered Accountants  
SCO 819-20, Sector 22-A, Chandigarh – 160 022

## Bankers

State Bank of India  
Specialized Commercial Branch  
SCO:103-106, Sector 17B, Chandigarh 160017  
Bank of India  
Bank Square  
SCO: 81-83, Sector 17B, Chandigarh 160017  
State Bank of Patiala  
Commercial Branch  
SCO:103-107, Sector 8C, Chandigarh

## Registered Office

SCO 850, Shivalik Enclave, NAC,  
Manimajra, Chandigarh – 160 101  
Tele: - +91-172-2730503, 2730920  
Fax: - +91-172-2730504, 2736294  
Email:investor@indswiflabs.com  
Website: www.indswiflabs.com

# Directors' Report

## Dear Shareowners

Your Directors have great pleasure in presenting the 17th Annual Report together with audited statement of accounts for the year ended 31st March, 2012.

## Financial Results

(Rs. in million)

Particulars	Year Ending 31st March 2012	Year Ending 31st March 2011
Sales (net of excise) and other income	13529.00	10301.42
Profit before Interest, Depreciation, Tax & Amortisation	2075.81	1873.14
Less: - Interest	845.47	558.72
- Depreciation	398.61	385.16
- Impairment of Assets	Nil	24.14
- Extra Ordinary Item	Nil	30.68
<b>Loss on sale of fixed assets</b>	<b>1.78</b>	<b>3.19</b>
<b>Profit before Tax</b>	<b>829.95</b>	<b>871.25</b>
Less: Provision for tax	174.62	179.65
- Income tax adjustment of previous years	(4.66)	(0.46)
- Mat Credit Entitlement	(174.62)	(179.65)
- Provision for Deferred Tax	(29.78)	(4.45)
<b>Profit after Tax (A)</b>	<b>864.40</b>	<b>876.16</b>
Amount B/F from Previous year (B)	2430.93	1638.49
<b>Profit after Tax available for Appropriations (A+B)</b>	<b>3295.33</b>	<b>2514.65</b>
Provision for Dividend on Equity shares	-	34.22
Provision for Equity Dividend Tax	-	5.69
Transfer to General Reserve	-	43.81
<b>Balance carried forward to Balance sheet</b>	<b>3295.33</b>	<b>2430.93</b>

## Operations and Business Performance

Your company has recorded a turnover of Rs.13529 millions during 2011-12 registering a growth of 31.33% over the turnover of previous year.

However, profit before tax decreased from Rs.871.25 millions to Rs.829.95 millions registering a decline of 4.74% whereas profit after tax decreased from Rs.876.16 millions to Rs.864.40 millions registering a decline of 1.34%. The Earning Per Share also reduced to Rs.24.10 per share from Rs.29.76 per share.

In spite of recording a better sales number during the financial year 2011-12, the rising interest cost, rise in input cost and slowdown in global economies saw pressure on the company's financials during this period. A devastating fire at one of the manufacturing facility of Dashmesh Medicare Private Limited taken on loan licence, where one of the key product was being manufactured, only worsen the already squeezing financial situation.

## Consolidated Financial Performance

Your company recorded a consolidated turnover of Rs.14424.93 Millions registering a growth of 37.71% during the year. The profit after tax in consolidated terms stood at Rs. 891.61 Millions. The Consolidated financial figures includes the respective financial figures of the Company's three subsidiaries. As required under Clause 32 of the Listing Agreements with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report and the same are annexed to this Report.

## Exports

The Export sales which contribute to 43.52% of the total sales, saw a strong growth during the year. The Export sales grew by 41.42% from Rs. 4163.06 millions in previous year to Rs. 5887.48 millions in the year 2011-12.

## Corporate Debt Restructuring

The Company has approached the Corporate Debt Restructuring (CDR) Cell through State Bank of India in July, 2012 for restructuring of debts of the Company through CDR mechanism. The detailed information on Corporate Debt Restructuring is provided in Management Discussion and Analysis Report.

## Dividend

Looking at the future fund requirements of the Company and the present economic scenario of the economy as a whole, the Company intends to plough back the profits of this year. Consequently, the Board of the Directors of the Company have not declared any dividend on the Equity Shares of the Company for the Financial Year 2011-12.

## Employee Stock Option Scheme

Members' approval to the Employee Stock Option Scheme was obtained at the Annual General Meeting held on 30th September, 2006 for introduction of the Scheme.

Employees Stock Option Scheme was approved and implemented by the Company and Options were granted to employees in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines')

The Employees Stock Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme. The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2012 are annexed to the Directors Report.

## Change In Capital Structure

During the year the paid up share capital of your company raised to Rs.37,94,54,700 consequent to:

Allotment of 35,00,000 equity shares upon conversion of equal number of Zero Coupon Optionally Convertible Warrants (2010 Series) at a price of Rs.82.50/- per share on preferential basis to promoter's group companies and

Allotment of 2,22,400 equity shares under Employee Stock Option Plan (ESOP) 2006 to the eligible employees of the company at a price of Rs.27/- per share.

## Subsidiary Companies

As on 31.03.2012 the Company had 3 Subsidiaries:

The US subsidiary of the Company viz. Ind-Swift Laboratories Inc. achieved net sales of \$ 4,728,309 and recorded a net Profit of \$ 326,887/-.

The Singapore Subsidiary viz Meteoric Life Sciences PTE Ltd. achieved net sales of \$ 16,557,686/- and recorded a net profit of \$ 212,816.

The Dubai Subsidiary viz. Ind-Swift Middle East FZE has not started operations yet. To achieve operational efficiencies and better management, the Board of Directors of your Company has decided to transfer its investment in Iran Joint Venture to its Dubai Subsidiary. Necessary steps as per RBI guidelines have been initiated to give effect to the transaction.

Information related to performance/financials of the subsidiary companies are disclosed in the Consolidated Financial Statements. Statement pursuant to Section 212 (i) (e) of the Companies Act, 1956 forms part of the Annual Report.

## Auditors

The Statutory Auditors of the Company M/s Jain & Associates, Chartered Accountants retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The Audit Committee and the Board of Directors recommend the appointment of M/s. Jain & Associates, as Statutory Auditors of the Company for the Financial Year 2012-13 for shareholders approval.

## Cost-Audit

Pursuant to Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, the Board has appointed M/s. V. Kumar & Associates, Cost Accountants as the Cost Auditors of the Company for audit of cost accounting records of the Company for the financial year ended 31st March, 2012. Cost audit reports would be submitted to the Central Government within the prescribed time.

The Cost Audit Report for the financial year 2010-11, which was due to be filed with the Ministry of Corporate Affairs within 180 days from the close of the financial year, was filed on 29th September, 2011.

## Deposits

During the year under review, your company has received overwhelming response from the public. The aggregate amount of fixed deposit as on 31st March 2012 was Rs.87.88 crores approx. (previous year Rs.58.23 crores).

## Directors

In accordance with the provisions of Section 256 of the Companies Act, 1956, Dr. V.R. Mehta, Sh. K.M.S. Nambiar, and Dr. J.K. Kakkar, directors retire by rotation at the company's forthcoming annual general meeting and being eligible offer themselves for re-appointment. The Board recommends their reappointment.

## Management Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## Listing Fees

The Annual Listing fee for the year under review has been paid to The Stock Exchange, Mumbai, The National Stock Exchange of India Ltd. and The Luxembourg Stock Exchange.

## Internal Control Systems

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures are in place to ensure that all transactions are authorized, recorded and reported correctly as well as to provide for adequate checks and balances.

The Internal Audit department together with independent firm of Chartered Accountants review the effectiveness and efficiency of these systems and procedures. Audits are finalized and conducted based on Internal risk assessment. Significant deviations are brought to the notice of the Audit Committee of the Board periodically and corrective measures recommended for implementation. All these steps facilitate timely detection of any irregularities and early remedial measures.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'A'.

## Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, the names and other particulars of the employees are set out in the annexure to the Director's Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report and account are being sent excluding the aforesaid information to all the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirement set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best Corporate Governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

## Directors Responsibility Statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 ("the Act"), your directors confirm that:

- i. In the preparation of Annual Accounts, the applicable accounting standards have been followed. There are no material departures from prescribed accounting standards.
- ii. We have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 2011-12 and of profit of the Company for that period;

- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. We have prepared the annual accounts on an on going concern basis.

## Human Resource

Your Company is of the firm opinion that efficiency of its employees plays a key role in achieving set goals and building a competitive work environment. The Company regularly conducts various programmes at different levels so as to ensure that a vibrant and motivated work-force leads to achievement of the defined goals. Employee relations continued to be harmonious and cordial at all levels and in all the units of the Company.

## Acknowledgement

Your Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered.

Your Directors thank the shareholders of the Company for the confidence reposed in the Management of the Company.

Your Directors place on record their gratitude to the Customers, Suppliers, Company's Bankers and Financial Institutions for their support and co-operation during the year under review.

On behalf of the Board of Directors  
**S.R. Mehta**  
Chairman

Chandigarh, 28th August, 2012

# Annexure to Directors Report

## A) Conservation of Energy

### a) Energy conservation taken and impact of measures taken:

- i. Replacement of energy intensive refrigeration units of chilled water with energy efficient VAM system of 528 TR.
- ii. Installation of energy efficient vacuum pumps in place of power intensive water jet ejectors.
- iii. Replacement of inefficient TD steam traps with energy efficient bucket traps in process area.
- iv. Reduction in dryer operation time process area by replacing water jet ejectors with low energy efficient vacuum pumps.
- v. Condensate recovery and recycle to boilers from process dryers and hot water generators.
- vi. Installation of Captive Power Plant for continuous uninterrupted power supply.

### b) Additional investments/proposals, if any, for the reduction of energy consumption:

- i. Replacement of further energy deficient chilled water system with energy efficient system.
- ii. Installation of FCU of DX type for the office air conditioning.
- iii. Improvement in condensate recovery system for the hot water generation system.
- iv. Replacement of further energy intensive jet ejector system with energy efficient vacuum pump system.

### c) Total Energy consumption and Energy Consumption per unit of production:

a) Electricity and Fuel Consumption		2011-2012	2010-2011
1.	Electricity		
A	Purchase Unit (KWH)	12,921,428	18,166,720
	Total amount (Rs.)	63,942,901	85,879,862
	Average Rate (Rs.)	4.95	4.73
B	Own Generation		
	i) Through Diesel Generator set (KWH)	2,644,250	3,936,211
	Unit Per Litre of Diesel Oil	4.08	3.58
	Cost of fuel per unit	8.79	9.17
	ii) Through steam turbine/generator	NIL	NIL
2.	Coal	NIL	NIL
3.	Furnace Oil/L.D.O. (Quantity)	14,760	23,710
	Total amount (Rs.)	399,996	642,541
	Average Rate (Rs. Per litre)	27.10	27.10
4.	Other/Internal Generation		

b) Consumption Per Unit of Production			
Unit	Standards	2011-2012	2010-2011
Electricity	KWH	9.00	15.90
Furnance Oil/L.D.O.	Ltr/Kgs	0.01	0.02
Diesel	Ltr.	0.37	0.79
Petroleum Coke	Kgs	0.23	0.17

## B) Technology Absorption

### I) Research & Development (R&D)

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

The focus of research efforts are:

- i. Development of Active Pharmaceutical Ingredients going off patent in regulatory Markets with opportunity to be first among others players by developing non infringing processes.
- ii. Cost effective development of API technologies for semi-regulated markets.
- iii. Creating Intellectual Property bank with filing of process patents at National & International level.

#### b) Benefits derived as a result of above R&D:

- i. Development of basket of API's for global markets.
- ii. Quick launches of products by utilizing state-of-the-art R&D infrastructure to carve out niche business pocket.
- iii. Company has filed total of 183 process patents at National & International Level. 2-US patents have been granted.
- iv. 51 DMF's have been filed in last financial year.

#### c) Future plan of action

- i. Collaborative Research.
- ii. Development of Non-infringing processes
- iii. Contract Research and Manufacturing Services (CRAMS)

#### Expenditure on R & D during the year 2011-2012

(Rs. in Millions)

	2011-12	2010-11
a. Capital	418.78	11.66
b. Revenue	944.72	961.84
<b>Total</b>	<b>1363.50</b>	<b>973.50</b>
c. Total R&D expenditure as percentage of total turnover	10.32	9.57
d. Turnover	<b>13206.81</b>	<b>10177.41</b>

## II. Technology Absorption, Adaptation And Innovation.

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

- a) Research & Development (R&D)
- b) The developed technologies have been commercialised for both regulated and semi-regulated markets.

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

- a) Cost reduction, quality improvement.
- b) Number of products commercialized have been increased.
- c) R&D Centre is recognized by DSIR, New Delhi.

### 3. Information in case of imported technology (imports during last five years).

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

## C) Foreign Exchange Earning and Outgo

### 1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: -

Exports in the year under review were Rs.5887.48 millions as compared to Rs.4163.06 millions with increase of 41.42%.

The company continued to comply with regulatory requirements of various international authorities. Its facilities retained the approval of various international authorities all over the world. This will continue to provide the necessary platform to further expand the Company's overseas operations

2. **Total foreign exchange used and earned:**

During the year the foreign exchange outgo was Rs.4460.03 million and the earnings in foreign exchange were Rs.5799.98 million. Details have been given at Note XL of Notes on Accounts.

## Details of stock options as on 31st March, 2012

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2012 are given below:

a.	Total options granted during the year	Nil
b.	Exercise Price	Rs.27/-
c.	Options Vested during the year	10,000
d.	Options Exercised during the year	2,22,400
e.	The total number of shares arising as a result of exercise of Options	2,22,400
f.	Options Lapsed during the year	Nil
g.	Variation in terms of Options	Nil
h.	Money realised by exercise of Options	Rs.60,04,800/-
i.	Total number of Options in force	1,37,980
j.	<b>Employee wise details of Options granted during the year:</b>	
	i. Directors:	Nil
	ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	Nil
	iii. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and Conversions) of the Company at the time of grant	Nil
k.	<b>Diluted Earnings Per Share (EPS)</b> before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	Rs.23.25/-

# Management Discussion and Analysis Report

## Industry Structure & Developments

The Global Pharmaceutical market for 2011 is expected to be around \$900 Bn which reflects a growth of 4-5%. On a consolidated basis, the market is expected to grow at a CAGR of 3-6% over 2011-15 to cross \$1.1 Tn in sales by 2015. More than 60% of this increase in the Pharmaceutical market is expected to be contributed by the Pharmerging markets forecasted to grow at 13-16%, while the rest is expected to come from the Developed markets which are forecast to grow at a much lower rate of 0-5% p.a.

For 2012, the forecast value of the Pharmaceuticals market is \$920-950 Bn with a growth rate of 3-5%. The Pharmaceutical sales in the largest market the United States of America (USA) is expected to be in the range of \$310-330 Bn during 2011-13, with a growth rate of 1-4%. Sales in Japan, the second largest Pharma market after the USA is expected to be in the range of \$105-135Bn by 2015 reflecting a CAGR of 2-5% over 2011-15. Top 5 European markets are expected to grow at a CAGR of 0-3% till 2015 to achieve sales in the range of \$140-170 Bn. Sales in the Pharmerging markets is expected to grow at an impressive CAGR of 13-16% to reach a size in the range of \$315-345 Bn by 2015.

The Pharmerging (pharma emerging) markets are expected to overtake the developed markets by 2020. These markets have been consistently contributing an increasing share of global growth. Companies to maintain 20% YoY growth rates and justify their higher P/E.

The global Pharma industry continues to remain fragmented and fiercely competitive; and faces increased genericization. The Generics industry on the other hand has the opportunity to capitalize on the products going off patent in the coming years.

In the global pharma industry \$170bn (Rs. 8,330bn) worth patents are set to expire over the next five years. We believe that Indian Company's are well placed globally to capitalize on this opportunity. Domestic pharma market is showing healthy growth. This market grew by 15.3% in FY-11 (3x global growth rate) and is likely to do so by 15-17% over the next 3-4 years.

Contract Research and Manufacturing Services (CRAMS) is likely to be the future growth driver for the Indian pharma industry. The global outsourcing market was estimated as \$67 bn (Rs. 3,280 bn) in 2010 and growing at a CAGR of 15% per annum. Over the last five years, the CRAMS industry has contributed around 8% to the total pharma business in India. We expect CRAMS business to grow to \$ 15 bn (Rs 735 bn) by 2015.

## Outlook, Risks and Concerns

Though in the world Pharmaceutical market, India has a share of about 3% by value, India is recognized as one of the leading global players with large number of drug master files and dossier registrations for Active Pharmaceutical Ingredients (APIs) and formulations with manufacturing facilities approved by regulatory authorities of the developed countries.

Indian Companies are focusing on global generic and API business, R&D activities and contract research and manufacturing alliances. India is also fast emerging as a preferred pharmaceutical manufacturing location.

Several large selling drugs going off patent over next few years and increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to generic manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

However, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and under developed countries including India, currency fluctuation, inflation and resultant all round increase in input cost are few causes of concern.

## Company's Outlook

### Key Business Highlights

During the year the Company achieved a turnover of Rs. 13529 Millions and a net profit of Rs. 864.40 Millions. The Exports during the year stood at Rs. 5887.48 Millions. Company is well placed globally to claim the opportunities thrown open by the patents going off patent for major drugs, majority of which Ind-Swift Labs is already present. Company's strong research and technical skills has made it a preferred supplier of APIs & Intermediaries. Company is presently manufacturing more than 40 products across 16 therapeutic segments, few of them growing by more than the industry growth rates. Company has filed more than 397 DMF's and it has filed DMF's even for the Drugs going off patent by 2022-2023. The benefits of which will start coming from 2014-15 onwards.

## Corporate Debt Restructuring

The overall slowdown of economy, devaluation of rupee and a major fire in one of the loan licensee unit of the Company, eroded the EBIDTA margins of the Company significantly and foreseeing the future liquidity constraints due to high debt burden the Company had approached the CDR cell. The Empowered Group of CDR cell has admitted the Company to the CDR scheme.

The Company has approached the CDR cell for a composite package which includes the re-scheduling of existing term loan and extension of time period for repayment of working capital term loan.

The CDR package shall be formulated in coming months and the same will be implemented as per the approval of the CDR cell.

## Opportunities in US & Japan

The recent accreditations of the company's facilities from the USFDA (for five products) and PMDA, Japan (for two products) has boosted the Company's effort to tap these highly regulated markets for these products. Already the commercial supplies have started for the company's products in these markets and the supplies will pick up in the coming years.

## Certifications/Audits

- USFDA (United State Food & Drug Administration) inspection triggered for five products Clarithromycin Special, Naratriptan HCl, Donepezil HCl, Ropinirole HCl and Acamprosate Calcium completed successfully. The audit scope was increased by inspection to all 17 APIs being dispatched to US.
- BGV Germany inspection for two products Atorvastatin Calcium and Aripiprazole has been completed successfully.
- NOM (National Organization for Medicines, Greece) inspection for two products Clarithromycin Granules & Clarithromycin.

## R&D, Products and Pharmaceutical Services

- Filed 51 DMFs in FY 12
- Cost effective, operationally feasible and patent non infringing processes were developed for Deferasirox, Sunitinib Maleate, Solifenacin succinate, Lisdexamphetamine mesylate, Vardenafil hydrochloride. Aprepitant, Rosuvastatin calcium and Rifaximin.(new polymorph) .
- Process improvement by improving yields and operational efficiency, leading to higher throughput, undertaken for Colesevelam Hydrochloride, Eletriptan hydrobromide, Anastrozole, Sitagliptin, and Mecloxamine citrate, Olmesartan Medoxomil
- Commercialized the production of Mecloxamine citrate, Bexarotene and Dutasteride.
- Developed new processes for the key intermediates of Sunitinib and Mitiglinide calcium.
- Robust and reproducible process developed for polymorph FORM I of Rifaximin.
- Filed 19 process patents in 2011-12. 1 US patent has been granted and 1 US patent has been accepted
- CRAMS (Contract Research and Manufacturing Services) offered to innovator, generic and bio-tech companies across the globe.

# Report on Corporate Governance

## 1. The Company's Philosophy on Code of Corporate Governance

Compliance to the Code of Corporate Governance forms an integral part of the Company's philosophy. Ind-Swift firmly believes that any meaningful policy on Corporate Governance must provide empowerment to the management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the management are not misused and are exercised with care and responsibility to meet stakeholders' aspiration and social expectations.

Keeping in view the Company's size and complexity in operations, Ind-Swift's corporate governance framework is based on the following main principles:

- Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- Proactive flow of information to the members of the Board and Board Committees to enable effective discharge of their fiduciary duties.
- Ethical business conduct by the management and employees.
- Full-fledged systems and processes for internal controls on all operations, risk management and financial reporting;

Through the Governance mechanism in the company, the Board along with its Committees endeavors to strike the right balance with its various stakeholders. The corporate governance philosophy has been further strengthened with the implementation of Code of Conduct by its Board and Senior Management. The Company is in full compliance of Clause 49 of the Listing Agreement with the Indian Stock Exchanges. The listing of company's depository Programme on Luxembourg Stock Exchange, also casts upon the Board of Directors and Audit Committee onerous responsibilities to improve the operating efficiencies.

## 2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the company. The composition of the Board of Directors is governed by the Companies Act, 1956, Listing Agreement with Stock Exchanges where the shares of the company are listed and Articles of Association of the company. The Board of Directors have an optimum combination of executive and non-executive directors and presently comprises of 12 Directors, out of which 9 are non-executive Directors. The Company has a non-executive Promoter Chairman and 6 Independent Directors which comprises of 1/2 strength of the Board, thus complying with the Corporate Governance Regulations as to the composition of the Board as on 31st March, 2012.

The Vice-Chairman cum Managing Director and Jt. Managing Director of the Company are responsible for the day to day conduct of business and corporate affairs of the Company.

None of the Directors on the Company's Board is member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a director. All the directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on the Board hold office of Director in more than 15 companies.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and considerations at Board meetings. The Board also reviews the declaration made by the Vice-Chairman cum Managing Director regarding compliance with all applicable laws on a quarterly basis. The Board of the Company met 8 times during the financial year on the following dates:

25.05.2011	14.11.2011
10.08.2011	06.12.2011
31.08.2011	16.01.2012
26.09.2011	08.02.2012

The maximum time gap between any 2 consecutive meetings did not exceed 4 months. The composition of the Board, attendance at Board Meetings held during the financial year under review and at the last AGM, number of directorships, memberships, chairmanships in public limited companies and their shareholding in the company are as follows:-

Name of Director	Category	FY 2011-12 Attendance		As on 31.3.2012			Share-holding
		BM	Last AGM	No. of D'ships #	Committees		
					Member	Chairman	
Mr. S.R. Mehta	Non Executive Chairman, Promoter	8	Yes	4	3	Nil	233600
Mr. N.R. Munjal	Vice-Chairman cum Managing Director, Promoter	8	Yes	4	3	1	105000
Mr. Himanshu Jain	Jt. Managing Director, Promoter	7	Yes	4	2	Nil	43325
Mr. Rishav Mehta	Executive Director, Promoter	7	Yes	2	Nil	Nil	Nil
Dr. G. Munjal	Non Executive Director, Promoter	6	Yes	4	Nil	Nil	60900
Dr. V.R. Mehta	Non Executive Director, Promoter	8	Yes	3	1	Nil	52900
Dr. J.K. Kakkar	Independent Director	8	Yes	Nil	4	1	5000
Mr. K.M.S. Nambiar	Independent Director	8	Yes	1	7	5	5000
Dr. H.P.S. Chawla	Independent Director	2	No	2	Nil	Nil	5000
Mr. S. P. Sharma	Independent Director	6	Yes	2	3	Nil	5000
Mr. Pradeep Kumar	Independent Director	5	Yes	Nil	Nil	Nil	Nil
Dr. N. P. Singh	Independent Director	6	No	Nil	Nil	Nil	Nil

# Excludes private limited companies.

Dr. V.R. Mehta, Sh. K.M.S. Nambiar and Dr. J.K. Kakkar Directors are liable to retire by rotation and, being eligible, have offered themselves for re-appointment. Their brief resume along with particulars of re-appointment of directors forms part of the notice of 17th Annual General Meeting of the company.

### 3. Committees of the Board

The Board Committees appointed by the Board focus on specific areas and make informed decisions within the authority delegated. Each Committee of the Board is guided by its Charter, which defines the composition, scope and powers of the committee. The Committees also make specific recommendations to the Board on various matters from time-to time. All decisions and recommendations of the Committees are placed before the Board for information or for approval. The Company has five Board-level Committees, namely:

- Audit Committee
- Remuneration Committee
- Shareholders' Grievance Committee
- Compensation Committee
- Sub-Committee of Board

#### (a) Audit Committee

During the financial year 2011-12, four Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of quarterly financial results by the Board:

25.05.2011	14.11.2011
10.08.2011	08.02.2012

The constitution of the audit committee and the attendance of each member of the committee are given below:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. K.M.S. Nambiar	Chairman	Independent/ Non-Executive	4	4
Dr. J.K. Kakkar	Member	Independent/ Non-Executive	4	4
Mr. S.P. Sharma	Member	Independent/ Non-Executive	4	4
Mr. S.R. Mehta	Member	Non-Executive	4	4
Mr. N.R. Munjal	Permanent Invitee	Permanent Invitee	4	4
Mr. Himanshu Jain	Permanent Invitee	Permanent Invitee	4	3
Mr. N.K. Bansal	Permanent Invitee	Permanent Invitee	4	4

The Committee meetings are attended by Statutory Auditors. The Company Secretary acts as Secretary of the Audit Committee. The Committee relies on the expertise and knowledge of management, internal auditors and the independent statutory auditors in carrying out its oversight responsibilities. Management is responsible for the preparation, presentation and integrity of the company's financial statements including consolidated statements, accounting and financial reporting principles. Management is also responsible for internal control over financial reporting and also procedures are designed to ensure compliance with Accounting Standards, applicable laws, regulations as well as objectively reviewing and evaluating the adequacy, effectiveness and quality of the company's system of internal control.

M/s Jain & Associates are the company's Statutory Auditors and they are responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

Following are the powers, scope and role of Audit Committee:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k. Any other matter, which the committee may deem fit to review in the Audit Committee Meeting.

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

## (b) Remuneration Committee

The Remuneration Committee comprises of 4 independent directors (including the chairman of the Committee) and 1 Non-executive Director. The Remuneration Committee reviews the remuneration of the Executive directors and compensation policy for senior management Personnel. The remuneration policy for managerial personnel is primarily based on the following criteria:

- Performance of the Company, its divisions and units.
- Track record, potential and performance of individual managers and
- External competitive environment

No Remuneration Committee meeting held during the financial year.

The constitution of the Remuneration Committee and the attendance of each member of the committee are given below:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. K.M.S. Nambiar	Chairman	Independent/ Non-Executive	-	-
Mr. S.P. Sharma	Member	Independent/ Non-Executive	-	-
Mr. Pradeep Kumar*	Member	Independent/ Non-Executive	-	-
Dr. H.P.S. Chawla*	Member	Independent/ Non-Executive	-	-
Mr. S.R. Mehta	Member	Non-Executive	-	-
Mr. N.R. Munjal	Permanent Invitee	Permanent Invitee	-	-
Mr. Himanshu Jain	Permanent Invitee	Permanent Invitee	-	-

\*Nominated as members of the Remuneration Committee w.e.f. 28.08.2012

## Remuneration of Directors

### Executive Directors

The remuneration of Executive Directors is recommended by the Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors as approved by the shareholders. Remuneration of the Executive Directors paid in respect of the financial year 2011-12 is given below: (Amount in Rs.)

Name of Directors & Designation	Salary*	Bonus	Commission	Total	Service Contract/ Notice Period/ Severance Fees
Shri N.R. Munjal Vice-Chairman cum Managing Director	1,80,00,000	5,040	-	1,80,05,040	Term of office valid upto 22nd March, 2015. No notice period and no severance fees.
Shri Himanshu Jain Jt. Managing Director	1,80,00,000	5,040	-	1,80,05,040	Term of office valid upto 22nd March, 2015. No notice period and no severance fees.
Mr. Rishav Mehta Executive Director	19,20,000	5,040	-	19,25,040	Term of office valid upto 22nd March, 2015. No notice period and no severance fees.

Note: The contribution to gratuity fund has not been shown in the above table in respect of Managing Directors & Whole Time Directors.

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

The Executive Directors were paid remuneration, as approved by the shareholders in the Annual General Meeting held on 22.09.2010. No options under the ESOP were granted to the Executive Director during the year.

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

### Independent Directors

Remuneration to Independent Directors comprises sitting fees only. Sitting fees payable to the Independent Directors were approved by the shareholders in the Annual General Meeting held on 28th September, 2005.

Sitting fees and other expenses paid in respect of the financial year 2011-12 is given below: -

(Rs. In lacs)

Director	Designation	Business Relationship with Company	Sitting Fees	Other Expenses	Total
Dr. J.K. Kakkar	Independent Director	--	0.180	0.030	0.21
Mr. K.M.S. Nambiar	Independent Director	--	0.180	0.030	0.21
Dr. H.P.S. Chawla	Independent Director	--	0.030	0.010	0.04
Sh. Pradeep Kumar	Independent Director	--	0.075	0.025	0.10
Dr. N. P. Singh	Independent Director	--	0.090	0.020	0.11
Sh. S.P. Sharma	Independent Director	--	0.150	0.000	0.15
					<b>0.82</b>

## (c) Shareholders' Grievance Redressal Committee

Shareholder's Grievance Redressal Committee specifically looks into redressing of shareholders and investors complaints such as transfer of shares non-receipt of shares, non receipt of dividends and to ensure expeditious share transfer process. During the year ended 31st March, 2012 Committee met 7 times.

The Committee is headed by Mr. K.M.S. Nambiar and the constitution of committee and attendance of each member of the Committee is given below:-

16.05.2011	30.09.2011	16.01.2012
30.07.2011	15.12.2011	15.02.2012
31.08.2011		

Name	Designation	Executive/Non-Executive/Independent	No. of meeting Attended
Mr. K.M.S. Nambiar	Chairman	Independent/ Non Executive Director	7
Dr. J.K. Kakkar	Member	Independent/Non Executive Director	7
Mr. N.R. Munjal	Member	Executive Director	7
Mr. S.R. Mehta	Member	Non Executive Director	2

#### Share Transfer (Physical)

- All shares have been transferred and returned within 15 days from the date of receipt of complete documents
- The Share Transfer Committee considers share transfer approvals once in a fortnight.
- Total Number of Shares (Physical Form) transferred during the year 2011-12 were 8600.
- As on 31st March, 2012 there were no equity shares pending for transfer.
- Total No. of Duplicate Shares issued during the year were 3600.

#### Reconciliation of Share Capital Audit Report

Pursuant to the provisions of the SEBI (Depositories & Participant) Regulations, 1996 quarterly audit is being undertaken by a Practicing Company Secretary for reconciliation of share capital of the Company.

The audit report inter alia covers and certifies that the total share held in NSDL, CDSL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc.

#### Unclaimed Dividend

Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) and under the amended provisions of Section 205B of the Companies Act, 1956, no claim from IEPF by the members shall lie in respect of said dividends.

In compliance with the same, unclaimed dividend for the financial year 2003-04 has already been transferred to the IEPF and this year dividend for Financial Year 2004-05 shall be transferred to the IEPF.

#### Investor Relations

The following table shows the number of complaints received from the shareholders during 2011-12 all of which have been resolved during the year. There was no complaint pending as on 31st March, 2012.

Status of Complaints	2011-2012
Opening as on 01.04.2011	Nil
Received during the year	7
Resolved during the year	7
Closing as on 31.03.2012	Nil

The complaints are generally replied within 15 days from the date of lodgment with the company.

#### (d) Compensation Committee

The Compensation Committee was constituted in the year 2004 to administer and superintend the implementation of Employee Stock Option Scheme.

The Compensation Committee formulates the details terms and conditions of the Employee Stock Option Scheme /Plan including the following:

- Administration and superintendence of Employees' Stock Option Scheme (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.

During the year, 2,22,400 equity shares were allotted to eligible employees under ESOP Scheme (2006) of the company on 25.05.2011.

The constitution of the Compensation Committee and the attendance of each member of the committee are given below:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Dr. J.K. Kakkar	Chairman	Independent/ Non-Executive	1	1
Mr. K.M.S. Nambiar	Member	Independent/ Non-Executive	1	1
Mr. S.P. Sharma	Member	Independent/ Non-Executive	1	1
Mr. N.R. Munjal	Permanent Invitee	Permanent Invitee	1	1
Mr. Himanshu Jain	Permanent Invitee	Permanent Invitee	1	1

#### (e) Sub-Committee Of Board

The Sub Committee of Board was constituted in the year 2009 to consider the term loan and other facilities, the sub committee meetings were held on the following dates:

06.05.2011	29.06.2011	10.11.2011	04.01.2012
11.05.2011	30.06.2011	02.12.2011	20.03.2012
31.05.2011	21.07.2011	27.12.2011	
02.06.2011	03.11.2011		

The constitution of the Sub-Committee of Board and the attendance of each member of the committee are given below:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. N.R. Munjal	Chairman	Executive Director	13	12
Mr. Himanshu Jain	Member	Executive Director	13	13
Mr. K.M.S. Nambiar	Member	Independent/Non-Executive	13	13
Dr. J.K. Kakkar	Member	Independent/ Non-Executive	13	13

## 4. General Body Meetings For Last Three Years

The Location and the time of the Annual General Meetings and Extra Ordinary General meetings held during last 3 years are as follows:

Financial Year	Category	Venue	Date	Time	Special Resolution
2010-11	16th AGM	PHD Chamber of commerce /industry, Sector-31 A, Chandigarh	26.09.2011	10.30 A.M.	3
2009-10	15th AGM	PHD Chamber of commerce /industry, Sector-31 A, Chandigarh	22.09.2010	10.30 A. M.	8
2008-09	14th AGM	PHD Chamber of commerce /industry, Sector-31 A, Chandigarh	24.09.2009	10.15 A.M.	8

**AGM** – Annual General Meeting

The Special Resolutions were passed by the show of hands. The Company had not passed any resolution through postal Ballot.

During the financial year 2010-11 the following mentioned Special Resolutions were passed seeking approval of shareholders: -

- Approve the appointment of Dr. Narinder Pal Singh as Director of the Company.
- To approve the alteration in the Articles of Association of the Company.
- To approve the raising of funds through issue of GDRs/FCCBs, Convertible Securities.

## 5. Code Of Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "Code"), which applies to all employees and Directors of the Company, its subsidiaries and affiliates. It is the responsibility of all employees and Directors to familiarize themselves with this Code and comply with its standards.

The Company has also adopted a code of conduct for Prevention of Insider Trading. All the Directors, Senior Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there have been due compliance with the said code of conduct for Prevention of Insider Trading.

The Code of Business Conduct and Ethics is posted on the Company's website – [www.indswiftlabs.com](http://www.indswiftlabs.com).

#### Declaration as required under Clause 49 of the Listing Agreement

As provided under Clause 49 of the listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct and Ethics for the financial year ended March 31, 2012.

**N.R. Munjal**  
CEO/ Vice-Chairman  
Cum Managing Director

**Date:** 28th August, 2012

**Place:** Chandigarh

## 6. CEO / CFO Certification under clause 49 of the Listing Agreement

The Vice-Chairman cum Managing Director (CEO) and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Vice-Chairman cum Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the board in terms of Clause 41.

## 7. Disclosures

### A. Related Party Transactions

Transactions with related parties are disclosed in Note No.XXIII(b) of Notes to the accounts in the Annual Report for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

### B. Compliances by the Company

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

### C. Disclosure of Accounting Treatment

There has not been any significant changes in the accounting policies during the years.

### D. Risk Management

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

### E. Mandatory & Non-Mandatory Clauses

The Company has complied with all the mandatory requirements laid down by the Clause 49. The non-mandatory requirements complied with have been disclosed at relevant places.

## 8. Means of Communication

During the year, quarterly and annual audited financial results on standalone basis and audited annual financial results on consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these and un-audited quarterly and half-yearly and audited annual financial results on consolidated basis were published in leading newspapers - The Economics Times/Financial Express/Business Standard (English)/New Bharat Times and Jansatta (Hindi). These were also promptly put on the company's website [www.indswiftlabs.com](http://www.indswiftlabs.com). All official news release of relevance to the investors are also made available on the website for a reasonable period of time.

## 9. General Shareholder Information

### I Annual General Meeting

- Date 29th September, 2012
- Time 10.30 a.m.
- Venue PHD Chamber of Commerce and Industry.  
PHD House, Sector 31-A,  
Chandigarh - 160031

## II Financial Calendar

Financial reporting for the financial year 2012-13 for

- Quarter ending June 30, 2012 already adopted on 13h August, 2012
- Quarter ending September 30, 2012 By 14th November, 2012
- Quarter ending December 31, 2012 By 14th February, 2013
- Year ending March 31, 2013 By 30th May 2013 (As Audited Results will be considered)
- Annual General Meeting for the year ending March 31, 2013 By 30th September 2013

## III Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, 25th September, 2012 to Saturday, 29th September, 2012 (both days inclusive) pursuant to provisions of section 154 of Companies Act, 1956.

## IV Dividend

The Board of the Directors of the Company have not declared any dividend on the Equity Shares of the Company for the Financial Year 2011-12.

## V Listing of Equity Shares on Stock Exchanges

The company's shares are listed at the Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Limited (NSE) and The Luxembourg Stock Exchange. The Listing fees for the Financial Year 2012-13 have already been paid to all the Stock Exchanges.

## VI Stock Market Data

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

Name of the Stock Exchange	:	CODE
The Bombay Stock Exchange Limited	:	532305
National Stock Exchange of India Limited	:	INDSWFTLAB

**The ISIN Nos. for the Company's Shares in Demat Mode – INE915B01019**

### Monthly Share Price Movement during 2011-12 at BSE & NSE

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April 2011	109.50	92.70	880345	109.50	96.00	1745027
May 2011	100.50	91.00	642110	100.50	85.60	1348379
June 2011	103.25	89.30	877173	103.25	89.10	1961177
July 2011	106.20	94.00	917377	106.20	93.60	1736124
August 2011	103.50	74.50	475667	101.85	74.00	1012299
September 2011	92.10	78.50	328411	91.90	78.00	1028366
October 2011	93.50	80.80	190768	90.20	81.10	694669
November 2011	109.00	78.70	736839	109.45	78.50	1634320
December 2011	94.50	75.65	779495	94.90	75.50	1520987
January 2012	121.20	87.20	2079084	121.45	87.00	2382014
February 2012	133.00	100.50	1950058	133.30	100.55	2693469
March 2012	108.30	88.20	481718	108.90	87.20	816045

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

## VII Registrar And Transfer Agent

Transfer Agent for physical transfer and Demat of Shares:

**M/s Alankit Assignments Ltd.**

205-208 Anarkali Market

Jhandewalan Extension,

New Delhi-110 055

Tel:- +91-11-142541965, 42541953

Fax:- +91-11-41540064

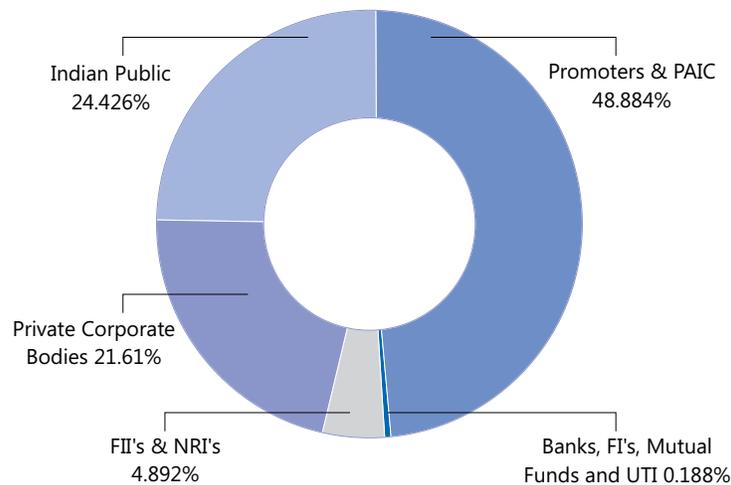
E-mail: [alankit@alankit.com](mailto:alankit@alankit.com)

Website: [www.alankit.com](http://www.alankit.com)

## VIII Distribution of Equity Shareholding as on March 31, 2012.

Category	No. of Shares Held	%age of Shareholding
Promoters & PAIC	18,549,126	48.884
Banks, FI's, Mutual Funds and UTI	71,339	0.188
FII's & NRI's	1,856,209	4.892
Private Corporate Bodies	8,200,197	21.610
Indian Public	9,268,599	24.426
<b>Total</b>	<b>37,945,470</b>	<b>100.00</b>

Shareholding Pattern as on 31.03.2012



## IX Distribution Schedule as on 31st March 2012

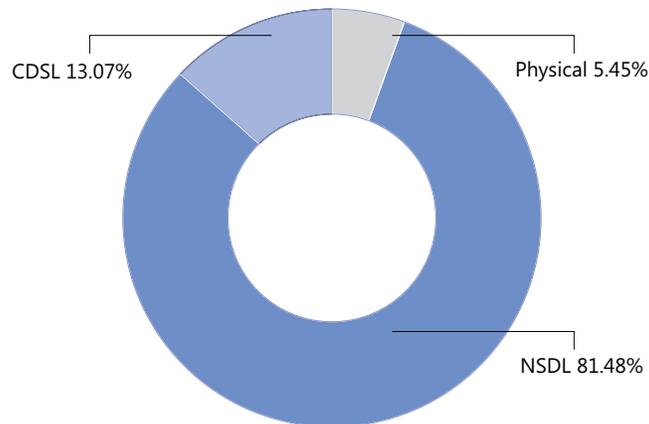
Shareholding of Nominal Value of	No. of Share Holders	% age of Total Holders	Shares Amount	% age of Total Equity
Upto 5000	16,819	85.216	25,396,050	6.692
5001 to 10,000	1,488	7.539	12,342,390	3.253
10,001 to 20,000	669	3.389	10,389,990	2.738
20,001 to 30,000	234	1.186	5,980,000	1.576
30,001 to 40,000	110	0.557	4,018,450	1.059
40,000 to 50,000	89	0.451	4,188,550	1.104
50,001 to 1,00,000	135	0.684	9,910,180	2.612
1,00,000 and above	193	0.978	307,229,090	80.966
<b>TOTAL</b>	<b>19,737</b>	<b>100.000</b>	<b>379,454,700</b>	<b>100.00</b>

## X Dematerialization of Shares

The shares of the company are available for trading in the Depository system of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on **31st March 2012**, 35,875,999 equity shares of the company, forming 94.55% of the share capital of the company, stand dematerialized.

Mode of Shares	Number of Shares	%
Physical	2,069,471	5.45
NSDL	30,917,688	81.48
CDSL	4,958,311	13.07
Total	37,945,470	100.00

### Shares held in Physical Form and Dematerialized Form as on 31.03.2012



## XI Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company issued 25,00,000 Global Depository Receipts (GDRs) to FIIs on 12th August, 2005 after getting the previous approval from the shareholders in the Extra-Ordinary General Meeting held on 27th April, 2005. These GDRs were listed at the Luxembourg Stock Exchange. As on 31st March, 2012, 23,500 GDRs were outstanding.

### Optionally Convertible Warrants

Out of 80,00,000 Zero Coupon Optionally Convertible Warrants (Series 2010), 15,85,000, 16,00,000, 19,39,000 & 15,61,000 warrants were converted into Equity shares on 15.03.2011, 28.03.2011, 31.08.2011 & 16.01.2012 respectively and as on 31st March, 2012, 13,15,000 Zero Coupon Optionally Convertible Warrants are outstanding.

## XII Registered office

Ind-Swift Laboratories Limited  
SCO 850, Shivalik Enclave, NAC, Manimajra,  
Chandigarh – 160 101  
Tele : +91-172-2730503, 2730920  
Fax : +91-172-2730504, 2736294

## XIII Plant Locations

1. Village Bhagwanpura,  
Barwala Road,  
Near Derabassi,  
Distt. Mohali, Punjab.
2. SIDCO, Industrial Growth Centre,  
Jammu (J & K).

## XIV Research and Development Facility

Plot No. E-5, Industrial Area,  
Phase –II, Mohali (Punjab)

## XV Compliance Officer

Pardeep Verma  
GM-Corporate Affairs &  
Company Secretary

### **Ind-Swift Laboratories Limited**

Corporate Office  
SCO – 850, Shivalik Enclave,  
NAC, Manimajra,  
Chandigarh 160101  
Tel : +91-172-2730503, 2730920  
Fax: + 91-172-2730504  
Email: pardeep.verma@indswiflabs.com

# Auditors' Certificate on Corporate Governance

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The Board of Directors  
M/s Ind-Swift Laboratories Limited  
Chandigarh.

We have examined the compliance of conditions of Corporate Governance by M/s Ind-Swift Laboratories Limited for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned clause 49 of the Listing Agreement.

Based on records maintained and certified by the Secretary of the company, there are no investors grievances pending against the Company for a period exceeding one month as at 31st March, 2012.

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

For Jain & Associates  
Chartered Accountants  
(S.C. Pathak)  
Partner

Place: Chandigarh  
Date: 28.08.2012

# Auditors' Report



The Members,

Ind-Swift Laboratories Limited,  
Chandigarh

We have audited the attached Balance Sheet of M/s Ind-Swift Laboratories Limited as at 31st March 2012 and the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on that 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditors' Report) Order, 2003, 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.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, the Company has kept proper books of accounts as required by law, so far as appears from our examination of the books.
  - c. The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts
  - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in compliance with accounting standards specified by The Institute of Chartered Accountants of India referred to in Section 211(3C) of Companies Act, 1956.
  - e. On the basis of the written representations received from the Directors as on 31.3.2012 & taken on record by the Board of Directors, we report that none of the Directors is disqualified for being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view.
  - i. In the case the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
  - ii. In the case of Statement of Profit and Loss, of the profit for the year ended on that date.
  - iii. In case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**(S.C.Pathak)**  
Partner  
Membership No. 10194

Place : Chandigarh  
Date : 30.05.2012

# Annexure to the Auditors' Report

(Referred to in paragraph 1 of our report of even date)

- i. In respect of its fixed assets:
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets over a period of four years. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.
  - c. During the year, Company has not disposed off any substantial / major part of fixed assets.
- ii. In respect of its inventories:
  - a. The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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 and according to the information and 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 inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii. In respect of unsecured loans:
  - a. According to the information and explanations given to us, the company has granted unsecured loans during the year & the amounts outstanding at the year end is Rs. 792.05 Lacs (P.Y. Rs. NIL) to one party covered in the register maintained under section 301 of the Companies Act 1956.
  - b. The loans given are short term, unsecured and in our opinion the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
- c. In respect of aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
- d. In respect of aforesaid loans granted, there is no overdue amount more than Rs. one lac.
- e. According to the information and explanations given to us, the company has taken Rs. 3.38 Lacs unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly clause III (e) (f) (g) of paragraph 4 of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in Internal Control System.
- v. In respect of particulars of contracts or arrangements and 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 explanation given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
  - b. According to the information and explanations given to us, these contracts or arrangements 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 provisions of section 58A and 58AA of the Companies Act 1956 and the rules framed there under and the directives issued by the Reserve Bank of India, with regard to the deposits accepted from the public.
- vii. In our opinion, the Company has an adequate internal audit system which commensurate with the size 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 and explanation given to us, the company has maintained proper records as prescribed by the Central Government.
- ix. According to the information and explanations given to us in respect of Statutory and other dues:
- a. The company is regular in depositing undisputed statutory dues, including Provident Fund, Investors Education & Protection fund, Employees' State Insurance, Income Tax, Sales Tax, wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year.
- b. As per the information and explanation given to us, there is no amount of Income tax/sales tax/ custom duty/ wealth tax/ excise duty/service tax/Cess which have not been deposited on account of any dispute.
- x. The Company does not have accumulated losses at the end of the year and has not incurred any cash losses during the current and the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- xii. According to the information and explanations, given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
- xiv. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the company has given corporate guarantee for loans taken by others from banks or financial institutions and In our opinion, the same are not prejudicial to the interest of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- xvii. According to the Cash Flow Statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. The Company has 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 and the price at which shares have been issued is not prejudicial to the interest of the Company.
- xix. The Company has not raised monies by public issue during the year.
- xx. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

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

**(S.C.Pathak)**

Partner  
Membership No. 10194

Place : Chandigarh

Date : 30.05.2012

# Balance Sheet

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	I	379,454,700	342,230,700
b) Reserves & Surplus	II	7,830,860,902	5,358,260,911
c) Money received against share warrants		27,121,875	100,237,500
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	III	7,110,429,310	5,994,007,061
(b) Deffered Tax Liabilities(Net)	IV	403,767,186	433,551,306
(c) Other Long term liabilities	V	234,443,285	170,599,528
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	VI	3,018,307,729	2,197,900,762
(b) Trade Payable		2,384,765,622	2,326,441,056
(c) Other current liabilities		488,768,744	164,216,225
(d) Short term Provisions		174,621,284	219,560,686
<b>Total</b>		<b>22,052,540,637</b>	<b>17,307,005,735</b>
<b>II. ASSETS</b>			
Non-Current Assets			
<b>(1) (a) Fixed Assets</b>			
	VII		
(i) Tangible Assets		9,020,332,743	5,506,208,378
(ii) Intangible Assets		1,366,920,760	1,508,335,638
(iii) Capital work in Progress		2,942,286,421	3,152,962,334
(iv) Assets held for disposal		22,336,162	22,336,162
<b>Total</b>		<b>13,351,876,086</b>	<b>10,189,842,513</b>
Accumulated depreciation		1,322,945,567	1,566,111,539
<b>Net Block</b>		<b>12,028,930,519</b>	<b>8,623,730,974</b>
(b) Non-Current investment	VIII	272,303,215	280,795,680
(c) Long-term loans & advances	IX	16,475,879	20,730,701
<b>(2) Current assets</b>			
(a) Current investment	X	21,000,000	301,000,000
(b) Inventories		4,938,092,073	3,655,471,484
(c) Trade receivables		2,818,028,155	2,870,545,127
(d) Cash and Cash equivalents		462,296,217	484,225,476
(e) Short-term loans and advances		1,495,414,579	1,070,506,293
<b>Total</b>		<b>22,052,540,637</b>	<b>17,307,005,735</b>

## Significant Accounting Policies

## XLVIX

As per our separate report of even date

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

S.R.Mehta  
Chairman

N.R. Munjal  
Vice-Chairman  
Cum Managing Director

Himanshu Jain  
Joint Managing Director

Dr. G.Munjal  
Director

Dr. V.R. Mehta  
Director

S.C. Pathak  
Partner  
Membership .No. 10194

Rishav Mehta  
Executive Director

K.M.S. Nambiar  
Director

Pradeep Kumar  
Director

Dr. H.P.S. Chawla  
Director

Date: 30.05.2012  
Place: Chandigarh

S.P. Sharma  
Director

Dr. N.P. Singh  
Director

N.K.Bansal  
Chief Financial Officer

Pardeep Verma  
GM-Corp. Affairs &  
Company Secretary

# Statement of Profit and Loss

(Amount in Rs.)			
Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
Revenue from Operation	XI	13,206,813,140	10,197,253,576
Other Income	XII	322,183,849	104,167,023
<b>Total -A</b>		<b>13,528,996,989</b>	<b>10,301,420,599</b>
<b>Expenses</b>			
Cost of Materials Consumed	XIII	7,204,944,024	4,338,524,314
Purchase of Stock In Trade		4,003,457,249	4,565,332,764
Change in Inventories of FG/WIP	XIV	(812,071,554)	(1,295,009,659)
Employee benefits expense	XV	271,546,428	199,935,012
Financial Cost	XVI	845,470,517	558,717,766
Depreciation & amortisation expenses	XVII	398,608,846	409,299,138
Other Expenses	XVIII	785,000,702	680,768,731
<b>Total-B</b>		<b>12,696,956,212</b>	<b>9,457,568,066</b>
<b>Profit before exceptional &amp; extraordinary items &amp; Tax (A-B)</b>		<b>832,040,777</b>	<b>843,852,533</b>
<b>Exceptional items</b>			
Previous Year Income		-	203,244
Previous Year Expenses		(2,087,007)	(3,478,180)
<b>Profit before extraordinary items and Tax</b>			
<b>Extra ordinary Items:</b>			
Reversal of Previous year Provision		-	30,677,024
<b>Profit before Tax</b>		<b>829,953,770</b>	<b>871,254,621</b>
<b>Tax Expenses:</b>			
Provision for Income Tax		174,621,284	179,653,506
Income Tax Adjustment of Previous Years		(4,663,283)	456,120
Mat Credit Entitlement		(174,621,284)	(179,653,506)
Deferred Tax Assets		(29,784,120)	(4,450,892)
<b>Profit (Loss) for the period from continuing Operation</b>		<b>864,401,173</b>	<b>876,161,633</b>
<b>Earning per equity share:</b>			
(1) Basic		24.10	29.76
(2) Diluted		23.25	27.57

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

# Cash Flow Statement

	Year ended 31.03.2012	(Rs. in Lacs) Year ended 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra-Ordinary Items	8299.54	8405.78
ADJUSTMENTS FOR:		
i) Depreciation	3986.09	3851.64
(ii) Impairment of fixed assets	0.00	241.35
(iii) Employee stock option expenses	0.00	21.59
(iv) Exchange (profit)/loss	(52.23)	(106.50)
(v) Reversal of previous year items	0.00	306.77
(vi) Interest on term loans	2754.53	2306.31
(vii) Interest received	(1273.36)	(615.25)
(viii) Provision for doubtful debts	225.18	60.10
(ix) Loss on sale of fixed assets	17.87	31.92
(x) Gain/ Loss on sale of investment	(2.34)	0
<b>Operating Profit Before Working Capital Charges</b>	<b>13955.26</b>	<b>14503.72</b>
<b>Adjustments For:</b>		
i) Trade & Other Receivables	352.22	(10788.89)
ii) Inventories	(12826.21)	(12830.49)
iii) Loan & advances	(4206.53)	(2649.70)
vi) Current Liabilities	6159.55	10368.13
vii) Working Capital Borrowing	5922.94	3910.48
v) Income taxes (Including Advance Tax/TDS)	(1715.37)	(1256.94)
	<b>(6313.40)</b>	<b>(13247.41)</b>
<b>Net Cash flow from operating Activities</b>	<b>7641.87</b>	<b>1256.31</b>

## Cash Flow Statement (Contd.)

	Year ended 31.03.2012	(Rs. in Lacs) Year ended 31.03.2011
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
i) Purchase of fixed Assets	(17918.48)	(18240.94)
ii) Sale of fixed assets	33.60	143.50
iii) (Purchase)/ Sale of Investments	2884.92	1028.60
iv) Product Technology Development Expenditure	(6643.35)	(6680.66)
v) Interest Received	1273.36	615.25
<b>Net Cash from investing activities</b>	<b>(20369.94)</b>	<b>(23134.25)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
i) Proceeds from Share Capital	372.24	637.07
ii) Advance From Share Capital	(731.16)	627.38
iii) Proceeds from Securities Premium	2575.31	3540.69
iv) Proceeds from Term Loans From Banks & Financial Institutions	36400.00	42748.94
v) Repayment of Term Loans to Banks & Financial Institutions	(22954.00)	(23572.94)
vi) Interest paid on Term Loans	(2754.53)	(2294.87)
vii) Equity Dividend Paid	(342.23)	(278.52)
viii) Equity Dividend Tax Paid	(56.84)	(47.34)
<b>Net Cash flow from Financing Activities</b>	<b>12508.79</b>	<b>21360.41</b>
Net increase in Cash or Cash Equivalents	(219.28)	(517.53)
Cash & Cash Equivalents as on 31.3.2011	4842.25	5359.80
Cash & Cash Equivalents as on 31.3.2012	4622.96	4842.25

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

### Auditors Certificate

We have verified the above Cash Flow Statement of Ind-Swift Laboratories Limited, derived from the audited financial statements for the year ended 31st March 2012 and found the same drawn in accordance therewith and also with the requirements of clause 32 of the Listing Agreement with the Stock Exchange.

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

**(S.C.Pathak)**  
Partner  
Membership No. 10194

Date : 30.05.2012  
Place : Chandigarh

# Notes Forming Part of Balance Sheet and Statement of Profit and Loss

PARTICULARS	(Amount in Rs.)	
	As at 31.03.2012	As at 31.03.2011
<b>Note No. I</b>		
<b>Share Capital</b>		
<b>a) Authorised</b>		
Balance as per Last Balance Sheet:	600,000,000	350,000,000
Addition during the year		
Nil (Previous Year 2,50,00,000) Equity share of Rs. 10/- Each		250,000,000
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of Rs.10/- Each	<b>600,000,000</b>	<b>600,000,000</b>
<b>b) Issued, Subscribed &amp; Paid Up</b>		
Balance as per Last Balance Sheet:	342,230,700	278,524,100
Addition during the year		
37,22,400 (63,70,660) Equity share of Rs. 10/- Each	37,224,000	63,706,600
3,79,45,470 (Previous Year 3,42,23,070) Equity Shares of Rs.10/-each fully called up and paid up.	<b>379,454,700</b>	<b>342,230,700</b>
<p>The Company has ESOP Scheme called "ESOP 2006". During the year, Company has granted no Stock Option to its employees (Previous Year 10,000). During the year, 2,22,400 options were exercised by the employees against which 2,22,400 equity shares of Rs.10/- each were allotted to the employees.</p> <p>Ind-Swift Limited, Essix Biosciences Limited and Growmore Business Developments Pvt. Ltd. holding more than 5 % shares in the company. The number of shares held by the companies are 94,99,720, 54,91,801 &amp; 20,15,000 respectively.</p>		
<b>Note No II</b>		
<b>Reserves &amp; Surplus</b>		
<b>(a) Capital Reserves :</b>		
State Subsidy on DG Set		
Opening Balance:-	1,796,998	1,918,370
Less:- Amortisation during the year	121,377	121,373
	1,675,621	1,796,998
Capital Redemption Reserve	2,000	2,000
Share Warrants Forfieted Account	6,323,113	6,323,113
Equity Share Forfieted Account (1,75,900 shares in the year 2002-03)	866,500	866,500
<b>(b) Securities Premium</b>		
Opening Balance	1,703,808,970	1,344,445,164
Additon during the year	257,530,800	359,363,806
	1,961,339,770	1,703,808,970
<b>(c) Revaluation Reserve</b>		
Opening balance	866,932,920	903,667,815
Addition during the year	1,433,037,216	-
Depreciation charges on revalued assets	82,247,825	36,734,895
	2,217,722,311	866,932,920
<b>(d) Employees Stock Option Outstanding</b>	3,887,670	3,887,670
<b>(e) General Reserve</b>		
As per Last Balance Sheet	343,704,653	299,896,571
Add: Transfer during the year		43,808,082

(Amount in Rs.)

PARTICULARS	As at 31.03.2012	As at 31.03.2011
(f) Profit & Loss Account		
As per Last Balance Sheet	2,430,938,091	1,638,491,716
Add: Transfer from Profit & Loss Account	864,401,173	876,161,633
Less: Appropriations		
Transferred to General Reserve		43,808,082
Proposed Dividend on equity share		34,223,070
Tax on dividend		5,684,110
	<b>7,830,860,902</b>	<b>5,358,260,911</b>

**Note No. III****(A) Long-Term Borrowings**

<b>Secured Loans</b>		
(a) Non Convertible Debentures	46,500,000	92,500,000
(b) Term Loans		
From Banks	6,020,712,114	5,305,019,787
From other parties	305,773,703	160,688,555
<b>UnSecured Loans:-</b>		
(i) Fixed Deposits	372,419,000	370,883,991
(ii) Term Loans & Advances		
From Others	115,024,493	63,259,452
From Banks	250,000,000	1,655,276
	<b>7,110,429,310</b>	<b>5,994,007,061</b>

a) The Company received Rs. 15.00 crore against 14% Non-convertible Debentures on 28.05.2009 which are redeemable in 13 quarterly installments with effect from February 2010. Balance outstanding as on 31.03.2012 is Rs. 4.65 Crore (Previous Year Rs. 9.25 Crore)

b) Maturity profile of term Loans:

Rate of Interest	(Rs. In Lacs)			
	2013-14	2014-15	2015-16	2016-17
5%	223.00	0.00	0.00	0.00
12%	500.00	500.00	500.00	500.00
13%	375.00	281.25	0.00	0.00
13.25%	250.00	62.50	0.00	0.00
13.75%	897.00	484.00	484.00	484.00
14%	2083.32	2083.32	958.32	958.32
14.25%	3079.17	1391.67	933.33	600.00
14.5%	1500.00	1125.00	0.00	0.00
14.75%	339.22	0.00	0.00	0.00
15%	500.00	125.00	0.00	0.00
15.25%	1248.00	1414.00	851.50	664.00
17.5%	500.00	500.00	358.86	0.00
18.5%	61.66	0.00	0.00	0.00
LIBOR+340BPS	1388.53	1388.53	1388.53	1388.53
LIBOR+450BPS	767.33	1790.48	3069.39	4604.08
LIBOR+475BPS		852.61	852.61	852.61

- 14% Non Convertible Debentures amounting to Rs. 4.65 Crores (P.Y. Rs.9.25 Crores) from Tata Capital Limited are secured by first ranking pari passu charge on the immovable properties admeasuring 68 bighas & 13 biswas situated at village Behra & village Bhagwanpura tehsil Rajpura, Distt. Patiala in the state of Punjab & land admeasuring 9435.56 square yards being Plot No E-5, Industrial Focal Point, Phase II, Mohali in the state of Punjab together with all buildings & structures, Plant & Machinery thereon personal guarantees of Mr. S.R. Mehta, Mr. N.R. Munjal.

2. i) Bank borrowings for working capital Rs. 228.54 crores (P.Y. Rs. 169.31 crores) 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 and 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 Mr. S.R.Mehta, Dr. V.R. Mehta, Mr. N.R. Munjal, Dr. G. Munjal, Mr. Himanshu Jain & Mr. Rishav Mehta.

ii) Term Loan Rs. 602.07 crores (P.Y. Rs. 530.51 crores) from State Bank of India, Central Bank of India, State Bank of Patiala, Bank of India, Catholic Syrian Bank, Export Import Bank of India, IDBI Bank, ICICI Bank Limited, State Bank of Indore, State Bank of Hyderabad, IFCI, State Bank of Travencore, Allahabad Bank, Bank of Baroda & DEG- Deutsche Investitions – Und Entwicklungsgesellschaft Mbh are secured by first pari passu charge by way of Joint Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at Derabassi Punjab & Plot No E-V, industrial Focal Point, Mohali and second charge by way of hypothecation of all its movable assets, including machinery, machinery spares, tools and accessories present and future, subject to the charges created / to be created, in favour of the company banker. These loans are further secured by the personal guarantee of Promoter Directors.

iii) Other Term loan & advances Rs.30.58 crores (P.Y. Rs.16.07 crores) includes Vehicle loans Rs 4.06 Crores(P.Y. Rs.2.18 crores) are secured against hypothecation of the vehicles under the hire purchase agreement & ICICI Home Loan Rs. 0.19 crores (P.Y. Rs.0.21crores) is in the name of Mr. N.R.Munjal, and is secured against the office premises in Mumbai & Term Loans from Technology Development Board Rs. 4.45 crores (P.Y. Rs.5.56 crores) is secured by way of charges on immovable fixed assets & personal guarantee of Shri N.R.Munjal & Term Loans from L&T Finance Rs. 21.87 Crores (P.Y. Rs.8.13 crores) secured by the personal guarantee of Promoter Directors.

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Note No. IV</b>		
<b>Deferred Tax:</b>		
The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2012 is as under:		
Deferred Tax Liabilities		
Timing Difference on account of :		
Depreciation	2,809,097,754	782,535,340
<b>Total</b>	<b>2,809,097,754</b>	<b>782,535,340</b>
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts/Gratuity/Bonus/Impairment	13,757,034	62,473,693
Carried Forward Losses as per Income Tax Act	1,528,356,611	286,510,341
<b>Total</b>	<b>1,542,113,645</b>	<b>348,984,034</b>
Deferred Tax Liabilities net	403,767,186	433,551,306
Deferred Tax Liabilities (Assets) Charged to P&L A/c	(29,784,120)	(4,450,694)
<b>Note No. V</b>		
<b>Other Long term liabilities</b>		
(a) Trade Payable	234,443,285	170,599,528
	<b>234,443,285</b>	<b>170,599,528</b>
<b>Note No -VI</b>		
<b>Current Liabilities</b>		
<b>(a) Short term Borrowings</b>		
<b>Secured</b>		
(i) Borrowings for working capital.	2,285,427,511	1,693,133,224
<b>Unsecured</b>		
(ii) Fixed Deposits	506,379,000	211,439,935
(iii) ICD	226,501,218	293,327,603
<b>Total</b>	<b>3,018,307,729</b>	<b>2,197,900,762</b>

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>(b) Trade Payable:</b>		
(i) Total outstanding dues to small scale Industrial undertakings	4,954,042	1,907,452
(ii) Outstanding dues of Creditors other than small scale industrial undertakings	2,379,811,580	2,324,533,604
<b>Total</b>	<b>2,384,765,622</b>	<b>2,326,441,056</b>
<b>(c) Other Current Liabilities:</b>		
(i) Advances from Customers	179,599,516	27,166,959
(ii) Advance from Related Party	43,376,324	(9,132,834)
(iii) Statutory Liabilities	54,129,153	14,634,577
(iv) Expenses Payable	82,393,868	77,690,368
(v) Interest accrued but not Due on term loan	129,269,884	53,857,155
<b>Total</b>	<b>488,768,745</b>	<b>164,216,225</b>
i) Statutory Liabilities include TDS payable,GTA payable ,ESI Payable,PF payable,Excise duty payable		
ii) Expenses payable include Salary ,wages, Bonus,EL, Audit Fees,electricity Exp payable		
<b>d) Short Term Provisions :</b>		
(i) Income Tax	174,621,284	179,653,506
(ii) Equity Share Dividend	-	34,223,070
(iii) Tax on proposed Equity Share Dividend	-	5,684,110
<b>Total</b>	<b>174,621,284</b>	<b>219,560,686</b>

**Fixed Assets****Note No. VII**

Particulars	Gross Block					Depreciation / Amortisation				Net Block	
	As On 01.04.2011	Addition	Revaluation Assets	Sale/ Transfer	As On 31.03.2012	As On 01.04.2011	During The Period	Written Back	As On 31.03.2012	As On 31.03.2012	As On 31.03.2011
<b>Tangible Assets</b>											
Land Free Hold	442,605,888	13,000	373,692,530	2,624,100	813,687,318	-	-	-	-	813,687,318	442,605,888
Land Lease Hold	17,189,390	-	-	-	17,189,390	977,142	182,862	-	1,160,004	16,029,386	16,212,248
Factory Buildings	742,312,525	398,942,920	-	-	1,141,255,445	98,386,588	25,200,035	-	123,586,623	1,017,668,822	643,925,937
Office Buildings	60,455,449	43,378,502	-	-	1,038,339,51	4,679,554	1,175,677	-	5,855,231	97,978,721	55,775,895
Flats	145,810,070	-	-	-	145,810,070	2,383,216	2,463,513	-	4,846,729	140,963,341	143,426,854
R&D Buildings	145,588,240	-	-	-	145,588,240	21,294,720	4,862,647	-	26,157,367	119,430,873	124,293,520
Building - Pilot Plant	17,021,567	-	-	-	17,021,567	3,137,724	568,520	-	3,706,244	13,315,323	13,883,843
Plant&Machinery	2,915,326,027	1,478,852,969	968,762,208	658,678	5,362,282,526	600,692,581	198,043,765	-	798,736,346	4,563,546,180	2,314,633,446
R&D Machinery	434,942,917	22,527,991	90,582,478	-	5,480,533,86	104,802,774	27,309,155	-	132,111,929	415,941,457	330,140,143
Plant & Machinery - Pilot Plant	39,233,698	-	-	-	39,233,698	11,380,044	2,071,539	-	13,451,583	25,782,115	27,853,654
Electric Instalations	328,128,677	81,445,663	-	-	409,574,340	71,316,491	15,699,351	-	87,015,841	322,558,499	256,812,187
Electric Installations - Pilot Plant	3,439,389	-	-	-	3,439,389	895,896	163,371	-	1,059,267	2,380,122	2,543,493
Furniture & Fixtures	33,995,265	7,863,487	-	-	41,858,752	11,500,309	2,451,866	-	13,952,176	27,906,576	22,494,956
Office Equipments	83,768,688	31,325,965	-	2,401	1,150,922,52	58,240,728	9,767,478	-	68,008,206	47,084,046	25,527,960
Vehicles	96,390,588	20,755,620	-	733,790	1,164,124,18	33,330,905	10,163,229	196,115	43,298,019	73,114,399	63,059,683
<b>Total (A)</b>	<b>5,506,208,378</b>	<b>2,085,106,117</b>	<b>1,433,037,216</b>	<b>4,018,969</b>	<b>9,020,332,743</b>	<b>1,023,018,672</b>	<b>300,123,009</b>	<b>196,115</b>	<b>1,322,945,566</b>	<b>7,697,387,176</b>	<b>4,483,189,706</b>
<b>Intangible Assets</b>											
R&D Technology*	1,508,335,638	582,411,650	-	723,826,528	1,366,920,760	543,092,867	180,733,661	723,826,528	0	1,366,920,760	965,242,771
<b>Total (B)</b>	<b>1,508,335,638</b>	<b>582,411,650</b>	<b>-</b>	<b>723,826,528</b>	<b>1,366,920,760</b>	<b>543,092,867</b>	<b>180,733,661</b>	<b>723,826,528</b>	<b>0</b>	<b>1,366,920,760</b>	<b>965,242,771</b>
<b>Total (A+B)</b>	<b>7,014,544,017</b>	<b>2,667,517,767</b>	<b>1,433,037,216</b>	<b>727,845,497</b>	<b>10,387,253,503</b>	<b>1,566,111,539</b>	<b>480,856,671</b>	<b>724,022,643</b>	<b>1,322,945,567</b>	<b>9,064,307,936</b>	<b>5,448,432,478</b>
Previous Year	5,918,859,859	1,122,426,242	-	56,742,087	7,014,544,014	1,161,351,530	421,898,846	17,138,838	1,566,111,543	5,448,432,477	4,787,508,330

- Company has revalued its assets comprising of Land, Plant & Machinery of Derabassi Unit by the approved External Valuer to reflect the market value and accordingly the appreciation amounting to Rs.10138.73 Lacs & Rs. 14330.37 lacs respectively have been credited to Capital Reserve Account (Re-valuation Reserve A/c) as on 31.03.2007 & 08.06.2011. Depreciation amounting to Rs. 367.35 Lac (Rs 367.35 Lac) & 455.13 Lacs (Nil) has been provided during the year & the same is reduced from Revaluation Reserve.
- Office Buildings includes Mumbai Office Buildings Rs. 700.20 Lacs (Previous Year Rs. 266.42 Lacs) Lac purchased in Mumbai in the name of the Managing Director of the Company out of which one building amounting to Rs. 41.46 Lacs is mortgaged with ICICI Bank. The Company has entered into an "agreement to sell" and has taken GPA from the Managing Director. The property is yet to be registered in the name of Company.
- Freehold land includes Rs.13.79 crores and Flats Rs. 14.58 Crore for which agreement to sell and GPA in favour of the company has been executed and the same have been put to use. The Freehold Land & Flats are yet to be registered /transferred in the name of the Company.

\*Figures has been shown as net figures instead of previously disclosed as gross figures.

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Note No. VIII</b>		
<b>Non-Current Assets</b>		
<b>a) Non-Current investment: ( Unquoted Investments )</b>		
Subsidiary:		
i) Investment in Ind Swift Laboratories Inc, USA		
Common Stock(1500 Share)	4,500,000	4,500,000
Share Application Money	49,953,839	49,953,839
ii) Investment in Meteoric Life Science Pte. Ltd. Singapore		
Share Application Money	46,893,523	46,893,523
1000,000 Ordinary Share		
iii) Investment in Ind Swift Middle East FZE,UAE		
Share Application Money	1,123,835	776,050
Associates:		
iv) Investment in Fortune Constructions (India) Pvt Ltd		
48,20,000 Equity Share of Rs.10/- each fully paid up.	48,200,000	48,200,000
v) Investment in Essix Biosciences Limited		
12,35,000 Equity Share of Rs.10/- each fully paid up.)	76,750,000	76,750,000
Joint Venture		
vi) Investment in Farayand Chemi Hakim Company Ltd (Iran)		
Common Stock	2,717,000	2,717,000
Share Application Money	30,258,768	38,630,268
Others:		
vii) Units of Principle Global Opportunities Fund		
33901.90 Units of EBRD-Principal Emerging Bluechip-Dividend Plan	500,000	500,000
viii) Investment in Vardhman Chemtech Pvt Limited		
10,00,000 Equity Share of Rs. 10/- each fully paid up.	10,000,000	10,000,000
ix) Investment in Nimbua Green Field (Punjab) Ltd		
140625 Equity Share of Rs. 10/- each fully paid	1,406,250	1,875,000
<b>Total</b>	<b>272,303,215</b>	<b>280,795,680</b>
<b>Note No-IX</b>		
<b>Long Term Loans &amp; Advances</b>		
(a) Security Deposits	16,475,879	20,730,701
<b>Total</b>	<b>16,475,879</b>	<b>20,730,701</b>
<b>Note No-X</b>		
<b>Current Assets</b>		
<b>a) Current investment</b>		
(i) Investment in SBI Mutual Fund	21,000,000	301,000,000
97943.19 Units ( N.A.V. of Rs. 8.43 ) of 192D-SBI PSU Fund Dividend		
11746.0165 Units ( N.A.V. of Rs. 1703.69 ) 72G-SBI Premier Liquid Fund - Institutional -Growth		
<b>b) Inventories</b>		
(As per inventories taken, valued & certified by the Management)		
Raw Materials	1,123,050,814	700,046,091
Work-in-Process	2,773,391,478	2,326,269,314
Finished Goods*	753,801,620	323,712,453
Goods-in-Transit	48,335,182	17,100,224
Stock-in-Trade ( Goods acquired for trading )	190,741,549	255,881,326
Stores & Consumables	48,771,430	32,462,076
<b>Total</b>	<b>4,938,092,073</b>	<b>3,655,471,484</b>

\*Finished Goods includes Goods under consignment, Goods lying at port

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
c) Trade Receivables (Unsecured & Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	23,745,829	23,111,387
- Considered doubtful	42,848,318	20,330,801
Other Debts	2,794,282,326	2,847,433,740
	2,860,876,474	2,890,875,928
Less: Provision for Doubtful Debts	42,848,318	20,330,801
<b>Total</b>	<b>2,818,028,155</b>	<b>2,870,545,127</b>
(d) Cash and Cash equivalents		
Cash balance in hand	9,565,201	10,482,062
Bank balances with Scheduled Banks :		
Fixed Deposits to the extent held as margin Money	291,610,025	278,677,583
Fixed Deposits(Others)	41,934,781	44,607,036
Interest accrued but not due on Fixed Deposits	23,847,022	3,507,684
Current Accounts	95,339,188	146,951,112
<b>Total</b>	<b>462,296,217</b>	<b>484,225,476</b>
(e) Short-term loans and advances		
(a) Loans and advances (Unsecured)	476,500,821	191,408,640
(b) Others		
- Mat Credit entitlement	630,458,845	455,837,557
- Cenvat/Vat Recoverable	252,689,391	259,818,910
- Advance Custom Duty Paid /DEPB	19,533,726	13,183,025
- Advance Tax/TDS	66,674,337	50,353,079
- Prepaid Expenses	3,830,499	3,628,717
- Advances recoverable in cash or in kind or value to be received	45,726,961	96,276,365
<b>Total</b>	<b>1,495,414,579</b>	<b>1,070,506,293</b>
Loan and advances Include Rs. 792.05 (Previous Year Nil) Lacs Given to Related Party		
<b>Note No -XI</b>		
<b>Revenue from operation</b>		
Sale of Products		
- Domestic	7,382,617,357	6,101,842,305
- Exports	5,873,195,054	4,145,369,998
Sale of Services		
- Domestic	100,000,000	10,000,000
- Exports	14,282,072	17,693,500
Income(Loss) from Commodity exchange	-	19,845,742
Less:		
Excise Duty	163,281,343	97,497,969
<b>Total</b>	<b>13,206,813,140</b>	<b>10,197,253,576</b>
The company is dealing in the manufacturing and sales of various products and it is not possible to disclose separately each product as per schedule VI.		
<b>Note No-XII</b>		
<b>Other Income</b>		
Interest Income	127,336,088	61,524,718
Gain & Loss on sale of Investment	234,375	-
Misc Income	145,041,000	-
Export Incentive	38,572,000	28,444,000
Other Non operating Income	11,000,386	14,198,305
<b>Total</b>	<b>322,183,849</b>	<b>104,167,023</b>

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Note No-XIII</b>		
<b>Expenses</b>		
<b>Cost of material consumed/sold</b>		
Opening Stock	700,046,090	733,148,689
Purchases	7,676,283,930	4,305,421,716
	8,376,330,020	5,038,570,405
Less : Closing Stock	1,171,385,996	700,046,091
<b>Total (A)</b>	<b>7,204,944,024</b>	<b>4,338,524,314</b>
<b>Note No-XIV</b>		
<b>Increase /Decrease In Inventory</b>		
Opening Stock		
Work in Process	2,326,269,314	1,307,471,503
Finished Goods	579,593,779	303,381,931
	<b>2,905,863,093</b>	<b>1,610,853,434</b>
Closing Stock		
Work-in-Process	2,773,391,478	2,326,269,314
Finished Goods/Stock-in-Trade	944,543,169	579,593,779
	3,717,934,647	2,905,863,093
<b>Total (B)</b>	<b>812,071,554</b>	<b>1,295,009,659</b>
<b>Total (A-B)</b>	<b>6,392,872,470</b>	<b>3,043,514,655</b>
<b>Note No-XV</b>		
<b>Employee Benefits Expenses</b>		
Salary & Allowance	98,150,152	39,033,768
Salary & Wages	148,435,365	135,961,141
P.F. & Other Funds	13,244,610	11,670,124
ESOP	-	2,158,946
Staff Welfare Expenses	7,907,499	5,749,087
Recruitment Expenses	2,449,571	1,926,496
Gratuity Premium	1,202,562	3,127,693
Training & Development Expenses	156,669	307,757
<b>Total</b>	<b>271,546,428</b>	<b>199,935,012</b>
<b>Note No.-XVI</b>		
<b>Finance Cost</b>		
Interest on Term Loans	275,452,825	230,631,213
Interest on Working Capital	219,965,667	100,739,755
Bank Charges & Others	345,281,720	230,679,082
Commission & Brokerage	9,993,750	7,317,976
Forex Fluctuations-Expenses (Income)	(5,223,446)	(10,650,260)
<b>Total</b>	<b>845,470,517</b>	<b>558,717,766</b>
<b>Note No -XVII</b>		
<b>Depreciation &amp; Amortisation Expenses</b>		
Depreciation	398,608,846	385,163,947
Impairment of Assets	-	24,135,191
<b>TOTAL</b>	<b>398,608,846</b>	<b>409,299,138</b>

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Note No -XVIII</b>		
<b>Other Expenses</b>		
Manufacturing Expenses		
Job Work Charges	112,439,030	64,935,712
Power, Fuel & Water Charges	118,597,809	160,142,594
Stores & Spares	54,687,919	37,931,410
<b>Repair &amp; Maint. :</b>		
Plant & Machinery	9,849,500	11,827,383
Buildings	3,036,230	5,286,638
Electrical	1,162,435	4,210,805
Loss on Insurance Claim	-	3,914,670
Excise Duty on Closing Finished Goods	25,039,495	632,366
Other Manufacturing Expenses	416,495	173,572
<b>Total</b>	<b>325,228,913</b>	<b>289,055,150</b>
<b>Administrative &amp; Other Expenses</b>		
Directors Remuneration		
Salary & Allowances	37,920,000	33,435,120
Contribution to P.F.	28,080	25,740
Travelling & Conveyance	18,139,517	17,320,879
Auditors Remuneration		
Audit Fees	600,000	500,000
Certification Fees	375,000	350,000
Out of Pocket Exp.	102,233	53,403
Taxation Matters	-	112,000
Office Rent	6,735,291	6,684,906
Rate fee & Taxes	5,785,613	5,830,991
Insurance Charges	10,736,421	11,431,077
Legal & Professional Charges	13,666,752	10,931,224
Printing & Stationary	6,667,780	6,458,289
Vehicle Running & Maint.	15,214,651	14,486,482
Telephone & Postage	10,936,029	11,076,237
Office Expenses	5,113,672	4,528,820
Charity & Donation	109,928	583,765
Listing Fees	568,066	395,167
Books & Periodicals	173,042	125,439
Meeting, Membership & Subscription Fees	1,040,008	1,792,747
Security Expenses	5,438,400	3,749,637
Repair & Maintenance-General	17,317,781	8,700,596
Other Expenses	6,231,117	6,441,927
<b>Total</b>	<b>162,899,381</b>	<b>145,014,446</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement & Publicity	1,284,865	1,004,501
Business Promotion	1,204,942	3,320,339
Commission on Sales	118,805,498	99,779,830
Packing Material	18,032,192	17,718,124
Rebate & Discount	1,075,504	791,340
Freight Outward	52,254,461	51,783,403
Insurance Charges	2,428,301	2,340,371
ECGC Premium	3,720,407	2,506,315
Other Expenses	6,445,814	1,411,915
<b>Total</b>	<b>205,251,983</b>	<b>180,656,138</b>

(Amount in Rs.)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Research &amp; Development Expenses</b>		
Salary & Wages (R&D)	39,017,840	32,692,302
Administration Expenses	58,248	69,943
Consumables , Chemicals & Regents	26,802,032	20,765,903
Repair & Maintenace - Machinery	61,100	1,626,698
Technical Study & Consultancy & Product registration	1,376,536	1,685,695
<b>Total</b>	<b>67,315,756</b>	<b>56,840,541</b>
Loss on Sale of Fixed Assets	1,787,152	3,192,373
Provision for Doubtful Debts	22,517,517	6,010,083
<b>Total</b>	<b>24,304,669</b>	<b>9,202,456</b>

**Note No. XIX**

Contingent liabilities not provided for:	2011-12	2010-11
		(Rs.in lacs)
a. Letter of Credit against purchase of raw material	22382	10528.58
b. Bank Guarantees	47.11	5814.58
b. Export obligation in respect of cutom duty	279.27	177.18
c. Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained	Unascertained
d. Corporate guarantees given on behalf of (To the extent Utilized)		
Essix Biosciences Ltd	4538.86	3117.55
Halcyon Life Science Pvt Ltd	7246.16	4504.36

**Note No. XX**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs.7650.69 lacs  
(Previous year Rs. 5002.32 Lacs)

**Note No. XXI**

In the opinion of the Board, the Current Assets, Loans & Advances shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

**Note No XXII**

Other expenses under head administrative expenses includes Rs. 82,000 (Previous Year Rs.81000) paid to directors as sitting fee.

**Note No. XXIII**

In accordance with Accounting Standard 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company has compiled the following information :

**a. List of related parties and their relationship**

<b>Associates</b>	Ind Swift Limited Essix Biosciences Limited Halcyon Life Sciences Pvt Ltd. Fortune (India) Constructions Ltd. Mansa Print & Publishers Limited Swift Fundamental Research & Education Society 3M Advertisers & Publishers Ltd. Punjab Renewable Energy Pvt Ltd. AKJ Portfolios Pvt. Ltd. NRM Portfolios Pvt. Ltd GM Portfolios Pvt. Ltd. VRM Portfolios Pvt Ltd. VKM Portfolios Ltd. SRM Portfolios Pvt Ltd.
<b>Key Management personnel-Directors</b>	Mr. N.R.Munjal Mr.Himanshu Jain Mr. Rishav Mehta
<b>Subsidiary</b>	Ind Swift Laboratories Inc. USA Meteoric Life Sciences Pte Ltd. Ind-Swift Middle East FZE (UAE)
<b>Joint Venture</b>	Hackim Farayand Chemi Co.(Iran)

**b. Related Party Transactions**

Nature of Transactions	Associates		Subsidiary	
	2011-12	2010-11	2011-12	2010-11
<b>1) Transactions during the year</b>				
Purchase	43514.38	28888.93	0.00	83.63
Capital Assets Purchase	0.00	0.00	0.00	284.21
Sales	19628.65	4647.81	1541.80	4240.98
Interest Receivable	870.66	209.66		0.00
Interest Payable	325.96	0.50		0.00
Service Taken	1767.82	441.33		0.00
Expenses	823.67	16.47	0.00	0.00
Corporate Gurantee Given (To the extent utilised )	11785.02	11787.91		
<b>2) Outstanding</b>				
Balances as on 31.03.12				
Share Capital	14991.52	8213.90		
Advance Recd ag. Share Capital	271.22	1002.38		
Investment Made	1249.50	1249.50	1354.47	1434.98
Loans & Advances given	792.05	0.00		
Loans & Advances taken	3.38	3.38		
Capital Advances	9404.55	8658.36		
Debtors	0.00	0.00	378.52	1005.19
Creditors	2186.82	4143.04	460.76	6.08

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Note No XXIV</b>		
<b>Earning per share is calculated as shown below:</b>		
Profit available for Equity Shareholders	864,401,173	876,161,634
For Basic Earning		
No of weighted average equity shares	35,870,531	29,445,798
For Diluted Earning		
Equity Share Warrants 13,15,000 (Previous Year 48,15,000) pending for conversion	1,315,000	2,334,945
<b>No of weighted average of Diluted Equity Shares</b>	<b>37,185,531</b>	<b>31,780,744</b>
Nomial Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
<b>Basic</b>	<b>24.10</b>	<b>29.76</b>
<b>Diluted</b>	<b>23.25</b>	<b>27.57</b>

**Note No. XXV**

Total amount of secured Term Loans installments payable during twelve months following 31.03.2012 are Rs. 15899.43 Lacs ( Previous year Rs. 12912.55 Lacs)

**Note No. XXVI**

The balance in the parties accounts whether in debit or credit are subject to confirmation, reconciliation and adjustment. The impact of the same

**Note No. XXVII**

As per best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 as notified by Companies(Accounting Standards)Rules 2006, in respect of any present obligationas as a result of a past event that could lead to a probable outflow of resources,which would be required to settle the obligation.

**Note No. XXVIII****Segment Reporting**

The Company operates only in one business segment viz. Bulk Drugs & Pharmaceuticals. However the figures in Segment Reporting is based on geographical location of its customers.

	(Amount in Lacs)		
	In India	Outside India	Total
Revenue	73193 (60143)	58875 (41631)	132068 (101774)
Results	11925 (6890)	10794 (12541)	22719 (19431)
Less : Financial Expenses			8455 (5694)
Less : Unallocated Expenses			9186 (6276)
Add : Operating Income			3222 (1042)
Add : Extra Ordinary Item			0 (274)
Less : Income Tax Provision			1700 (1792)
Add : Mat Credit entitlement			1746 (1797)
Add : Deferred Tax			298 (45)
Profit after Tax			8644 (8946)
<b>Other Information</b>			
Segment Assets	16892 (18789)	11288 (10008)	28180 (28797)
Unallocated Assets			192345 (144365)
Total Assets			220525 (173161)
Segment Liabilities	14718 (14844)	11474 (11860)	26192 (26704)
Unallocated Liabilities			194333 (88450)
Total Liabilities			220525 (82533)
Capital Expenditure			120289 (65363)
Depreciation			3986 (3852)
Non Cash Expenses Other Than Depreciation			225 (301)

Notes :

**1. Geographical Segments**

The segment reporting is performed on the basis of the geographical location of customers. The management views the Indian market and export markets as distinct geographical segments.

**2. Segment assets & liabilities**

Segment assets consists of debtors & the segment liabilities consists of creditors and accrued liabilities.

**3. The figures in brackets are in respect of previous year.**

#### Note No. XXIX

The outstanding dues of small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the company. The parties to whom the Company owes sum outstanding for more than 30 days as at the balance sheet date are: (1) Euro Containers (2) Ammonia Supply Co. (3) Time Technoplast Ltd. (4) Delta Finochem Pvt Ltd.

#### Note No. XXX

Company has not received intimation from supplier regarding the status under Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act have not been given.

#### Note No. XXXI

Obligations/Entitlements on account of advance license not recognised at the time of export during the year amounts to Rs.1168.76 Lac (Previous year Rs.741.49 Lac). The above treatment has no impact on the profit & loss account.

#### Note No. XXXII

During the year, Company has made following allotments:

Date of Allotment	Stock Options/Zero Coupon Optionally Convertible Warrants	Equity Share Issued
25-May-11	2,22,400	2,22,400
31-Aug-11	19,39,000	19,39,000
16-Jan-12	15,61,000	15,61,000

The proceeds of allotments was fully utilised towards the expenditure/projects/investments/product development undertaken by the company.

#### Note No. XXXIII

Capital Work in Progress includes:

- Capital advances Rs. 11414.18 Lacs (Previous Year Rs. 11303.08 Lacs).
- Expenses pending capitalisation Rs. 2579.11 Lacs (Previous Year Rs. 1848.21 lacs).

Description	Opening Balance	Additions	Capitalised	Closing Balance
Interest Cost Fixed Assets	1301.05	6838.62	5580.86	2558.81
Upfront/Processing Fees	162.29	150.99	308.74	4.53
Salary & Wages	288.37	392.57	668.56	12.38
Legal & Professional	63.94	1.60	63.94	1.60
Electricity Charges	32.56	59.34	90.12	1.78
<b>Total</b>	<b>1848.21</b>	<b>7443.12</b>	<b>6712.22</b>	<b>2579.11</b>
Previous Year	1426.64	2434.88	2013.31	1848.21

#### Note No. XXXIV

The company entered into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

#### Note No. XXXV

In compliance with AS-15, during the year, company has provided Rs. 12.03 Lacs (Rs. 31.28) as provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

#### Note No. XXXVI

During the year, the Company has incurred foreign currency revenue expenditure of RMB 330329.42 on its China Office and GBP 154088.27 on its U.K office Operation. Such Foreign Currency Expenditure has been translated in Indian Currency @ One RMB equivalent to Rs.6.50. and One GBP equivalent to Rs. 76.40 at the year end on the basis of average exchange rate during the year computed as per cross currency reference rates published by RBI.

#### Note No. XXXVII

Capital Reserve includes Rs. 16.76 Lacs being Subsidy for DG Set which is net of Rs. 1.21 Lacs amortised and treated as income during the year.

**Note No. XXXVIII**

Detail of Auditor's Remuneration(i.e payment to Auditors)

Particulars	F.Y. 2011-12	F.Y. 2010-11
Audit Fees	6,00,000	5,00,000
Taxation Matters	0	1,12,000
Certification Fees	3,75,000	3,50,000
	<b>9,75,000</b>	<b>9,62,000</b>

**Note No. XXXIX**

Loans & Advances include Rs. 14.86 lacs (Previous Year 4.66 lacs) due from Company Secretary. Maximum amount due during the year is Rs. 14.87 Lacs (Previous Year 4.66 Lacs)

**Note No. XL**

(a) The company has not provided quantitative information under clause 2(5) in view of the exemption granted by central Government vide their notification no. 301 dated 08.02.2011.

	2011-12	2010-11
(b) C.I.F. Value of Imports :-(amount in Rs)		
(i) For Raw Material	4,460,029,839	1,238,084,944
(ii) For Capital Goods	NIL	84,844,394
(c) Expenditure in Foreign Currency :(amount in Rs.)		
Interest	61,309,177	4,954,802
Others	131,765,923	119,077,663
<b>Total</b>	<b>193,075,100</b>	<b>124,032,465</b>
(d) Earnings in Foreign Currency (Amount in Rs.)		
FOB Value of Goods	5,799,980,166	3,994,680,111

**Note No. XLI**

Miscellaneous Income of Rs. 145041000 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.

**Note No. XLII**

Unpaid dividend as on 31.03.2012 is Rs. 31.57 lacs ( Previous year Rs. 32 lacs ). An unclaimed dividend ( 2003-04 ) of Rs. 3.39 lacs has been transferred to Investor Education Protection Fund during the year.

**Note No. XLIII**

Unpaid Matured Deposits and Interest outstanding as on 31.03.2012 is Rs. 223.06 lacs ( Previous Year Rs. 223.45 lacs ).

**Note No. XLIV**

Capital WIP includes expenses incurred on " Product Technology Development Expenditure " amounting to Rs. 13213.94 Lacs ( Previous Year 15463.04 Lacs).

**Note No. XLV**

During the current year a major fire occurred on the premises of M/s Dashmesh Medicare Pvt. Ltd. on 30th April, 2012. The ISLL is getting Job work/ Loan licence for one of its main product from Dashmesh Medicare Pvt. Ltd. on continuous basis. The impact of the loss due to material lying with them as on 31.03.2012 could not be quantified as the site has not been released to M/s Dashmesh Medicare Pvt. Ltd. By Punjab Administration Control.

(Rs. in Lacs)

Particulars	As At 31.03.2012	As At 31.03.2011
<b>Note No. XLVI</b>		
Expenditure on Research & Development		
a) Addition in Fixed Assets -DB Unit (Tangible)	163.52	2.80
b) Addition in Fixed Assets -DB Unit (Intangible)	3960.15	0.00
c) Addition in Fixed Assets - Mohali Unit	64.15	113.84
d) Revenue Exp -Derabassi Unit	5162.49	5394.61
e) Revenue R&D Expenditure-Mohali Unit	1480.86	1286.05
f) Debited to Profit & Loss Account as per Annexure XIV(DB Unit)	673.16	568.41
g) Depreciation	2130.69	2369.31
The Depreciation related to research & development is clubbed under respective head in profit & loss account.		

**NOTE NO. XLVII**

R&D of Product Development and process forming part of the Capital Work in Progress consists of following Expenditure.

Description	Op. Bal During The Year	Additions Internally Developed	Trf R&D Technology	Closing Balance
Raw Material ,Consumables, Lab Chemicals & Regents	9001.62	4958.06	4079.91	9879.77
Salary & Wages	1490.24	588.83	888.37	1190.70
Utility & Running/Maint. Expenses	199.01	479.58	183.02	495.57
Analytical Fees & Study	11.37	1.87	6.11	7.13
Finance & Interest Charges	1059.39	488.05	497.68	1049.76
Patent Filing	58.49	23.89	37.35	45.03
Administrative Expenses	220.17	103.07	131.68	191.56
<b>Total</b>	<b>12040.29</b>	<b>6643.35</b>	<b>5824.12</b>	<b>12859.52</b>
<b>Previous Year</b>	<b>7969.31</b>	<b>6680.66</b>	<b>2609.69</b>	<b>12040.28</b>

The expenditure incurred has been capitalised and carried in Capital Work in Process .The Management beleive that it is in the nature of development expenditure and meets the capitalisation criteria set out in AS-26 on Intangible Assets issued by ICAI.

The management believes that these products would be commercially viable & there is no reason to believe that there is any uncertainty that may lead to not securing registration for the products from regulating authorities in US and/or Europe.

**Note No. XLVIII**

Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

**Significant Accounting Policies & Notes On Accounts****A. SIGNIFICANT ACCOUNTING POLICIES****1 SYSTEM OF ACCOUNTING**

The financial statements of the company have been prepared to comply with all material aspects of the applicable Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and on the basis of going concern.

**2 FIXED ASSETS & DEPRECIATION****a COST OF FIXED ASSETS**

All Fixed Assets are valued at cost/revalued cost net of cenvat credit wherever eligible. Cost includes all expenses and borrowing cost attributable to the project till the date of commercial production / put to use.

**b DEPRECIATION /AMORTISATION**

Depreciation is provided on straight line method at the rates specified in schedule XIV of the Companies Act 1956 on pro rata basis and the assets having the value upto Rs. 5000 have been depreciated at the rate of 100%. Lease hold Land is amortised over the period of lease. The policy of company is to provide depreciation on the Buildings , Plant & Machinery and Other Fixed assests from the date of commercial production/ put to use.

**c INTANGIBLE ASSETS (OTHER ASSETS)**

Cost of product development for which the company becomes entitled to a Patent or DMF filed with regulatory authorities is recognised as other assets. The policy of company is to amortise such assets acquired upto 31-03-2008 on straight-line basis in five subsequent years and those acquired after 31.3.2008 and onwards in eight subsequent years from the year in which these are acquired.

**3 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition,construction of qualifying assets have been capitalised as part of cost of assets. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

**4 INVENTORIES**

Inventories are valued as under :

Stores & Spares are valued at cost.

Raw Materials are valued at cost on FIFO basis.

Work-in-Process is valued at estimated cost basis or net realisable value whichever is less.

Finished Goods are valued at cost or net realisable value whichever is less and is inclusive of excise duty and all expenditure directly attributable to production.

**5 RECOGNITION OF INCOME AND EXPENDITURE**

Sales are recognised when goods are supplied and are recorded net of rebates and sales tax but inclusive of excise duty. Expenses are accounted for on accrual basis.

**6 FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. The gain or loss arising from forward transactions have been stated on prorata basis over the terms of the contract. Foreign currency denominated current assests & current liabilities are translated at year end exchange rates. The resulting gain or loss is recognised in the Profit& Loss Account.

In translating the financial statement of representative foreign offices for incorporation in main financial statements, the monetary assets and liabilities are translated at the closing rates non monetary assets and liabilities are translated at exchange rates prevailing at the dates of the transactions and income and expenses items are converted at the yearly average rate.

**7 COMMODITY EXCHANGE TRANSACTIONS**

Commodity Exchange Transaction are recorded at the commodity exchange rate prevailing on the transaction date. Contracts remaining outstanding at the year end have been recorded as per year end rate and resultant profit and loss arising from outstanding contracts are recognised accordingly in the profit and loss account.

## 8 RETIREMENT BENEFITS

The retirement benefits of the employees include Gratuity ,Provident Fund & Leave Encashment . The gratuity is funded through the Group Gratuity Policy with Life Insurance Corporation of India and the contribution to the fund is based on actuarial valuation carried out yearly as at 31st March. Contribution to the provident fund is provided on accrual basis. The leave encashment is provided on the basis of employees entitlement in accordance with company's rules.

## 9 EMPLOYEES STOCK OPTION SCHEME

The accounting value of stock options representing the excess of the market price on the date of grant over the exercise price of the shares granted under "Employees Stock Option Scheme" of the Company, is amortised as "Deferred Employees Compensation" on a straight-line basis over the vesting period in accordance with the SEBI [Employee Stock Option Scheme and Employee Stock Purchase Scheme] Guidelines, 1999 and Guidance Note 18 " on Share Based Payments" issued by the ICAI.

## 10 CURRENT & DEFERRED TAX

The provision for current tax is made at the actual rate applicable for the income of the year as given under the Income Tax Act, 1961. However deferred tax is made at the rate applicable to the subsequent financial year.

MAT Credit Entitlement is shown under the Current Assets in the Balance Sheet . The same will be charged to profit & loss account in coming years as per the provisions of Section 115JB of Income Tax Act, 1961.

## 11 CONTINGENT LIABILITIES

The company has made the provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Contingent Liabilities, barring frivolous claims , are disclosed and those liabilities which are possible of maturing are provided for.

## 12 GOVERNMENT SUBSIDY

The policy of company is to account for the Government Subsidy on actual receipt basis.

## 13 EXPORT INCENTIVES

- a) Obligation / entitlements on account of Advance Licences Scheme for import of raw materials are not accounted for but given by way of note.
- b) Export incentives are treated as income on export under DEPB & other post export incentive schemes and the same is offset & treated as expenditure in the year of import/utilisation of license.

## 14 INVESTEMENTS

Long Term Investements are being valued at cost

Current Investments are carried at lower of cost & fair value,determined on an individual investment basis.

## 15 IMPAIRMENT OF ASSETS

Management periodically assesses using external and internal sources where there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuous use of the assets and its eventual disposal. The impairment loss to be accounted for is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value.

## 16 OTHER ACCOUNTING POLICIES

Accounting Policies not specifically referred to are in accordance with generally accepted accounting principles.

# Consolidated Auditors' Report



The Members,

Ind-Swift Laboratories Limited,  
Chandigarh

We have audited the attached Consolidated Balance Sheet of Ind-Swift Laboratories Limited ("the Company") and its subsidiary as at March 31, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidenced supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Ind-Swift Laboratories Inc. USA, Meteoric Life Sciences Pte Ltd. (wholly owned subsidiaries) which has been considered for consolidation, whose financial statements reflect total assets of Rs 2758.95 Lacs and the total revenue of Rs. 10048.87 Lacs for the year then ended. These financial statements and other financial information have been audited by another auditor whose report has been furnished to us, and our opinion is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the management of Ind-Swift Laboratories Limited in accordance with the requirements of accounting standard (AS 21), Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration on report of other auditor on separate financial statements and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. In case of the Consolidated Balance sheet of the consolidated state of affairs of Ind-Swift Laboratories Limited and its Subsidiary as at March 31, 2012.
- b. In the case of the Consolidated Statement of Profit and Loss of the consolidated results of operations of Ind Swift Laboratories Limited and its Subsidiary for the year ended on that date, and
- c. In the case of the Consolidated Cash Flow Statement of the consolidated cash flows of Ind-Swift Laboratories Limited and its Subsidiary for the year ended on that date.

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

**(S.C.Pathak)**

Partner  
Membership No. 10194

Place : Chandigarh  
Date : 30.05.2012

# Consolidated Balance Sheet

				(Amount in Rs.)	
Particulars	Note No.	As at 31.03.2012	As at 31.03.2011		
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
a) Share Capital	I	379,454,700	342,230,700		
b) Reserves & Surplus	II	7,838,402,710	5,338,596,023		
c) Money received against share warrants		27,121,875	100,237,500		
<b>(2) Non-current liabilities</b>					
(a) Long-term borrowings	III	7,110,429,310	5,994,007,061		
(b) Deffered Tax Liabilities(Net)	IV	411,072,994	433,551,306		
(c) Other Long term liabilities	V	234,443,285	170,599,528		
<b>(3) Current Liabilities</b>					
(a) Short term Borrowings	VI	3,018,307,729	2,197,900,762		
(b) Trade Payable		2,540,503,957	2,353,375,285		
(c) Other current liabilities		445,392,421	182,035,011		
(d) Short term Provisions		175,741,784	219,725,656		
<b>Total</b>		<b>22,180,870,765</b>	<b>17,332,258,832</b>		
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
VII					
(i) Tangible Assets		9,020,332,743	5,506,208,378		
(ii) Intangible Assets		1,377,577,385	1,510,844,239		
(iii) Capital work-in-Progress		2,942,286,421	3,152,962,334		
(iv) Assets held for disposal		22,336,162	22,336,162		
<b>Total</b>		<b>13,362,532,711</b>	<b>10,192,351,114</b>		
Accumulated depreciation		1,322,945,567	1,566,111,539		
<b>Net Block</b>		<b>12,039,587,144</b>	<b>8,626,239,575</b>		
(b) Non-Current investment	VIII	170,955,853	179,448,318		
(c) Long-term loans & advances	IX	16,749,417	20,965,728		
<b>(2) Current assets</b>					
X					
(a) Current investment		21,000,000	301,000,000		
(b) Inventories		4,942,752,848	3,655,471,484		
(c) Trade receivables		3,037,840,971	2,938,454,516		
(d) Cash and Cash equivalents		469,231,982	540,989,054		
(e) Short-term loans and advances		1,495,721,711	1,070,708,296		
(f) Foreign Currency Translation		(12,969,162)	(1,018,138)		
<b>Total</b>		<b>22,180,870,765</b>	<b>17,332,258,832</b>		
<b>Significant Accounting Policies</b>					
XXXVII					

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

# Consolidated Statement of Profit and Loss

				(Amount in Rs.)	
Particulars	Note No.	As at 31.03.2012	As at 31.03.2011		
Revenue from Operation	XI	14,091,745,127	10,370,434,736		
Other Income	XII	333,188,255	104,167,023		
<b>Total-A</b>		<b>14,424,933,382</b>	<b>10,474,601,759</b>		
<b>Expenses</b>					
Cost of Materials Consumed	XIII	8,017,897,698	4,457,830,632		
Purchase of Stock-In-Trade		4,003,457,249	4,565,332,764		
Change in Inventories of FG/WIP/Stock-in-trade	XIV	(812,071,554)	(1,295,009,659)		
Employee benefits expense	XV	286,928,323	199,935,012		
Financial Cost	XVI	847,263,340	558,970,100		
Depreciation & amortisation expenses	XVII	398,608,845	409,299,138		
Other Expenses	XVIII	815,295,474	715,765,255		
<b>Total-B</b>		<b>13,557,379,375</b>	<b>9,612,123,242</b>		
<b>Profit before exceptional &amp; extraordinary items &amp; Tax (A-B)</b>		<b>867,554,007</b>	<b>862,478,517</b>		
<b>Exceptional items</b>					
Previous Year Income		-	203,244		
Previous Year Expenses		(2,087,007)	(3,478,180)		
<b>Profit before extraordinary items and Tax</b>					
<b>Extra ordinary Items:</b>					
Reversal of Previous year Provision		-	30,677,024		
<b>Profit before Tax</b>		<b>865,467,000</b>	<b>889,880,605</b>		
<b>Tax Expenses:</b>					
Provision for Income Tax		175,622,010	179,820,316		
Income Tax Adjustment of Previous Year		(4,663,283)	(456,120)		
Mat Credit Entitlement		(174,621,284)	(179,653,506)		
Deferred Tax Assets		(22,478,312)	(4,450,892)		
<b>Profit (Loss) for the period from continuing Operation</b>		<b>891,607,868</b>	<b>894,620,807</b>		
<b>Earning per equity share:</b>					
(1) Basic		24.86	29.76		
(2) Diluted		23.98	27.57		

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjhal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

# Cash Flow Statement

	Year ended 31.03.2012	Rs. in Lacs Year ended 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and Extra-Ordinary Items</b>	<b>8654.67</b>	<b>8592.04</b>
<b>Adjustments For:</b>		
(i) Depreciation	3986.09	3851.64
(ii) Impairment of fixed assets	0.00	241.35
(iii) Employee stock option expenses	0.00	21.59
(iv) Exchange (profit)/loss	(55.15)	(106.50)
(v) Reversal of previous year items	0.00	306.77
(vi) Interest on term loans	2754.53	2306.31
(vii) Interest received	(1273.36)	(615.25)
(viii) Provision for doubtful debts	225.18	60.10
(ix) Loss on sale of fixed assets	17.87	31.92
(x) Gain/ Loss on sale of investment	(2.34)	0
<b>Operating Profit Before Working Capital Charges</b>	<b>14307.48</b>	<b>14689.98</b>
<b>Adjustments For:</b>		
i) Trade & Other Receivables	(1166.81)	(11435.22)
ii) Inventories	(12872.81)	(12818.91)
iii) Loan & advances	(4207.97)	(2504.86)
vi) Current Liabilities	6984.93	11193.77
vii) Working Capital Borrowing	5922.94	3910.48
v) Income taxes (Including Advance Tax/TDS)	(1715.37)	(1256.94)
	<b>(7055.09)</b>	<b>(12911.68)</b>
<b>Net Cash flow from operating Activities</b>	<b>7252.40</b>	<b>1778.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
i) Purchase of fixed Assets	(17918.48)	(18240.94)
ii) Sale of fixed assets	33.60	143.50
iii) (Purchase)/ Sale of Investments	2884.92	1028.60
iv) Product Technology Development Expenditure	(6643.35)	(6680.66)
v) Interest Received	1273.36	615.25
<b>Net Cash flow from investing activities</b>	<b>(20369.94)</b>	<b>(23134.25)</b>

## Cash Flow Statement (Contd.)

	Year ended 31.03.2012	Rs. in Lacs Year ended 31.03.2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
i) Proceeds from Share Capital	372.24	637.07
ii) Advance From Share Capital	(731.16)	627.38
iii) Proceeds from Securities Premium	2575.31	3540.69
iv) Proceeds from Term Loans From Banks & Financial Institutions	36400.00	42748.94
v) Repayment of Term Loans to Banks & Financial Institutions	(22954.00)	(23572.94)
vi) Interest paid on Term Loans	(2754.53)	(2294.87)
vii) Equity Dividend Paid	(342.23)	(278.52)
viii) Equity Dividend Tax Paid	(56.84)	(47.34)
<b>Net Cash flow from Financing Activities</b>	<b>12508.79</b>	<b>21360.41</b>
	<b>(608.75)</b>	<b>4.46</b>
<b>Net increase in Cash or Cash Equivalents</b>	<b>(608.75)</b>	<b>4.46</b>
Cash & Cash Equivalents as on 31.3.2011	5420.58	5416.15
Cash & Cash Equivalents as on 31.3.2012	4811.83	5420.58
Add Unrealised gain/(loss) in foreign currency	(119.51)	(10.69)
Closing Balance of cash & cash Equivalents as on 31.03.2012	4692.32	5409.89

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

### Auditors Certificate

We have verified the above Cash Flow Statement of Ind-Swift Laboratories Limited, derived from the audited financial statements for the year ended 31st March 2012 and found the same drawn in accordance therewith and also with the requirements of clause 32 of the Listing Agreement with the Stock Exchange.

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

**(S.C.Pathak)**  
Partner  
Membership No. 10194

Date : 30.05.2012  
Place : Chandigarh

# Notes Forming Part of Balance Sheet and Statement of Profit and Loss

Particulars	As at	(Amount in Rs.)	
		As at 31.03.2012 (Rs.)	31.03.2011 (Rs.)
<b>Note No. I</b>			
<b>Share Capital</b>			
<b>a) Authorised</b>			
Balance as per Last Balance Sheet:		600,000,000	350,000,000
Addition during the year			
Nil (Previous Year 2,50,00,000) Equity share of Rs. 10/- Each		-	250,000,000
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of Rs.10/- Each		<b>600,000,000</b>	<b>600,000,000</b>
<b>b) Issued, Subscribed &amp; Paid Up</b>			
Balance as per Last Balance Sheet:		342,230,700	278,524,100
Addition during the year			
37,22,400 (63,70,660) Equity share of Rs. 10/- Each		37,224,000	63,706,600
3,79,45,470 (Previous Year 3,42,23,070) Equity Shares of Rs.10/-each fully called up and paid up.		<b>379,454,700</b>	<b>342,230,700</b>
<p>The Company has ESOP scheme called "ESOS 2006". During the year, Company has granted no Employee Stock Option. (Previous Year 10,000) Deferred Employee Compensation Cost is being amortised over a period of three years, being the vesting period and on proportionate basis. During the year the employees have opted 2,22,400 options which were granted to them in earlier year &amp; the same has been allotted to them in the form of equity shares.</p> <p>Ind-Swift Limited, Essix Biosciences Limited and Growmore Business Developments Pvt. Ltd. holds more than 5 % shares in the company. The number of shares held by the companies are 94,99,720, 54,91,801 &amp; 20,15,000 respectively.</p>			
<b>NOTE NO II</b>			
<b>Reserves &amp; Surplus</b>			
<b>a) Capital Reserves :</b>			
State Subsidy on DG Set			
Opening Balances:-		1,796,999	1,918,370
Less:- Amortisation during the year		121,377	121,373
		1,675,621	1,796,999
Capital Redemption Reserve		2,000	2,000
Share Warrants Forfeited Account		6,323,113	6,323,113
Equity Share Forfeited Account (1,75,900 shares in the year 2002-03)		866,500	866,500
<b>b) Securities Premium</b>			
Opening Balance		1,703,808,970	1,344,445,164
Addition during the year		257,530,800	359,363,806
		1,961,339,770	1,703,808,970
<b>c) Revaluation Reserve</b>			
		2,217,722,311	866,932,920
<b>d) Employees Stock Option Outstanding</b>			
		3,887,670	3,887,670
<b>e) General Reserve</b>			
As per Last Balance Sheet		343,704,653	299,896,571
Add: Transfer during the year		-	43,808,082
<b>f) Profit &amp; Loss Account</b>			
As per Last Balance Sheet		2,411,273,204	1,600,367,653
Add: Transfer from Profit & Loss Account		891,607,868	894,620,807
Less: Appropriations			
Transferred to General Reserve		-	43,808,082
Proposed Dividend on equity share		-	34,223,070
Tax on dividend		-	5,684,110
		<b>7,838,402,710</b>	<b>5,338,596,023</b>

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Note No. III</b>		
<b>(A) Long-Term Borrowings</b>		
Secured Loans		
(a) Non Convertible Debentures	46,500,000	92,500,000
(b) Term Loans		
From Banks	6,020,712,114	5,305,019,787
From other parties	305,773,703	160,688,555
<b>UnSecured Loans:-</b>		
(a) Fixed Deposits	372,419,000	370,883,991
(b) Term Loans & Advances		
From Others	115,024,493	63,259,452
From Banks	250,000,000	1,655,276
	<b>7,110,429,310</b>	<b>5,994,007,061</b>

(a) The Company received Rs.15.00 crore against 14% Non-convertible Debentures on 28.05.2009 which are redeemable in 13 quarterly installments with effect from February 2010. Balance outstanding as on 31.03.2012 is Rs. 4.65 Crore (Previous Year Rs. 9.25 Crore)

(b) Maturity profile of term Loans:

Rate of Interest	(Rs. In Lacs)			
	2013-14	2014-15	2015-16	2016-17
5%	223.00	0.00	0.00	0.00
12%	500.00	500.00	500.00	500.00
13%	375.00	281.25	0.00	0.00
13.25%	250.00	62.50	0.00	0.00
13.75%	897.00	484.00	484.00	484.00
14%	2083.32	2083.32	958.32	958.32
14.25%	3079.17	1391.67	933.33	600.00
14.5%	1500.00	1125.00	0.00	0.00
14.75%	339.22	0.00	0.00	0.00
15%	500.00	125.00	0.00	0.00
15.25%	1248.00	1414.00	851.50	664.00
17.5%	500.00	500.00	358.86	0.00
18.5%	61.66	0.00	0.00	0.00
LIBOR+340BPS	1388.53	1388.53	1388.53	1388.53
LIBOR+450BPS	767.33	1790.48	3069.39	4604.08
LIBOR+475BPS		852.61	852.61	852.61

- 14% Non Convertible Debentures amounting to Rs. 4.65 Crores (P.Y. 9.25 Crores) from Tata Capital Limited are secured by first ranking pari passu charge on the immovable properties admeasuring 68 BIGHAS & 13 BISWAS situated at village Behra & village Bhagwanpura tehsil Rajpura, Distt. Patiala in the state of Punjab & land admeasuring 9435.56 square yards being Plot No E-5, Industrial Focal Point, Phase II, Mohali in the state of Punjab together with all buildings & structures, Plant & Machinery thereon personal guarantees of Mr. S.R. Mehta, Mr. N.R. Munjal.
- i) Bank borrowings for working capital Rs. 228.54 crores (P.Y. Rs. 169.31 crores) 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 and 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 Mr. S.R.Mehta, Dr. V.R. Mehta, Mr. N.R. Munjal, Dr. G. Munjal, Mr. Himanshu Jain & Mr. Rishav Mehta.
- ii) Term Loan Rs. 602.07 crores (P.Y. Rs.530.51 crores) from State Bank of India, Central Bank of India, State Bank of Patiala, Bank of India, Catholic Syrian Bank, Export Import Bank of India, IDBI Bank, ICICI Bank Limited, State Bank of Indore, State Bank of Hyderabad, IFCI, State Bank of Travencore, Allahabad Bank, Bank of Baroda & DEG-Deutsche Investitions – Und Entwicklungsgesellschaft Mbh are secured by first pari passu charge by way of Joint Equitable Mortgage by deposit of title deeds of the Company's immovable

properties situated at Derabassi Punjab & Plot No E-V, Industrial Focal Point, Mohali and second charge by way of hypothecation of all its movable assets, including machinery, machinery spares, tools and accessories present and future, subject to the charges created / to be created, in favour of the company banker. These loans are further secured by the personal guarantee of Promoter Directors.

iii) Other Term loan & advances Rs.30.58 crores (P.Y. Rs. 16.07 crores) includes Vehicle loans Rs. 4.06 Crores (P.Y. Rs. 2.18 Crores) are secured against hypothecation of the vehicles under the hire purchase agreement & ICICI Home Loan Rs. 0.19 Crores (P.Y. Rs. 0.21 crores) is in the name of Mr. N.R.Munjhal, and is secured against the office premises in Mumbai & Term Loans from Technology Development Board Rs. 4.45 crores (P.Y. Rs. 5.56 crores) is secured by way of charges on immovable fixed assets & personal guarantee of Shri N.R.Munjhal & Term Loans from L&T finance Rs. 21.87 Crores (P.Y. Rs. 8.13 crores) secured by the personal guarantee of Promoter Directors.

Particulars	Amount in Rs.	
	As at 31.03.2012	As at 31.03.2011
<b>Note No. IV</b>		
<b>Deferred Tax:</b>		
The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2012 is as under:		
Deferred Tax Liabilities		
Timing Difference on account of :		
Depreciation	2,809,097,754	782,535,340
<b>Total</b>	<b>2,809,097,754</b>	<b>782,535,340</b>
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts/Gratuity/Bonus/Impairment	13,757,034	62,473,693
Carried Forward Losses as per Income Tax Act	1,528,356,611	286,510,341
<b>Total</b>	<b>1,542,113,645</b>	<b>348,984,034</b>
Deferred Tax Liabilities net	403,767,186	433,551,306
Deferred Tax Liabilities (Assets) Charged to P&L A/c	(29,784,120)	(4,450,694)
<b>Note No. V</b>		
<b>Other Long term liabilities</b>		
(a) Trade Payable	234,443,285	170,599,528
	<b>234,443,285</b>	<b>170,599,528</b>
<b>Note No -VI</b>		
<b>Current Liabilities</b>		
<b>a) Short term Borrowings</b>		
<b>Secured</b>		
(i) Borrowings for working capital.	2,285,427,511	1,693,133,224
<b>Unsecured</b>		
(ii) Fixed Deposits	506,379,000	211,439,935
(iii) ICD	226,501,218	293,327,603
<b>Total</b>	<b>3,018,307,729</b>	<b>2,197,900,762</b>
<b>b) Trade Payable:</b>		
(i) Total outstanding dues to small scale Industrial undertakings	4,954,042	1,907,452
(ii) Outstanding dues of Creditors other than small scale industrial undertakings	2,535,549,915	2,351,467,833
<b>Total</b>	<b>2,540,503,957</b>	<b>2,353,375,285</b>
<b>c) Other Current Liabilities:</b>		
(i) Advances from Customers	179,599,516	27,166,959
(ii) Advances from Related Party	-	(9,132,834)
(iii) Statutory Liabilities	54,129,153	14,634,577
(iv) Expenses Payable	82,393,868	95,509,154
(v) Interest accrued but not Due on term loan	129,269,884	53,857,155
<b>Total</b>	<b>445,392,421</b>	<b>182,035,011</b>
i) Statutory Liabilities include TDS payable, GTA payable, ESI Payable, PF payable, Excise duty payable.		
ii) Expenses payable include Salary, wages, Bonus, EL, Audit Fees, electricity Exp payable.		

Particulars	As at 31.03.2012	As at 31.03.2011
<b>d) Short Term Provisions :</b>		
(i) Income Tax	175,741,784	179,818,476
(ii) Equity Share Dividend	-	34,223,070
(iii) Tax on proposed Equity Share Dividend	-	5,684,110
<b>Total</b>	<b>175,741,784</b>	<b>219,725,656</b>

**Note No. VII****Fixed Assets**

(Amount in Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block		
	As On 01.04.2011	Addition	Revaluation Assets	Sale/ Transfer	As On 31.03.2012	As On 01.04.2011	During The Period	Written Back	As On 31.03.2012	As On 31.03.2012	As On 31.03.2011
<b>Tangible Assets</b>											
Land Free Hold	442,605,888	13,000	373,692,530	2,624,100	813,687,318	-	-	-	-	813,687,318	442,605,888
Land Lease Hold	17,189,390	-	-	-	17,189,390	977,142	182,862	-	1,160,004	16,029,386	16,212,248
Factory Buildings	742,312,525	398,942,920	-	-	1,141,255,445	98,386,588	25,200,035	-	1,23,586,623	1,017,668,822	643,925,937
Office Buildings	60,455,449	43,378,502	-	-	1,03,833,951	4,679,554	1,175,677	-	5,855,231	97,978,721	55,775,895
Flats	145,810,070	-	-	-	145,810,070	2,383,216	2,463,513	-	4,846,729	140,963,341	143,426,854
R&D Buildings	145,588,240	-	-	-	145,588,240	21,294,720	4,862,647	-	26,157,367	119,430,873	124,293,520
Building - Pilot Plant	17,021,567	-	-	-	17,021,567	3,137,724	568,520	-	3,706,244	13,315,323	13,883,843
Plant&Machinery	2,915,326,027	1,478,852,969	968,762,208	658,678	5,362,282,526	600,692,581	198,043,765	-	798,736,346	4,563,546,180	2,314,633,446
R&D Machinery	434,942,917	22,527,991	90,582,478	-	5,480,533,86	104,802,774	27,309,155	-	132,111,929	415,941,457	330,140,143
Plant & Machinery - Pilot Plant	39,233,698	-	-	-	39,233,698	11,380,044	2,071,539	-	13,451,583	25,782,115	27,853,654
Electric Installations	328,128,677	81,445,663	-	-	4,09,574,340	71,316,491	15,699,351	-	87,015,841	322,558,499	256,812,187
Electric Installations - Pilot Plant	3,439,389	-	-	-	3,439,389	895,896	163,371	-	1,059,267	2,380,122	2,543,493
Furniture & Fixtures	33,995,265	7,863,487	-	-	41,858,752	11,500,309	2,451,866	-	13,952,176	27,906,576	22,494,956
Office Equipments	83,768,688	31,325,965	-	2,401	1,15,092,252	58,240,728	9,767,478	-	68,008,206	47,084,046	25,527,960
Vehicles	96,390,588	20,755,620	-	733,790	1,16,412,418	33,330,905	10,163,229	196,115	43,298,019	73,114,399	63,059,683
<b>Total</b>	<b>5,506,208,378</b>	<b>2,085,106,117</b>	<b>1,433,037,216</b>	<b>4,018,969</b>	<b>9,020,332,743</b>	<b>1,023,018,672</b>	<b>300,123,009</b>	<b>196,115</b>	<b>1,322,945,566</b>	<b>7,697,387,176</b>	<b>4,483,189,706</b>
<b>Intangible Assets</b>											
R&D Technology*	1,510,844,239	590,559,674	-	723,826,528	1,377,577,385	543,092,867	180,733,661	723,826,528	0	1,366,920,760	965,242,771
Goodwill	2,508,601	8,148,024	-	-	1,065,6625						
<b>Total</b>	<b>7,017,052,618</b>	<b>2,667,517,767</b>	<b>1,433,037,216</b>	<b>727,845,497</b>	<b>10,387,253,503</b>	<b>1,566,111,539</b>	<b>480,856,671</b>	<b>724,022,643</b>	<b>1,322,945,567</b>	<b>9,064,307,936</b>	<b>5,448,432,478</b>
Previous Year	5,918,859,859	1,122,426,242	-	56,742,087	7,014,544,014	1,161,351,530	421,898,846	17,138,838	1,566,111,543	5,448,432,477	4,787,508,330

- Company has revalued its assets comprising of Land, Plant & Machinery of Derabassi Unit by the approved External Valuer to reflect the market value and accordingly the appreciation amounting to Rs.10138.73 Lacs & Rs.14330.37 Lacs respectively have been credited to Capital Reserve Account (Re-valuation Reserve A/c) as on 31.03.2007 & 08.06.2011. Depreciation amounting to Rs.367.35 Lac (Rs.367.35 Lac) & Rs.455.13 Lacs (Nil) has been provided during the year & the same is reduced from Revaluation Reserve.
- Office Buildings includes Mumbai Office Buildings Rs.700.20 Lacs (Previous Year Rs.266.42 Lacs) purchased in Mumbai in the name of the Managing Director of the Company out of which one building amounting to Rs. 41.46 Lacs is mortgaged with ICICI Bank. The Company has entered into an "agreement to sell" and has taken GPA from the Managing Director. The property is yet to be registered in the name of Company.
- Freehold land includes Rs.13.79 crores and Flats Rs. 14.58 Crore for which agreement to sell and GPA in favour of the company has been executed and the same have been put to use. The Freehold Land & Flats are yet to be registered /transferred in the name of the Company.

\*Figures has been shown as net figures instead of previously disclosed as gross figures.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Note No. VIII</b>		
<b>Non-Current Assets</b>		
<b>a) Non-Current investment :</b>		
<b>Subsidiary</b>		
i) Investment in Ind Swift Middle East FZE,UAE		
Share Application Money	1,123,835	776,050
<b>Associates:</b>		
ii) Investment in Fortune (India) Construction Pvt Ltd		
48,20,000 Equity Share of Rs.10/- each fully paid up.	48,200,000	48,200,000
iii) Investment in Essix Bioscience Limited		
12,35,000 Equity Share of Rs.10/- each fully paid up.)	76,750,000	76,750,000
<b>Joint Venture</b>		
iv) Investment in Farayand Chemi Hakim Company Ltd (Iran)		
Common Stock	2,717,000	2,717,000
Share Application Money	30,258,768	38,630,268
<b>Others:</b>		
v) Units of Principle Global Opportunities Fund 33901.90 Units		
of EBRD-Principal Emerging Bluechip-Dividend Plan	500,000	500,000
vi) Investment in Vardhman Chemtech Pvt Limited		
10,00,000 Equity Share of Rs. 10/- each fully paid up.	10,000,000	10,000,000
vii) Investment in Nimbua Green Field (Punjab) Ltd		
140625 Equity Share of Rs. 10/- each fully paid	1,406,250	1,875,000
<b>Total</b>	<b>170,955,853</b>	<b>179,448,318</b>
<b>Note No-IX</b>		
<b>Long Term Loans &amp; Advances</b>		
(a) Security Deposits	16,749,417	20,965,728
<b>Total</b>	<b>6,749,417</b>	<b>20,965,728</b>
<b>Note No-X</b>		
<b>Current Assets</b>		
<b>a) Current Investment</b>		
(i) Investment in SBI Mutual Fund	21,000,000	301,000,000
97943.19 Units (N.A.V. of Rs. 8.43) of 192D-SBI PSU Fund Dividend		
11746.0165 Units (N.A.V. of Rs. 1703.69) 72G-SBI Premier Liquid Fund-Institutional-Growth		
<b>b) Inventories</b>		
(As per inventories taken, valued & certified by the Management)		
Raw Materials	1,123,050,814	700,046,091
Work in Process	2,773,391,478	2,326,269,314
Finished Goods*	758,462,395	323,712,453
Goods-in-Transit	48,335,182	17,100,224
Stock in Trade	190,741,549	255,881,326
Stores & Consumables	48,771,430	32,462,076
<b>Total</b>	<b>4,942,752,848</b>	<b>3,655,471,484</b>
*Finished Goods includes Goods under consignment, Goods lying at port		

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>c) Trade Receivables</b>		
(Unsecured & Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	23,745,829	23,111,387
- Considered doubtful	42,848,318	20,330,801
Other Debts	3,014,095,142	2,915,343,129
	3,080,689,290	2,958,785,317
Less: Provision for Doubtful Debts	42,848,318	20,330,801
<b>Total</b>	<b>3,037,840,971</b>	<b>2,938,454,516</b>
<b>(d) Cash and Cash equivalents</b>		
Cash balance in hand	9,565,201	10,482,062
Bank balances with Scheduled Banks :		
Fixed Deposits to the extent held as margin Money	291,610,025	278,677,583
Fixed Deposits 41,934,781	44,607,036	
Interest accrued but not due on Fixed Deposits	23,847,022	3,507,684
Current Accounts 102,274,953	203,714,689	
<b>Total</b>	<b>469,231,982</b>	<b>540,989,054</b>
<b>(e) Short-term loans and advances</b>		
(a) Loans and advances (Unsecured)	476,807,952	191,408,640
(b) Others		
- Mat Credit entitlement	630,458,845	455,837,557
- Cenvat/Vat Recoverable	252,689,391	260,020,913
- Advance Custom Duty Paid /DEPB	19,533,726	13,183,025
- Advance Tax/TDS	66,674,337	50,353,079
- Prepaid Expenses	3,830,499	3,628,717
- Advances recoverable in cash or in kind or value to be received	45,726,961	96,276,365
<b>Total</b>	<b>1,495,721,711</b>	<b>1,070,708,296</b>
Loan and advances Include Rs.792.05 (Previous Year Nil) Lacs Given to Related Party		
<b>Note No -XI</b>		
<b>Revenue From Operation</b>		
Sale of Products		
-Domestic	7,382,617,357	6,101,842,305
-Exports	6,758,127,041	4,318,551,158
Sale of Services		
-Domestic	100,000,000	10,000,000
-Exports	14,282,072	17,693,500
Income(Loss) from Commodity exchange	-	19,845,742
Less: Excise Duty	163,281,343	97,497,969
<b>Total</b>	<b>14,091,745,127</b>	<b>10,370,434,736</b>
The company is dealing in the manufacturing and sales of various products and it is not possible to disclose seperately each product as per schedule VI.		
<b>Note No-XII</b>		
<b>Other Income</b>		
Interest Income	127,336,189	61,524,718
Gain & Loss on sale of Investment	234,375	-
Misc. Income	145,041,000	-
Export Incentive	38,572,000	28,445,307
Other Non operating Income	22,004,691	14,196,998
<b>Total</b>	<b>333,188,255</b>	<b>104,167,023</b>

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Note No-XIII</b>		
<b>Expenses</b>		
<b>Cost of Material Consumed/Sold</b>		
Opening Stock	700,046,090	733,148,689
Purchases	8,489,237,604	4,424,728,034
	9,189,283,694	5,157,876,723
Less: Closing Stock	1,171,385,996	700,046,091
<b>Total (A)</b>	<b>8,017,897,698</b>	<b>4,457,830,632</b>
<b>Note No-XIV</b>		
<b>Increase / Decrease In Inventory</b>		
Opening Stock		
Work in Process	2,326,269,314	1,307,471,503
Finished Goods	579,593,779	303,381,931
	<b>2,905,863,093</b>	<b>1,610,853,434</b>
Closing Stock		
Work in Process	2,773,391,478	2,326,269,314
Finished Goods	944,543,169	579,593,779
	3,717,934,647	2,905,863,093
<b>Total (B)</b>	<b>812,071,554</b>	<b>1,295,009,659</b>
<b>Total (A-B)</b>	<b>7,205,826,144</b>	<b>3,162,820,973</b>
<b>Note No-XV</b>		
<b>Employee Benefits Expenses</b>		
Salary & Allowance	113,532,047	39,033,768
Salary & Wages	148,435,365	135,961,141
P.F. & Other Funds	13,244,610	11,670,124
ESOP	-	2,158,946
Staff Welfare Expenses	7,907,499	5,749,087
Recruitment Expenses	2,449,571	1,926,496
Gratuity Premium	1,202,562	3,127,693
Training & Development Expenses	156,669	307,757
<b>Total</b>	<b>286,928,323</b>	<b>199,935,012</b>
<b>Note No.-XVI</b>		
<b>Finance Cost</b>		
Interest on Term Loans	275,452,825	230,631,213
Interest on Working Capital	219,965,667	100,739,755
Bank Charges & Others	345,317,398	230,931,416
Commission & Brokerage	12,041,970	7,317,976
<b>Forex Fluctuations-Expenses (Income)</b>	<b>(5,514,521)</b>	<b>(10,650,260)</b>
<b>Total</b>	<b>847,263,340</b>	<b>558,970,100</b>
<b>Note No -XVII</b>		
<b>Depreciation &amp; Amortisation Expenses</b>		
Depreciation	398,608,845	385,163,947
Impairment of Assets	-	24,135,191
<b>Total</b>	<b>398,608,845</b>	<b>409,299,138</b>

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Note No - XVIII</b>		
<b>Other Expenses</b>		
Manufacturing Expenses		
Job Work Charges	112,439,030	64,935,712
Power, Fuel & Water Charges	118,597,809	160,142,594
Stores & Spares	54,687,919	37,931,410
Repair & Maintenance :	-	
Plant & Machinery	9,849,500	11,827,383
Buildings	3,036,230	5,286,638
Electrical	1,162,435	4,210,805
Loss on Insurance Claim	-	3,914,670
Excise Duty on Closing Finished Goods	25,039,495	632,366
Other Manufacturing Expenses	416,495	173,572
<b>Total</b>	<b>325,228,913</b>	<b>289,055,150</b>
<b>Administrative &amp; Other Expenses</b>		
Directors Remuneration		
Salary & Allowances	37,920,000	33,435,120
Contribution to P.F.	28,080	25,740
Travelling & Conveyance	22,521,125	20,733,824
Auditors Remuneration		
Audit Fees	600,000	500,000
Certification Fees	375,000	350,000
Out of Pocket Exp.	102,233	53,403
Taxation Matters	-	112,000
Office Rent	6,735,291	6,684,906
Rate fee & Taxes	6,666,763	6,625,378
Insurance Charges	11,116,560	11,664,579
Legal & Professional Charges	21,512,205	11,283,420
Printing & Stationary	6,679,457	6,458,289
Vehicle Running & Maint.	16,165,090	15,117,291
Telephone & Postage	13,054,739	11,498,259
Office Expenses	6,416,777	5,464,802
Charity & Donation	109,928	583,765
Listing Fees	568,066	395,167
Books & Periodicals	173,042	125,439
Meeting, Membership & Subscription Fees	1,666,407	2,969,446
Security Expenses	5,438,400	3,749,637
Repair & Maintenance-General	17,529,857	8,765,161
Other Expenses	14,459,053	31,924,880
<b>Total</b>	<b>189,838,073</b>	<b>178,520,506</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement & Publicity	1,284,865	1,004,501
Business Promotion	4,369,058	4,810,803
Commission on Sales	118,805,498	99,779,830
Packing Material	18,032,192	17,718,124
Rebate & Discount	1,075,504	791,340
Freight Outward	52,254,461	51,783,403
Insurance Charges	2,428,301	2,340,371
ECGC Premium	3,720,407	2,506,315
Other Expenses	6,637,778	1,411,915
<b>Total</b>	<b>208,608,063</b>	<b>182,146,602</b>

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Research &amp; Development Expenses</b>		
Salary & Wages (R&D)	39,017,840	32,692,302
Administration Expenses	58,248	69,943
Consumables , Chemicals & Regents	26,802,032	20,765,903
Repair & Maintenance - Machinery	61,100	1,626,698
Technical Study & Consultancy & Product Registration	1,376,536	1,685,695
<b>Total</b>	<b>67,315,756</b>	<b>56,840,541</b>
Loss on Sale of Fixed Assets	1,787,152	3,192,373
Provision for Doubtful Debts	22,517,517	6,010,083
	<b>24,304,669</b>	<b>9,202,456</b>
<b>Note No. XIX</b>		
<b>Contingent liabilities not provided for:</b>		<b>(Rs.in lacs)</b>
a. Letter of Credit against purchase of raw material	22,382	10,528.58
b. Bank Guarantees	47.11	5,814.58
c. Export obligation in respect of custom duty	279.27	177.18
d. Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained	Unascertained
e. Corporate guarantees given on behalf of (To the extent Utilized)		
Essix Biosciences Ltd	4,538.86	3,117.55
Halcyon Life Sciences Pvt Ltd	7,246.16	4,504.36
<b>Note No. XX</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 7,650.69 lacs (Previous year Rs. 5002.32 Lacs)		
<b>Note No. XXI</b>		
In the opinion of the Board, the Current Assets, Loans & Advances shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.		
<b>Note No XXII</b>		
Other expenses under head administrative expenses includes Rs. 82,000 (Previous Year Rs.81,000) paid to directors as sitting fee.		

**Note No. XXIII**

Information relating to subsidiaries including subsidiaries (in terms of Government of India, Ministry of Corporate Affairs General Circular No. 2/201, No:5/12/2007-CL-iii dated 8th February, 2011) for the year ended 31 March, 2011

Particulars	Year	Ind-Swift Laboratories Inc.	Meteoric Life Sciences PTE. Ltd.
		31-12-2011	31-10-2011
Capital	2011-12	33291227	459372391
	2010-11	33291227	971590
Reserves	2011-12	8925450	4043712
	2010-11	1041568	(23432)
Total Liabilities	2011-12	135342887	140551710
	2010-11	52241201	72868795
Total Assets	2011-12	135342887	140551710
	2010-11	52241201	72868795
Turnover Net	2011-12	231535835	773351561
	2010-11	73510975	99668878
Provision For Tax	2011-12	2000	19329
	2010-11	2000	1418
Profit /Loss before Tax	2011-12	16104886	10842693
	2010-11	17579363	1046622
Proposed dividend	2011-12	NIL	NIL
	2010-11	NIL	NIL
Reporting Currency :			
Currency		\$	\$
Exchange Rate as on 31.03.2012		48.97	46.71
Exchange Rate as on 31.03.2011		45.73	45.56

**Notes:-**

1. In Compliance with clause 32 of the Listing Agreement, audited consolidated financial statements from part of this Annual report.
2. The details of Dubai subsidiary M/s Ind-Swift Middle East FZE are not included as the company was incorporated on 15-10-2009.
3. Full accounts of the aforesaid subsidiary are available for inspection at the registered office of the Company and on request will be sent to the members at free of cost.

## Note No. XXIV

In accordance with Accounting Standard 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company has compiled the following information :

### a. List of related parties and their relationship

<b>Associates</b>	Ind Swift Limited Essix Biosciences Limited Halcyon Life Sciences Pvt Ltd. Fortune (India) Constructions Ltd. Mansa Print & Publishers Limited Swift Fundamental Research & Education Society 3M Advertisers & Publishers Ltd. Punjab Renewable Energy Pvt Ltd. AKJ Portfolios Pvt. Ltd. NRM Portfolios Pvt. Ltd GM Portfolios Pvt. Ltd. VRM Portfolios Pvt Ltd. VKM Portfolios Ltd. SRM Portfolios Pvt Ltd.
<b>Key Management personnel-Directors</b>	Mr. N.R.Munjal Mr.Himanshu Jain Mr. Rishav Mehta
<b>Subsidiary</b>	Ind Swift Laboratories Inc. USA Meteoric Life Sciences Pte Ltd. Ind-Swift Middle East FZE (UAE)
<b>Joint Venture</b>	Hackim Farayand Chemi Co.(Iran)

### b. Related party transactions

Nature of Transactions	Associates		Subsidiary	
	2011-12	2010-11	2011-12	2010-11
<b>1) Transactions during the year</b>				
Purchase	43514.38	28888.93	0.00	83.63
Capital Assets Purchase	0.00	0.00	0.00	284.21
Sales	19628.65	4647.81	1541.80	4240.98
Interest Receivable	870.66	209.66		0.00
Interest Payable	325.96	0.50		0.00
Service Taken	1767.82	441.33		0.00
Expenses	823.67	16.47	0.00	0.00
Corporate Gurantee Given (To the extent utilised )	11785.02	11787.91		
<b>2) Outstanding</b>				
Balances as on 31.03.2012				
Share Capital	14991.52	8213.90		
Advance Recd ag. Share Capital	271.22	1002.38		
Investment Made	1249.50	1249.50	1354.47	1434.98
Loans & Advances given	792.05	0.00		
Loans & Advances taken	3.38	3.38		
Capital Advances	9404.55	8658.36		
Debtors	0.00	0.00	378.52	1005.19
Creditors	2186.82	4143.04	460.76	6.08

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Note No. XXV</b>		
<b>Earning per share is calculated as shown below:</b>		
Profit available for Equity Shareholders	891,607,868	876,161,634
For Basic Earning		
No. of weighted average equity shares	35,870,531	29,445,798
For Diluted Earning		
Equity Share Warrants 13,15,000 (Previous Year 48,15,000) pending for conversion	1,315,000	2,334,945
<b>No. of weighted average of Diluted Equity Shares</b>	<b>37,185,531</b>	<b>31,780,744</b>
Nomial Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
<b>Basic</b>	<b>24.86</b>	<b>29.76</b>
<b>Diluted</b>	<b>23.98</b>	<b>27.57</b>

**Note No. XXVI**

The balance in the parties accounts whether in debit or credit are subject to confirmation, reconciliation and adjustment. The impact of the same on the accounts at the year end is unascertainable .

**Note No. XXVII**

Fixed deposits with banks of Rs. 2916.10 Lacs (Previous year Rs.3232.85 Lacs) are pledged with banks as margin money for working capital facilities.

**Note No. XXVIII**

As per best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 as notified by Companies(Accounting Standards)Rules 2006, in respect of any present obligations as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

## Note No XXIX

### Segment Reporting

The Company operates only in one business segment viz. Bulk Drugs & Pharmaceuticals. However the figures in Segment Reporting is based on geographical location of its customers.

(Rs. in Lacs.)

	In India	Outside India	Total
<b>REVENUE</b>	72193 (60143)	68724 (43362)	140917 (103505)
<b>RESULTS</b>	13277 (6461)	10118 (8401)	23395 (14862)
Less: Financial Expenses			8473 (5106)
Less: Unallocated Expenses			9599 (6276)
Add: Operating Income			3332 (1042)
Add: Extra Ordinary Item			0 (274)
Less: Income Tax Provision			1710 (1794)
Add: Mat Credit entitlement			1746 (1797)
Add : Deferred Tax			225 (45)
Profit after Tax			8916 (8946)
<b>OTHER INFORMATION</b>			
SEGMENT ASSETS	16892 (11097)	13486 (6897)	30378 (17994)
UNALLOCATED ASSETS			191430 (144397)
TOTAL ASSETS			221809 (173873)
SEGMENT LIABILITIES	14718 (10391)	13031 (7603)	27749 (27601)
UNALLOCATED LIABILITIES			194059 (88452)
TOTAL LIABILITIES			221809 (116052)
CAPITAL EXPENDITURE			120396 (86243)
DEPRECIATION			3986 (3852)
NON CASH EXPENSES OTHER THAN DEPRECIATION			225 (301)

Notes :

**1. Geographical Segments**

The segment reporting is performed on the basis of the geographical location of customers. The management views the Indian market and export markets as distinct geographical segments.

**2. Segment assets & liabilities**

Segment assets consists of debtors & the segment liabilities consists of creditors and accrued liabilities.

**3. The figures in brackets are in respect of previous year.**

**Note No. XXX**

Company has not received intimation from supplier regarding the status under Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act have not been given.

**Note No. XXXI**

Obligations/Entitlements on account of advance license not recognised at the time of export during the year amounts to Rs.1168.76 Lac (Previous year Rs.741.49 Lac). The above treatment has no impact on the Profit & Loss account.

**Note No. XXXII**

The company entered into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

**Note No. XXXIII**

In compliance with AS-15, during the year, company has provided Rs. 12.03 Lacs (Rs. 31.28) as provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

**Note No. XXXIV**

During the year, the Company has incurred foreign currency revenue expenditure of RMB 330329.42 on its China Office and GBP 154088.27 on its U.K office operation. Such Foreign Currency Expenditure has been translated in Indian Currency @ One RMB equivalent to Rs.6.50. and One GBP equivalent to Rs. 76.40 at the year end on the basis of average exchange rate during the year computed as per cross currency reference rates published by RBI.

**Note No. XXXV**

Capital Reserve includes Rs. 16.76 Lacs being Subsidy for DG Set which is net of Rs 1.21 Lacs amortised and treated as income during the year.

**Note No. XXXVI**

Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.

As per our separate report of even date

**For JAIN & ASSOCIATES**

Chartered Accountants  
(Regd.No.001361N)

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

**Significant Accounting Policies**

Accounting policies uniformly followed by all the entities to the consolidation

**1. BASIS OF PREPARATION**

- a. Company has wholly owned subsidiary in USA which was incorporated on Jan 2, 2004. The financial year of Parent Company is from April 11 to March 12 whereas the financial year of Subsidiary Company is from Jan 10 to Dec 10. Accordingly, subsidiary's audited financial statements for the year ended on 31-12-2011 are considered for the purpose of consolidation. Effect for significant transactions or events that have occurred in subsidiary for period Jan 01, 2011 to March 31, 2012 have been accounted for.
- b. Company has another wholly owned subsidiary in Singapore which was incorporated on Nov 20, 2009. The financial year of the Parent company is from April 11 to March 12 whereas the financial year of Subsidiary Company is from Nov 09 to Oct 10. Accordingly, subsidiary's audited financial statements for the year ended on 31-10-2010 are considered for the purpose of consolidation. Effect for significant transactions or events that have occurred in the subsidiary for the period Nov 1st, 2011 to March 31, 2012 have been accounted for.
- c. Ind-Swift Middle East FZE (UAE) were incorporated as subsidiary company but no share capital have been issued.
- d. The Parent Company maintains its records and prepares its financial statements under the historical cost convention, in accordance with Generally Accepted Principles in India, while the foreign subsidiary maintain their records and prepare their financial statements in conformity with Generally Accepted Principles prevalent in the country of their domicile. No adjustments are made in these consolidated financial statements for inconsistencies in accounting policies.

**2. PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements comprise of the financial statements of Parent Company and its wholly owned subsidiaries ( Ind Swift Laboratories Inc USA, Meteoric Life Sciences Pte Ltd). The consolidated financial statements have been prepared on the following basis.

- a. The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after elimination of intra-group transactions, intra-group balances and the unrealised profits/(losses).
- b. The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies for the like transactions and other events in similar circumstances except as specifically mentioned.
- c. The excess of the cost to the Parent Company of its investment in the subsidiary over the company's portion of equity of the subsidiary is recognised in the financial statements as goodwill or capital reserve.

**3. USE OF ESTIMATES**

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

**4. FIXED ASSETS & DEPRECIATION**

In relation to the Parent Company

**a. COST OF FIXED ASSETS**

All Fixed Assets are valued at cost net of cenvat credit wherever eligible. Cost includes all expenses and borrowing cost attributable to the project till the date of commissioning.

**b. DEPRECIATION /AMORTISATION**

Depreciation is provided on straight line method at the rates specified in schedule XIV of the Companies Act 1956 on pro rata basis and the assets having the value upto Rs. 5000 have been depreciated at the rate of 100%.

Lease hold Land is amortised over the period of lease.

The Policy of Company is to provide depreciation on the Buildings , Plant & Machinery & other fixed assets from the date of up of commercial production/ put to use.

**c. INTANGIBLE ASSETS (OTHER ASSETS)**

Cost of product development for which the company becomes entitled to a patent/DMF filed with regulatory authorities is recognised as other assets. The Policy of Company is to amortise such assets acquired upto 31.03.2008 on straight-line basis in five subsequent years and those acquired during the year 2008-09 and onwards in eight subsequent years from the year in which these are acquired.

### **In relation to the Subsidiary Company**

Furniture and Equipments are carried at cost. Depreciation of furniture and equipment is provided using the straight line method at the following rates:

Classification	Useful Life (Years)
Vehicles	5
Computer Equipments	3
Furniture & Fixtures	7

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalised.

Expenditure for maintenance and repairs are charged to expenses as incurred

### **5. BORROWING COSTS**

In relation to the Parent Company

Borrowing costs that are directly attributable to the acquisition, construction of qualifying assets have been capitalised as part of cost of assets. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

### **6. INVENTORIES**

In relation to the Parent Company

Inventories are valued as under :

Stores & spares are valued at cost.

Raw Materials are valued at cost on FIFO basis

Work in process is valued at estimated cost basis or net realisable value whichever is less.

Finished Goods are valued at cost or net realisable value whichever is less and is inclusive of excise duty and all expenditure directly attributable to Production

Finished Goods under test are valued at cost or net realisable value whichever is less and all expenditure directly attributable to production but exclusive of excise duty.

### **7. RECOGNITION OF INCOME AND EXPENDITURE**

**In relation to the Parent Company**

Sales are recognised when goods are supplied and are recorded net of rebates and sales tax and inclusive of excise duty. Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.

**In relation to the Subsidiary Company**

Revenue generated from products shipped is recognised when the risk and rights of ownership have been passed to the customer.

### **8. FOREIGN CURRENCY TRANSACTIONS**

**In relation to the Parent Company**

Transaction in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. The gain or loss arising from forward transactions have been stated on prorata basis over the terms of the contract.

Foreign currency denominated current assets & current liabilities are translated at year end exchange rates. The resulting gain or Loss is recognised in the Statement of Profit & Loss.

In translating the financial statement of representative office for incorporation in financial statements, the monetary assets and liabilities are translated at the closing rate; non monetary assets and liabilities are translated at exchange rates prevailing at the dates of the transactions and income and expenses items are converted at the yearly average rate.

**In relation to the Subsidiary Company**

In case of foreign subsidiary, the local accounts are maintained in the local and functional currency. The financial statements of such subsidiary, which are integral foreign operations for the parent company, have been translated to Indian currency on the following basis:

- All income and expenses are translated at yearly average rate of exchange prevailing during the year.
- Monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
- Non-Monetary Assets and Liabilities are translated at historical rates.
- The resulting exchange difference is accounted as "Foreign Currency Translation Reserve" which is disclosed separately on the balance sheet.

### **9. OTHER SIGNIFICANT ACCOUNTING POLICIES**

Other accounting policies adopted for preparation of consolidated financial statements are same as set out in the part A of Schedule XV accompanying the financial statements of Ind Swift Laboratories Limited. The other accounting policies adopted by subsidiary are the same as that of Ind Swift Laboratories Limited in all material respect.

# Statement Pursuant to the Section 212 of the Companies Act, 1956

1 Name of the Subsidiary Company	Ind Swift Laboratories Inc.	Meteoric Life Sciences Pte Ltd.
2 Financial Year of the Subsidiary Company	01-01-2011 to 31-12-2011	01-11-2010 To 31.10.2011
3 Share of Subsidiary Company held by Ind Swift Laboratories Limited		
(i) No. of Shares (Common Stock)	100	10,00,000
(ii) Face Value	N.A.	
(iii) Paid up value	Rs. 49,390	45,937,239
(iv) Additional Paid up Capital	Rs. 53,877,996	
(v) Extent of Holding	100%	100%
	Rs in/Lac	
4 Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited not dealt with in the accounts of the Ind Swift Laboratories Limited amount to:		
(a) For the subsidiary Company's financial year ended	160.07	99.40
(b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	174.88	9.70
5 Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited dealt with in the accounts of the Ind Swift Laboratories Limited amount to:		
(a) For the subsidiary Company's financial year ended	Nil	Nil
(b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	Nil	Nil
6 Holding Company's interest as at March 31, 2012 incorporating changes since close of the financial year of the subsidiary company	No Change	No Change

## Note:

- The Profit & Loss figures of Subsidiary company has been translated on the basis of average exchange rate.
- Non Monetary items for Ind Swift Laboratories Inc are translated at the historical rates.
- Balance Sheet Monetary items for Ind Swift laboratories Inc are translated at closing exchange rate as at 31.12.2011 and for Meteoric Life Sciences Pte Ltd. at closing rate at 31.10.2011.
- Profit & Loss items are translated at yearly average exchange rate.

As per our separate report of even date

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

**S.R.Mehta**  
Chairman

**N.R. Munjal**  
Vice-Chairman  
Cum Managing Director

**Himanshu Jain**  
Joint Managing Director

**Dr. G.Munjal**  
Director

**Dr. V.R. Mehta**  
Director

**S.C. Pathak**  
Partner  
Membership .No. 10194

**Rishav Mehta**  
Executive Director

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

**Pradeep Kumar**  
Director

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

Date: 30.05.2012  
Place: Chandigarh

**S.P. Sharma**  
Director

**Dr. N.P. Singh**  
Director

**N.K.Bansal**  
Chief Financial Officer

**Pardeep Verma**  
GM-Corp. Affairs &  
Company Secretary

# Notice

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NOTICE is hereby given that the **17th Annual General Meeting** of the Members of Ind-Swift Laboratories Limited will be held on Saturday, the 29th Day of September, 2012 at 10:30 A.M. at PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh-160031, to transact the following business:-

## Ordinary Business:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2012, Statement of Profit and Loss for the year ended on that date and Directors' and Auditors' Reports thereupon.
2. To appoint Director in place of Dr. V.R. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Sh. K.M.S. Nambiar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Dr. J.K. Kakkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provision of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Jain & Associates, Chartered Accountants, the retiring auditors of the Company be and is hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of this meeting upto the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the financial year 2012-13 at a remuneration to be decided by the Board of directors."

## Special Business :

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and subject to all such approvals as may be required, the Company hereby approves the payment of remuneration to Sh. N.R. Munjal, Vice-Chairman cum Managing Director of the Company with effect from 1st April, 2012 for the remaining period of his tenure i.e. upto 22nd March 2015 as set out in the explanatory statement annexed hereto as minimum remuneration in case the Company has in any financial year no profits or if its profits are inadequate with the liberty to the Board of Directors including any committee thereof (the "Board") to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed to by and between the Board and Sh. N.R. Munjal."

**"RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 & Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and subject to all such approvals as may be required, the Company hereby approves the payment of remuneration to Sh. Himanshu Jain, Jt. Managing Director of the Company with effect from 1st April, 2012 for the remaining period of his tenure i.e. upto 22nd March 2015 as set out in the explanatory statement annexed hereto as minimum remuneration in case the Company has in any financial year no profits or if its profits are inadequate with the liberty to the Board of Directors including any committee thereof (the "Board") to revise, amend, alter and vary the terms and conditions of her remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed to by and between the Board and Sh. Himanshu Jain."

**"RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, 311 & Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government (if required) and subject to all such approvals as may be required, the Company hereby approves the payment of remuneration to Mr. Rishav Mehta, Executive Director of the Company with effect from 1st April, 2012 for the remaining period of his tenure i.e. upto 22nd March 2015 as set out in the explanatory statement annexed hereto as minimum remuneration in case the Company has in any financial year no profits or if its profits are inadequate with the liberty

to the Board of Directors including any committee thereof (the "Board") to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as may be agreed to by and between the Board and Mr. Rishav Mehta."

"RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution."

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of members and the Share Transfer Books of the Company will remain closed from Tuesday 25th September, 2012 to Saturday 29th September, 2012 (both days inclusive).
3. Members holding shares in physical form are requested to notify/send any change in their address/mandate/ bank details and particulars of their account in case the same have not been sent earlier to the Company's Registrar and Transfer Agent to facilitate better services. Such members, if desired of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit details to the Registrar & Transfer Agents of the company, in the prescribed Form 2B for this purpose.
4. Members desirous of having any information as regards accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready.
5. Members are requested to bring their copies of the Report to the meeting, as no further copies would be made available.

By Order of the Board  
Sd/-  
**Pardeep Verma**  
GM-Corporate Affairs  
& Company Secretary

Place: Chandigarh

Date: 28.08.2012

Registered Office:

SCO – 850, Shivalik Enclave,  
NAC, Manimajra,  
Chandigarh 160 001

# Annexure to Notice

## Explanatory Statement Pursuant to Section 173(2) of Companies Act, 1956

### Item No. 6

At the 15th Annual General Meeting (AGM) of the Company held on 22nd September, 2010 the shareholders had approved the appointment and terms of remuneration of Sh. N.R. Munjal as Vice-Chairman cum Managing Director of the Company for a period of 5 years with effect from 23rd March, 2010. The Company has incurred a net loss of Rs.4332.61 lacs for the quarter ended 30th June, 2012.

As the Company has no profits or the profits are inadequate as noted from the quarterly results for the period ended 30th June, 2012, the payment of existing remuneration to Vice-Chairman cum Managing Director shall be subject to approval of the Central Government, as required under Schedule XIII to the Companies Act, 1956. A special resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years.

Sh. N.R.Munjal is at present drawing a remuneration of Rs. 15,00,000/- per month excluding other perquisites, allowances and benefits. The Board of Directors at its meeting held on 28th August, 2012 have, pursuant to the recommendation of Remuneration Committee, approved the payment of same remuneration for the period from 1st April, 2012 to 22nd March, 2015 in the event of no profit in any financial year. The salary, perquisites and allowances as mentioned below are the same as approved by the shareholders at their AGM held on 22nd September, 2010.

#### A. REMUNERATION

- a. Salary: 15,00,000/- per month (within the pay scale of Rs. 7,50,000- 50,00,000)
- b. Commission at the rate 3% of net profit of the Company, payable quarterly or as may be decided by the Board from time to time
- c. Perquisites and allowances
  1. Fully furnished rent free accommodation/ House.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
  6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
  7. Gratuity - Upto half a month's salary for each completed year of service.
  8. Leave encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
  9. Conveyance - The Company shall provide one fully insured car with driver and reimbursement of the operational expenses.
  10. Telephone, Telefax and other communication facilities.
  11. Security - The Company shall provide for round the clock security at the Director's residence.
  12. Pension: - The appointee or his nominees shall be entitled to receive 50% of the last drawn salary as pension in case of superannuation or in case of death during the tenure of appointment

#### B. OTHER TERMS

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

The above mentioned remuneration payable to Sh. N.R. Munjal, would be in excess of the limits prescribed under Schedule XIII read with relevant provisions of Companies Act, 1956, the special resolution is proposed for the approval of Shareholders and the Central Government. The statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at item no.6 is annexed hereto as Annexure-A.

The said remuneration to Sh. N.R. Munjal is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Vice-Chairman cum Managing Director of the Company. The Board recommends acceptance of the resolution.

This may also be considered and treated as Abstract and Memorandum of Interest under Section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Sh. N.R. Munjal and Dr. G. Munjal, who are related to each other, is interested in the Resolution.

## Item No. 7

At the 15th Annual General Meeting (AGM) of the Company held on 22nd September, 2010 the shareholders had approved the appointment and terms of remuneration of Sh. Himanshu Jain as Jt. Managing Director of the Company for a period of 5 years with effect from 23rd March, 2010. The Company has incurred a net loss of Rs.4332.61 lacs for the quarter ended 30th June, 2012.

As the Company has no profits or the profits are inadequate as noted from the quarterly results for the period ended 30th June, 2012, the payment of existing remuneration to Jt. Managing Director shall be subject to approval of the Central Government, as required under Schedule XIII to the Companies Act, 1956. A special resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years.

Sh. Himanshu Jain is at present drawing a remuneration of Rs. 15,00,000/- per month excluding other perquisites, allowances and benefits. The Board of Directors at its meeting held on 28th August, 2012 have, pursuant to the recommendation of Remuneration Committee, approved the payment of same remuneration for the period from 1st April, 2012 to 22nd March, 2015 in the event of no profit in any financial year. The salary, perquisites and allowances as mentioned below are the same as approved by the shareholders at their AGM held on 22nd September, 2010.:-

### A. REMUNERATION

- a. Salary Rs.15,00,000/- per month (within the pay scale of Rs. 7,50,000 to Rs. 50,00,000/- per month)
- b. Commission at the rate 3% of net profit of the Company, payable quarterly or as may be decided by the Board from time to time
- c. Perquisites and allowances
  1. Fully furnished rent free accommodation/ House.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
  6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
  7. Gratuity - Upto half a month's salary for each completed year of service.
  8. Leave encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service
  9. Conveyance - The Company shall provide one fully insured car with driver and reimbursement of the operational expenses.
  10. Telephone, Telefax and other communication facilities.
  11. Security - The Company shall provide for round the clock security at the Director's residence.
  12. Pension: - The appointee or his nominees shall be entitled to receive 50% of the last drawn salary as pension in case of superannuation or in case of death during the tenure of appointment.

### B. OTHER TERMS

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

The above mentioned remuneration payable to Sh. Himanshu Jain, would be in excess of the limits prescribed under Schedule XIII read with relevant provisions of Companies Act, 1956, the special resolution is proposed for the approval of Shareholders and the Central Government. The statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at item no.7 is annexed hereto as Annexure-A.

The said remuneration to Sh. Himanshu Jain is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Jt. Managing Director of the Company. The Board recommends acceptance of the resolution.

This may also be considered and treated as Abstract and Memorandum of Interest under Section 302 of the Companies Act, 1956.

None of the Directors of the Company is interested in the Resolution.

## Item No. 8

At the 15th Annual General Meeting (AGM) of the Company held on 22nd September, 2010 the shareholders had approved the appointment and terms of remuneration of Mr. Rishav Mehta as Executive Director of the Company for a period of 5 years with effect from 23rd March, 2010. The Company has incurred a net loss of Rs.4332.61 lacs for the quarter ended 30th June, 2012.

As the Company has no profits or the profits are inadequate as noted from the quarterly results for the period ended 30th June, 2012, the payment of proposed remuneration to Executive Director shall be subject to approval of the Shareholders, as required under Schedule XIII to the Companies Act, 1956. A special resolution has to be passed at a General Meeting of the Company for payment of such remuneration for a period not exceeding 3 years.

Mr. Rishav Mehta is at present drawing a remuneration of Rs. 4,00,000/- per month excluding other perquisites, allowances and benefits . The Board of Directors at its meeting held on 28th August, 2012 have, pursuant to the recommendation of Remuneration Committee, approved the payment of same remuneration for the period from 1st April, 2012 to 22nd March, 2015 in the event of no profit in any financial year. The salary, perquisites and allowances as mentioned below are the same as approved by the shareholders at their AGM held on 22nd September, 2010.

#### A. REMUNERATION

- a. Salary: Rs.4,00,000/- per month. (within pay scale of Rs. 1,50,000 to Rs. 50,00,000/- per month)
- b. Perquisites and allowances.
  1. Fully furnished rent free accommodation/ House.
  2. Medical Reimbursement – Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance – Once a year for self & family as per rules of the Company.
  4. Insurance – Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees – Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
  6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund – As per rules of the Company.
  7. Gratuity – Upto half a month's salary for each completed year of service.
  8. Leave encashment – As per rules of the Company but not exceeding one month's leave for every 11 months of service
  9. Conveyance – The Company shall provide one fully insured car with driver and reimbursement of the operational expenses.
  10. Telephone, Telefax and other communication facilities.
  11. Security – The Company shall provide for round the clock security at the Director's residence.
  12. Pension: - The appointee or his nominees shall be entitled to receive 50% of the last drawn salary as pension in case of superannuation or in case of death during the tenure of appointment.

#### B. OTHER TERMS

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

The above mentioned remuneration payable to Mr. Rishav Mehta, shall be within the limits prescribed under Schedule XIII read with relevant provisions of Companies Act, 1956, the special resolution is proposed for the approval of Shareholders. The statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at item no.8 is annexed hereto as Annexure-A.

The Board recommends acceptance of the resolution.

This may also be considered and treated as Abstract and Memorandum of Interest under Section 302 of the Companies Act, 1956.

Sh. S.R.Mehta and Dr.V.R.Mehta being related are interested in the Resolution.

#### Details of Directors Seeking Re-appointment at the forthcoming Annual General Meeting of the Company (pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Dr. V.R. Mehta	Sh. K.M.S. Nambiar	Dr. J.K. Kakkar
Date of Birth	22.10.1958	03.01.1943	10.06.1936
Date of Appointment	04.01.1995	30.10.2001	09.01.1997
Expertise in specific Functional Area	Marketing and product development Generic Products	Finance and Accounts	Health Management & Administration.
Qualifications	M.Sc.(PAU)	MA, FCS	MBBS, DPH, FISCD
Details of Share held	52,900	5,000	5,000
List Company in which outside Directorships held as on 31.03.2012 (excluding Private & Foreign Companies)	Ind-Swift Limited Essix Biosciences Ltd. Tagma Agrotech Ltd.	Ind-Swift Limited	NIL
Chairman / Member of the Committees of other Company on which he is director as on 31.03.2012	Ind-swift Limited	Ind-swift Limited	N.A.
Relationship inter-se between Directors	Related with Sh. S.R. Mehta, Director as Brother and Mr. Rishav Mehta as Uncle	NIL	NIL

# Annexure-A

Statement as required under Clauses 1(B) and 1(C) of Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to the item no(s). 6, 7 and 8 are as follows:

## I. General Information: -

- (1) **Nature of Industry:** Pharmaceuticals
- (2) **Date or expected date of commencement of commercial production:** Existing Company, already commenced from 1995.
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. :** Existing Company, not applicable.
- (4) **Financial performance based on given indicators:** (Rs. in Lacs)

Sr. No.	Particulars	Un-audited reviewed figure for 3 months ended 30.06.2012	Audited Figure for 12 months period ended 31.03.2012	Audited Figure for 12 months period ended 31.03.2011	Audited Figure for 12 months period ended 31.03.2010
1.	Turnover	30270.56	132068.13	102079.04	77522.97
2.	Profit/(Loss) before tax	(4331.18)	8299.54	8712.55	5466.40
3.	Net Profit/(Loss)	(4332.61)	8644.01	8761.62	5796.38
4.	Paid-up Share Capital	3927.05	3794.55	3422.31	2785.24
5.	Reserves & Surplus (Excluding Revaluation Reserve)	-	56131.39	44913.28	33011.26

- (5) Export performance and net foreign exchange collaborations: During the year 2011-12 the Company's exports were Rs. 5887.48 Million
- (6) Foreign Investment of Collaborators, if any: and net foreign exchanges earnings were Rs. 5799.98 Million.

## II. (a) Information about the Appointee Sh. N.R. Munjal

### 1. Background details:

Mr. N.R. Munjal, Vice-Chairman cum Managing Director of the 26 years old Ind-Swift Group and he has 26 years vast experience in the area of long term strategy formulation, leading and monitoring the senior management in implementation of Business plans for the company, Exploring new and innovative avenues for business growth of the group, Mentoring and ensuring the setting up of a conducive culture for the Company.

### 2. Past Remuneration:

Financial Years	Amount (In Lacs)
2011-12	180.05
2010-11	180.05
2009-10	87.05

### 3. Recognition or awards:

Chairman of Pharmaceuticals Export Promotion Council; a statutory body set up by the Ministry of Commerce & Industry, Govt. of India; for promoting the Exports of Indian Pharmaceutical Industries.

Member of Board of Governors of National Institute of Pharmaceutical Education and Research (NIPER), S.A.S. Nagar Mohali.

Member of Board of Trade (BOT), Ministry of Commerce & Industry, Government of India.

Member of the Managing Committee – Federation of Indian Export Organization (FIEO)

Member of the Pharma Committee – Federation of Indian Chambers of Commerce and Industry (FICCI), New Delhi

Member of the Managing Committee – PHD Chamber of Commerce & Industry.

Immediate Past President of Indian Drugs Manufacturers' Association (IDMA), a premier National Association of the Indian Pharmaceutical Industry, dealing with Government/ Semi-Government affairs on behalf of its members.

Past Vice President (North) of Bulk Drugs Manufacturers Association, an autonomous body set up to deal with the day-to-day affairs of its members with different Government agencies.

4. **Job profile and his suitability:** Mr. N.R. Munjal, Vice-Chairman cum Managing Director has been looking after the overall affairs and operations of the Company under the supervision and control of the Board of Directors. The Company has made enormous progress under the stewardship of Mr. N.R. Munjal, who has the management experience to handle diverse nature of businesses of the Company and the vision to take the business forward. He has been instrumental in taking the Company from strength to strength to its present position.
5. **Remuneration proposed:** As stated in the Explanatory Statement at Item No.6 of the Notice.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** Revised remuneration as proposed of Mr. N.R. Munjal is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. N.R. Munjal is a Promoter-Director, holding 1,05,000 equity shares of Re.10/- each representing 0.267% of the total paid-up capital of the Company.

#### b) Information about the Appointee Sh. Himanshu Jain

##### 1. Background details:

Mr. Himanshu Jain, Jt. Managing Director, Ind-swift Laboratories Ltd. is having seven years experience in pharmaceutical industry and project planning & control and taking care of all long term strategy in finance and accounts.

##### 2. Past Remuneration:

Financial Years	Amount (in Lacs.)
2011-12	180.05
2010-11	135.05
2009-10	NA

##### 3. Recognition or awards: Nil

4. **Job profile and his suitability:** Mr. Himanshu Jain, Jt. Managing Director has been entrusted with substantial powers of the management of the business and affairs of the Company. The Company has been substantially benefitted by his professional knowledge and managerial expertise and has made enormous progress. Mr. Himanshu Jain plays a major role in providing thought leadership and strategic inputs to the Company.
5. **Remuneration proposed:** As stated in the Explanatory Statement at Item No.7 of the Notice.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** Revised remuneration as proposed of Mr. Himanshu Jain is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Himanshu Jain is a Promoter-Director, holding 43,325 equity shares of Re.10/- each representing 0.110% of the total paid-up capital of the Company.

#### c) Information about the Appointee Mr. Rishav Mehta

##### 1. Background details:

Mr. Rishav Mehta, Executive Director, Ind-Swift Laboratories Ltd. is having over three years of experience in pharmaceutical industry, project planning & control. He is playing active role in production management and development of new generic products.

##### 2. Past Remuneration:

Financial Years	Amount (in Lacs.)
2011-12	19.25
2010-11	19.25
2009-10	NA

3. **Recognition or awards:** Nil
4. **Job profile and his suitability:** Subject to the supervision and control of the Board of Directors, Mr. Rishav Mehta is playing active role in production management and development of new generic products. He looks after efficient running of the plants, production planning, control expansion development activities, timely completion of the projects and general administration of the plant. Mr. Rishav Mehta is instrumental in the development of the Company and for maintaining cordial atmosphere and relationship in the factories.
5. **Remuneration proposed:** As stated in the Explanatory Statement at Item No.8 of the Notice.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** Revised remuneration as proposed of Mr. Rishav Mehta is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Rishav Mehta is a Promoter-Director of the Company and related to Shri S.R. Mehta (Director) & Dr. V.R. Mehta (Director).

### III. Other information:

1. **Reasons of loss or inadequate profits:** During the 2012-13, the turnover and profitability of the Company has declined, mainly due to:-
  - (a) Fire at the Company's main product Loan Licensee viz. Dashmesh's Medicare Private Limited manufacturing site which resulted in loss and margins as the key intermediates had to be sourced at a high cost from other suppliers.
  - (b) Loss in realisation of the second crop due to decomposition. Against the expected realisation of 6-7% we could realise only 1-1½%.
  - (c) Losses on account of Forex trading.
2. **Steps taken or proposed to be taken for improvement:**
  - Production of key intermediates in-house
  - Developing high margin products
  - Entering new territory, increasing the sales.
3. **Expected increase in productivity and profits in measurable terms:**

In view of the facts stated above it is difficult to forecast the productivity and profitability in measureable terms. However the company expects that the productivity and profitability may improve and would be comparable with the industry average .
4. **Disclosures:**
  - a. Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above.
  - b. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Company.

By Order of the Board  
Sd/-  
**Pardeep Verma**  
GM-Corporate Affairs &  
Company Secretary

Place: Chandigarh  
Date: 28.08.2012







### Ind-Swift Laboratories Limited

Redg.Office: SCO: 850, Shivalik Enclave, NAC Manimajra, Chandigarh – 160 101

Website:www.indswiftlabs.com

Share Transfer Agent: Alankit Assignments Ltd., 205-208, Anarkali Complex, Jhandewalan Extention, New Delhi -110 055

### ATTENDANCE SLIP

(This attendance slip duly filled in, is to be handed over at the entrance of the Meeting Hall)

Folio No./ Client ID No.	DP ID No.
No. of Shares	

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company held at, PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh on 29th September, 2012 at 10.30 a.m.

Name and Address of the Shareholders(s) in Block Letter \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If Shareholder(s) please sign here

If proxy, please mentioned and sign here

**Note:**

1. Shareholder/Proxyholder, as the case may be, is requested to sign and hand over this slip at the entrance of the Meeting Venue.
2. Members are requested to advice the change of their address, if any, to Alankit Assignments at the above address.



### Ind-Swift Laboratories Limited

Redg.Office: SCO: 850, Shivalik Enclave, NAC Manimajra, Chandigarh – 160 101

Website:www.indswiftlabs.com

Share Transfer Agent: Alankit Assignments Ltd., 205-208, Anarkali Complex, Jhandewalan Extention, New Delhi -110 055

### FORM OF PROXY

Folio No./ Client ID No.	DP ID No.
No. of Shares	

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of Ind-Swift Laboratories Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company held at, PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh on 29th September, 2012 at 10.30 a.m. and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Please affix Rs. 1 Revenue Stamp

**Note:** (i) If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

(ii) A proxy may not be a Member.







**Ind-Swift**

[www.indswiftlabs.com](http://www.indswiftlabs.com)