

IND-SWIFT

# NEW Horizons

Ind-Swift Laboratories Limited

Annual Report 2020 21



# Contents


New Horizons 1

About the Company 6

From the Chairman's Desk 8

Key Performance Indicators 10

Management Discussion & Analysis 12

Corporate Information 32

Directors' Report 34

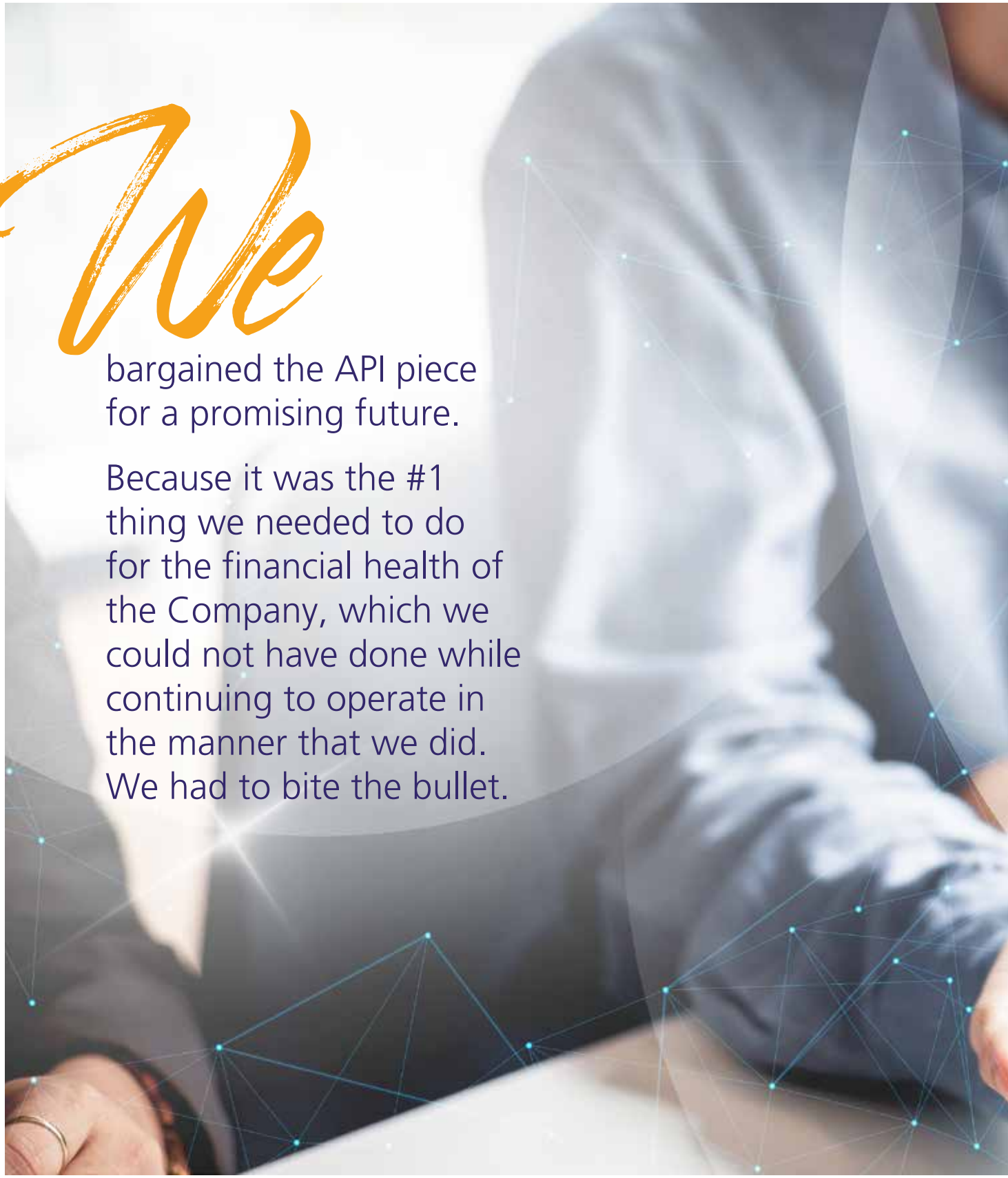
Report on Corporate Governance 67

Standalone Financial Statements 88

Consolidated Financial Statements 135

Notice 176


We knew it was the
right time to start
something new.
And trust the magical
beauty of
NEW
Horizons


We
bargained the API piece
for a promising future.
Because it was the #1
thing we needed to do
for the financial health of
the Company, which we
could not have done while
continuing to operate in
the manner that we did.
We had to bite the bullet.



Now, we will be a debt-free, cash-surplus company that has the chance to identify interesting business spaces and ideate the contours of a long-term strategy that will, over a period of time, enable us to deliver significant value to

*shareholders.*


With our
26+ years
of global pharmaceutical experience, we are eager to initiate a new chapter in our entrepreneurial journey.
As you can imagine, a story like this can start to change everything. We now see ourselves, our business, and our opportunities in new ways.


Believe in us, like you
have done in the past.
We together shall
explore and unfold....
New Horizons!



# About the Company

85,657.84
Revenue (₹ in Lakh)

19,920.10
EBITDA (₹ in Lakh)

439.83
Net Loss (₹ in Lakh)

42,500
Market Capitalisation
(₹ in Lakh)

Headquartered in Chandigarh, India, Ind-Swift Laboratories Ltd today is a global manufacturer of APIs and advanced intermediates.

Established in 1995, Ind-Swift has fast evolved towards a business model that is focused on deep-rooted domestic presence and has leveraged on high-value mature regulated markets with considerable growth in emerging markets.

Spearheaded by Mr. NR Munjal as its Chairman and Managing Director, the Company's operations are managed by a team of 1,531 members.

The Company equity is listed on the BSE Limited and the National Stock Exchange of India Limited.

## Our Vision

To significantly contribute in building a healthy world as a leading provider of quality pharmaceutical products across the globe.

## Our Mission

We aim to be build a profitable, sustainable, system driven world class pharmaceutical organisation that deliver diverse range of quality pharmaceutical products for global markets by means of our loyal customer base, intellectual team, effective systems and latest technology.

## Our Values

Ind-Swift's culture is based upon our core values that provide equal opportunity to everyone for contributing towards achieving organisational and societal objectives. Our customers are our greatest teachers and our employees are our greatest assets. Our decision-making process in organisation is guided by a definitive value system we term as 'RIPCO' Value system.

# About *the Business*

ISLL is a significant player in manufacturing APIs of complex therapies namely Cardiovascular health, Antihistamine, Antidiabetic, Antipsychotic, Antimigraine, Parkinson's Disease, Antineoplastic, ADHD Symptoms, Analgesics, Alcohol Abstinence and Bone Resorption Inhibitor. The Company enjoys global leadership in the Macrolide Antibiotic segment.

Our 2 manufacturing sites in Punjab (which are approved by USFDA, EDQM, PMDA, ANVISA, EU-GMP, KFDA, NMO, ANSM, Cofepris, TGA, WHO, ROW) and Jammu cater to API consumers, large and small, across the world.

| Multidisciplinary | | |
|---|---|---|
| Synthetic Medicinal Chemistry | Custom Synthesis | Process R&D |
| cGMP Manufacturing | Analytical Development | Regulatory Support |

**Therapeutic segments**

Macrolide Antibiotic
Cardiovascular
Antihistamine
Antidiabetic
Antipsychotic
Antimigraine
Parkinson's Disease
Antineoplastic
ADHD Symptoms
Analgesics
Alcohol Abstinence
Bone Resorption Inhibitor



# From the Chairman's Desk



We are at the cusp of stepping into a future of promising prospects that should herald healthy returns as we move forward.

*Dear shareholders,*

I trust you and your loved ones are safe. For our world, over the last 15 months has completely changed to something which we had never fathomed before. Safety has assumed a new priority as has health, certain basics of life which all of us had almost taken as given. I urge you to kindly maintain caution each day to avoid a repeat of what we, as a nation, have endured in these months. Also, my heart goes out to all those families who have experienced pain and anxiety from the health emergency that engulfed the nation.

I pen this statement with considerable optimism because we are at the cusp of stepping into a future of promising prospects that should herald healthy returns as we move forward. But before, I unravel what lies ahead, I would take this opportunity of reflecting on what transpired in the previous year that would put our future strategy in the right context.

## FY21, the year that was.

It was an unprecedented year. A health scare that swept across the world in no time, brought business operations to a standstill almost abruptly. This was the reality for almost every business enterprise. We also had to curtail our operations.

Things got a little challenging as we needed to get back to normal operations with speed. Because we are an essential part of the healthcare system. We needed to make the APIs that goes into formulating medicines. Hence, despite the lockdowns, logistical restrictions and supply chain disruptions, the show had to go on.

At Ind-Swift, this happened only due to our team of go-getters who braved the odds and persevered despite the pain. This helped us capitalise on opportunities in India and across the world.

We grew our market share for some products in select markets. We launched new products in specific markets. We added new customers in existing markets. We established a presence in certain geographies for the first time. We increased our regulatory filings in key markets of our presence with the objective of widening our product basket.

Some of these efforts got reflected in our performance. Our revenue increased by 13.93% over the previous year as did our EBITDA – it grew by 13.60% over FY20. Moreover, we reported a turnaround in our fortunes – we reported a Profit before Tax of ₹ 1,611.71 Lakhs in FY21 against a Loss before Tax of ₹ 1,956.05 Lakhs in FY20. This transpired even as the ecosystem remained particularly challenging.

Despite this achievement, there was a sense disappointment. Because, even as we continued to up our performance year after year over the recent past, we could not reward our shareholders. This brings me to the all-important part of my message this year.

## FY22 will be a new chapter.

We divested our entire business in a slump sale to agrisciences firm PI Industries Ltd. at an enterprise value of ₹ 1,530 crore. After all the effort over these years, we sold it.

***Why did we sell?***

A pertinent question. Let us go back a decade or so. We took debt to drive our R&D efforts. We had identified some good products. We developed the same. But their approval from regulatory authorities took more time than envisaged. Hence, returns from the resources invested got delayed. Our repayment schedule went awry. We were referred to the Corporate Debt Restructuring cell. From then on, it was an uphill task.

We were determined to fight back. Because we are convinced that you don't lose when you fall, you lose when you fall and refuse to get up. We worked our way back; and we did so with greater conviction and zeal. But even as we toiled, we realised that all our efforts were only going into repaying high-cost interest on our leveraged position. We could not announce and distribute dividends.

Hence, we worked on a strategic roadmap – raise our performance and widen our prospects with the objective of scaling the business valuation. The strategy worked. We received a good valuation for our API business.

***What do we do with these funds?***

The funds received will make the Company totally debt-free. We will have surplus funds which we will deploy in for strategic acquisitions/ investments to enhance the stakeholder's value over the medium-term.

Hopefully, in my next annual statement to you, I would be able to detail out where we go from here next and the roadmap. It will be something in the pharma space because it will allow us to adequately utilise our four-decade rich experience in this space. We will utilise all our learnings from our earlier endeavours to ensure that we are able to create wealth for all our stakeholders.

In closing, I take the opportunity to thank my colleagues on the Board for the continued support in contouring the strategic roadmap of the Company. I sincerely thank the entire Ind-Swift team for their unflinching focus and disciplined efforts in remaining steadfast on our commitment. I also thank all our vendors, bankers, government agencies and all other stakeholders for their support in our journey this far. Most importantly, I thank the shareholders in reposing their faith in our abilities. We solicit you continued support as we embark towards **New Horizons**.

Warm regards,

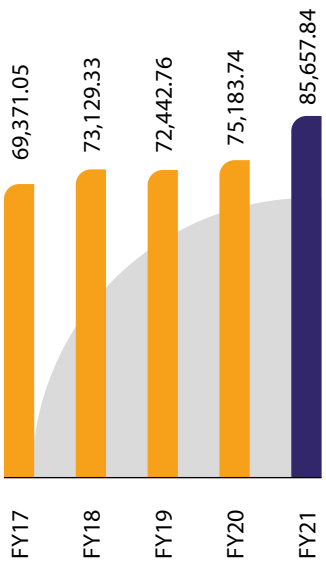
**N. R. Munjal**

*Chairman*
*& Managing Director*

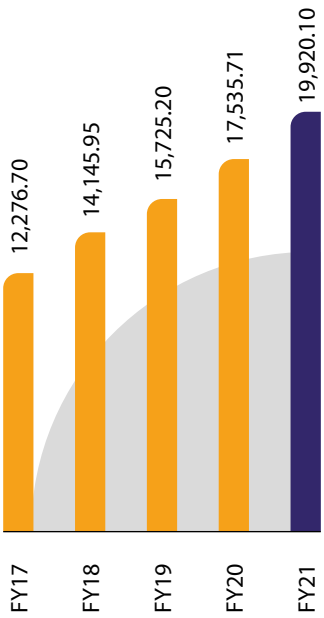
# Key Performance Indicators



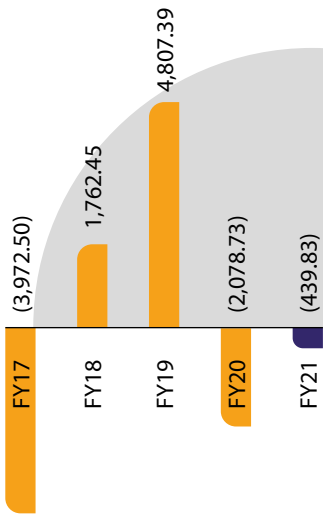
Revenue from Operations (₹ in Lakh)




EBITDA (₹ in Lakh)

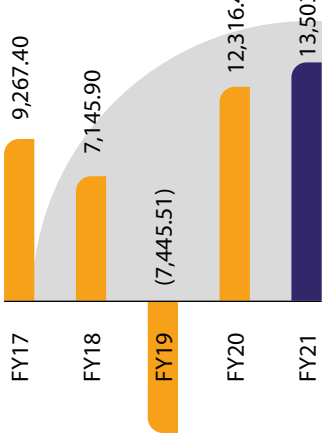



Net Profit/(Loss) (₹ in Lakh)

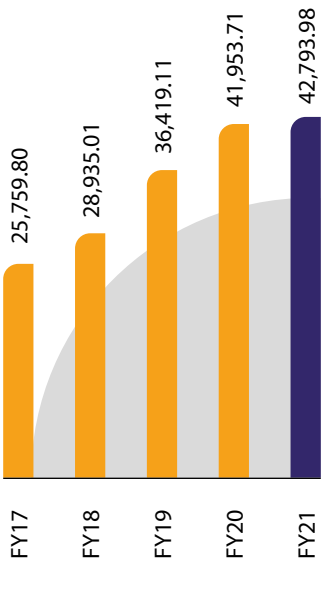




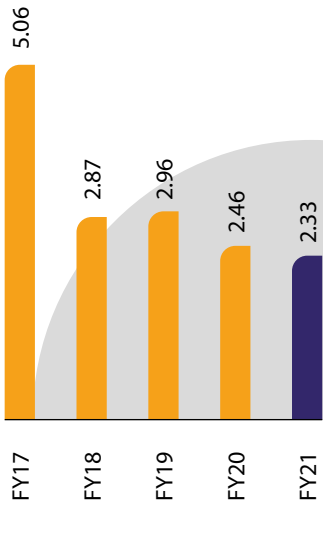
Net Cash from Operations
(₹ in Lakh)




Networth
(₹ in Lakh)




Debt-equity (x)




## FY 2020-21

**22.76**
EBITDA margin (%)

**7.31**
Return on Capital Employed (%)

**72.43**
Book value per share (₹)

Management

# Discussion & Analysis



## An economic overview

**Global economic overview:** 2020 has been an unprecedented year in modern times, with the COVID-19 pandemic impacting human life extensively across the globe.

Its impact on the economic front, too, has been significant. The slowdown across economies witnessed in 2019 exacerbated further in 2020 by the shock delivered by the pandemic. As a result, the global GDP is believed to have contracted by ~3.3% in 2020, with all major economics moving into negative territory.

The economic upheaval could have been much more severe had it not been for the quick and synchronised response from central banks and governments globally, although this too varied across countries.

The increase in balance sheet sizes of almost all central banks and the supportive measures undertaken by governments globally ensured easy availability of funding and support for both private and public consumption.

This support has been instrumental in the progressive recovery seen in the last two quarters of the calendar year as compared to the significant contractions observed in the first two quarters.

The sequential recovery in global trade coupled with the easy liquidity conditions have also led to a sharp rise in commodity prices, especially in the last quarter of CY20.

Going forward, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022 as consumption, investment and trade are expected to gradually improve supported by ongoing vaccination across the globe.

These estimates depend on future course of the health crisis, the effectiveness of policy actions to limit continuing economic damage, commodity prices, and the adjustment capacity of the economy.

**Indian economic overview:** FY21 started amidst the nationwide lockdown to contain the spread of COVID-19 pandemic. This once-in-a-century public health emergency led to temporary closure of economic activities, leading to overall supply side shock creating an uncertainty, which dented consumer confidence inducing a steep fall in domestic demand. As a consequence, Indian economy plunged into deep contraction during Q1/FY21.

The Government and the Reserve Bank of India (RBI) quickly stepped in to put the economy back on track in the quickest possible time and undertook multi-dimensional policy interventions to minimise the impact of the crisis.

Along with moderation in the spread of the virus and scaling down of the lockdown restrictions, the Indian economy progressed on the path of recovery demonstrating remarkable resilience.

A strong rural demand, robust government expenditure and pent-up demand supported this recovery process. To further strengthen overall domestic manufacturing sector and make India self-reliant, the government announced a mega stimulus package under its flagship programme, 'Atmanirbhar Bharat Mission'.

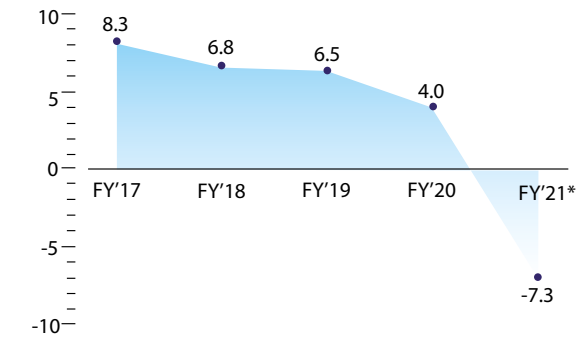
The government has also relaxed the fiscal deficit target and accorded utmost priority to economic recovery.

Towards the end of FY21, a second wave of COVID-19 in the country intensified. It appears to be emerging as a hurdle in maintaining the pace of economic recovery

While economic growth could get impacted in the first quarter of FY22, economic opinion makers are optimistic of a double digit growth. The RBI has projected India's FY22 gross domestic product (GDP) forecast at 10.5%.




**India's GDP Growth** (%)




*Provisional

India remained a preferred investment destination in FY21. The nation received US$ 64 billion in foreign direct investment (FDI) in 2020, which makes the fifth largest recipient of inflows in the world.

# The Pharmaceutical sector

**Global sector:** The global medicine market — using invoice price levels — is expected to grow at 3–6% CAGR through 2025, reaching about US$1.6 trillion in total market size in 2025 excluding spending on COVID-19 vaccines. The total cumulative spending on COVID-19 vaccines through 2025 is projected to be US$157 billion, largely focused on the initial wave of vaccinations to be completed 2022. In later years, booster shots are expected to be required on a biennial basis as the durability of immunity and the continued emergence of viral variants make an endemic virus the most likely outcome.

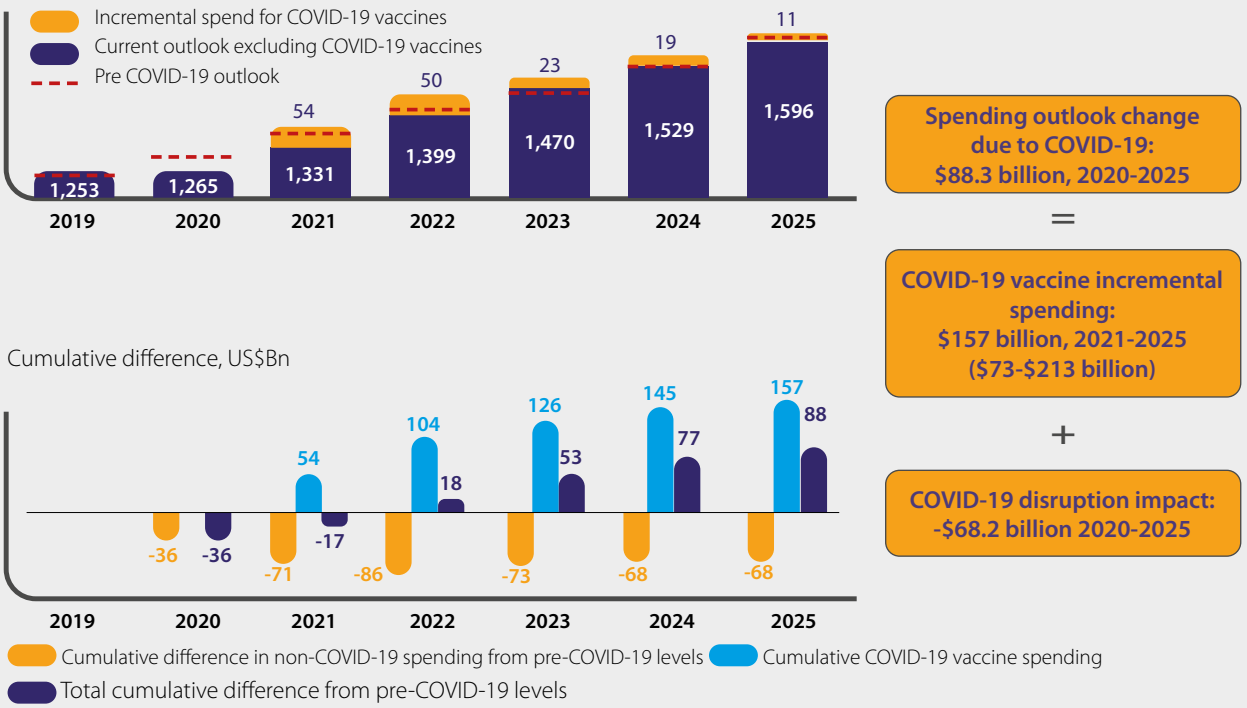
Growth in Global Medicine Spending will be lifted by stronger pharmerging market growth through 2025 and offset by developed markets where slower growth will result as losses of exclusivity for original brands outweigh growth from new products.

The U.S. market, on a net price basis, is forecast to grow 0–3% CAGR over the next 5 years, down from 3% CAGR for the past 5 years. Spending in Europe is expected to increase by US$35 billion through 2025 with a focus on generics and biosimilars.

Spending across major pharmerging markets is expected to grow 7–10% CAGR through 2025, driven by the largest countries — China, Brazil, India and Russia — but generally outperformed by smaller pharmerging markets, which are growing at a rate of 8.5–11.5% over the same period.

## Global medicine spending will rebound in 2021 including COVID-19 vaccines and exceed the pre-pandemic outlook through 2021

Changes in the Historical and Projected Global Medicine Spending Model due to COVID-19, 2019-2025, US$Bn




*Source: IQVIA Market Prognosis, Sep 2020; IQVIA Institute, Mar 2021*

**Indian space:** The Indian pharma industry has achieved significant growth in

both domestic and global markets during the past five decades. From contributing just 5% of the medicine consumption in 1969 (95% share with the global pharma companies), the share of "Made in India" medicines in Indian pharma market is a robust 80% in 2020. More importantly, during the same period, the country has also established a leading position in the global generic pharmaceuticals landscape and is now known as the "Pharmacy of the World".

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US$ 42 billion in 2021 and likely to reach US$ 65 billion by 2024 and further expand to reach ~US$ 120-130 billion by 2030.

Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

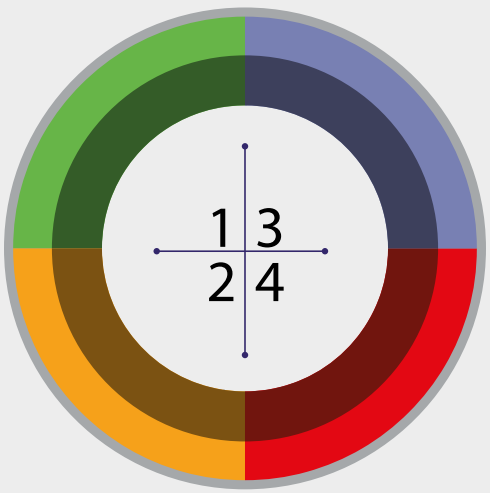
## ADVANTAGE INDIA

### 1. Cost Efficiency

- Low cost production and R&D boosts efficiency of Indian pharma companies, leading to competitive exports. Indian pharma export reachd US$ 24.44 billion in FY21
- As of 2019, India's cost of production is 33% lower than that of the US.
- India's ability to manufacture high quality, low period medicines, presents a huge business opportunity for the domestic industry.

### 2. Economic Drivers

- Economic prosperity to improve drug affordibility.
- Increasing penetration of health insurance to drive expenditure on medicine.
- With increasing penetration of pharmacies, especially in rural India, OTC drugs will be readily available.




### 3. Policy Support

- In February 2021, the government approved a production –linked incentive (PLI) scheme for the pharmaceuticals sector from 2021 to FY29. The scheme is expected to attract investments of ₹ 15,000 crpre (US$ 2.07 billion) into the sector. It is also expected to lead to incremental sales of ₹ 2,94.000 crore(US$ 40.63 billion) and exports of ₹ 1,96,000 crore (US$ billion) between FY 23 and FY28.

### 4. Increasing Investment

- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector stood at US$ 17.75 billionbetween April 2000 and December 2020.

*Source: IBEF, May 2021*

According to the first Longitudinal Ageing Study in India (LASI) released by the Union Ministry of Family and Health Welfare in 2020, 2 out of every 3 senior citizens in India suffer from some chronic disease while a fifth of India's population below 45 years has at least one morbid condition.

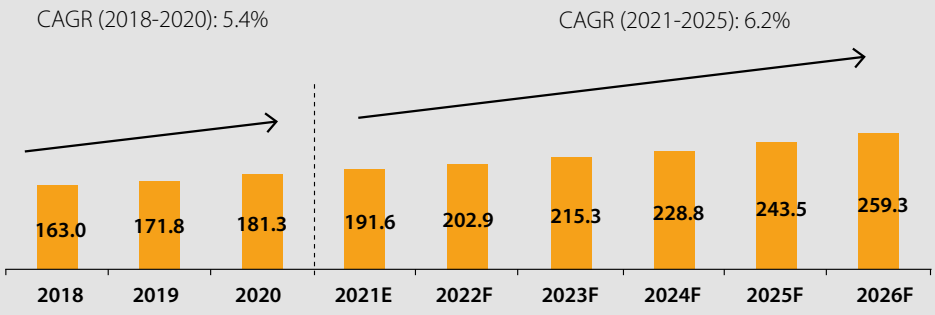
# The API segment

API (Active Pharmaceutical Ingredient) means the active ingredient which is contained in medicine. APIs are made from chemical compounds used as a base. Raw materials undergo several reactions in reactors to become compounds. The chemical compound is called an intermediate. Several intermediates come together through a long manufacturing process, is purified to a very high degree to finally become an API.

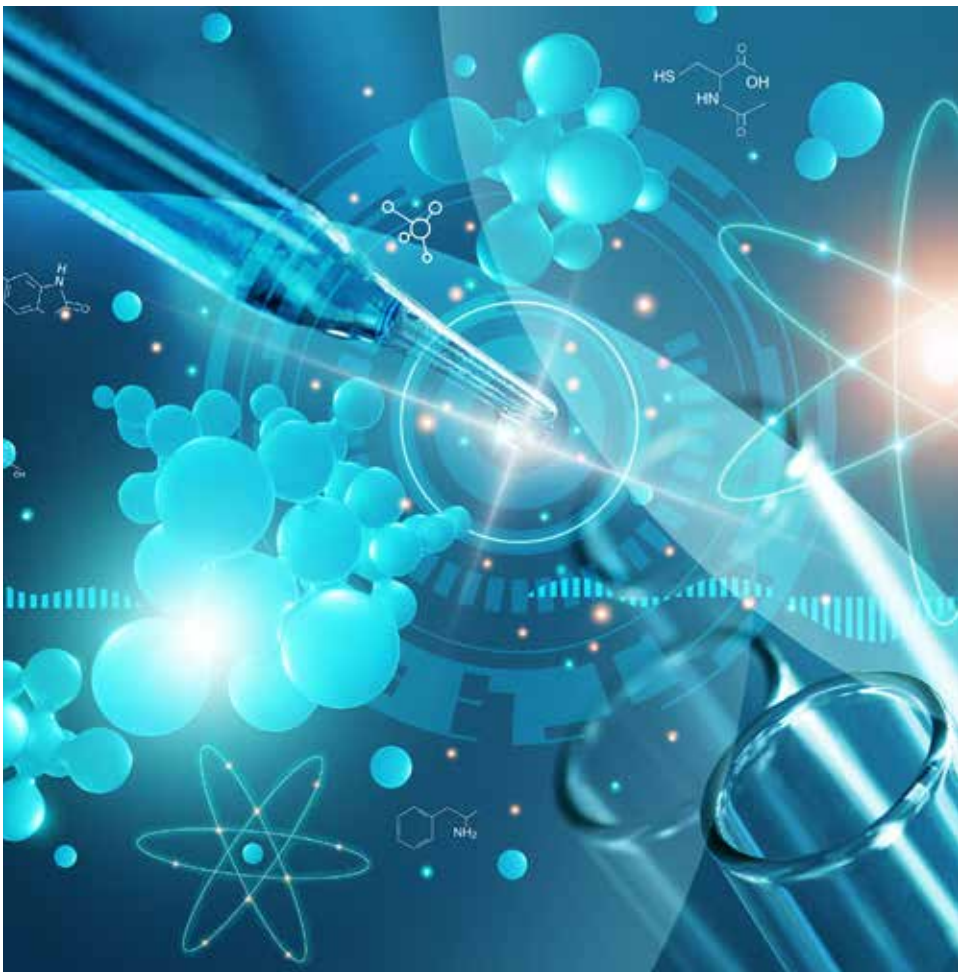
**Global API space:** The global API market was estimated to be around US$181.3 billion in 2020 and is expected to grow at a CAGR of 6.2% to reach to about US$259.3 billion by 2026.

Key drivers of the API market are expected to be 1) rising prevalence of chronic disorders, 2) increasing demand for personalized medicine, and 3) emergence of novel drug delivery devices. Another important growth lever is the growing trend towards the development of innovative therapeutic drugs by various pharmaceutical and biotechnology companies

Global API Market Size, By Revenue, US$ Bn, 2018-2026




*Source: Frost & Sullivan Analysis*



**Estimated growth rate (2021-2026) – By region:** The United States, which occupies the highest market share (based on consumption), is expected to grow by about 6.5% between 2021 and 2026. It is followed by China with an estimated growth rate of about 7.5% during the same period. India is expected to register the highest growth rate of about 9.6% in the next five years owing to encouraging Government policies which are likely to drive significant investments with the objective of attaining self-sustainability.

**Indian API sector:** Ranked third in the world, the Indian bulk drug industry has grown at a CAGR of around 9% over 2016–2020. It is further expected to expand and grow at a CAGR of around 9.6% during 2021–2026, signifying its future potential and evolving global importance.

However, over the last decade, India has observed increased dependency on imports of many KSMs, intermediates and APIs. The import of APIs has risen at a CAGR of 8.3% from 2012 to 2019 and the bulk drug import reached a value of INR 249 billion (US$3.43 billion) in 2019.

The increasing import dependency can be attributed primarily to the availability of low cost API imports from other countries. This has been a cause of major concern for the industry and the Government, as India has seen disruption in supply side particularly from China owing to various factors.

Currently, India imports nearly 68% of API, by value, from China. The latter is also a single supplier for many of the critical intermediaries and APIs including high-burden disease categories such as cardiovascular diseases (for example, Digoxin and Losartan), diabetes (Metformin and Glimepiride) and tuberculosis (Isoniazid and Streptomycin).

The Government, to build self-sufficiency in the API domain, introduced lucrative policies that are expected to drive new investments in this space.1

**Production linked incentive:** It has announced a Production linked incentive (PLI) scheme for the pharma industry worth ₹15,000 crore (US$2.04 billion) to promote domestic manufacturing of critical key starting materials (KSM), drug intermediates, and active pharmaceutical ingredients (APIs) making India a leading supplier.

Phase-I of the PLI scheme (announced in July 2020 and approvals accorded through April 2021) for API players focuses on reducing the increased dependence on imports for four target segments, by setting up greenfield plants with prescribed minimum value addition.

The PLI-II scheme announced in February 2021 by the central government focuses on the production and diversification into high-value pharmaceutical products (formulations/ KSMs/ DIs/ APIs/ Others) with a thrust on exports. The scheme covers R&D expenses incurred for product development as part of the eligible investments in addition to the provision to change the initially committed product mix up to five times during the scheme's tenure.

With the total approved outlay of ₹15,000 crore across categories to be disbursed over the FY23-FY28 period, the scheme is expected to generate incremental sales of ₹ 2.94 trillion (including exports of ₹ 1.96 trillion) over the six-year scheme (according to ICRA)

**Bulk drug scheme:** The Central Government has also announced the promotion of the bulk drug parks scheme with a financial outlay of ₹ 3,000 crore for three select states, which will provide infrastructure assistance to the active pharmaceutical ingredient (API) players.

[1] *https://www.livemint.com/news/pli-scheme-may-help-drugmakers-cut-imports-from-china-by-up-to-35-11623919085062.html)*

# About Ind-Swift Laboratories

Ind-Swift Laboratories Ltd is a global manufacturer of APIs and advanced intermediates that cater to diverse therapeutic segments. It also holds a global leadership position in the Macrolide Antibiotic segment. The Company's products find acceptance with leading global pharmaceutical formulators across the world. More than 50% of its revenue accrues from regulated markets. Based in Chandigarh, India, the Company has two state-of-the-art manufacturing facilities at Derabassi and Jammu, which comply with global operating standards.



## Operational performance

FY21 was particularly challenging from an operational perspective owing to the health emergency. Despite the lockdown, health scare, logistical restrictions and supply chain disruption, business operations needed to continue.

The management had implemented various precautionary measures to ensure that operations continued seamlessly without compromising on the health and safety of its people. They also provided every amenity to its workforce for their mental peace and well-being. This allowed the Company to sustain supplies of its products during the challenging times.

With the Government initiating the India-wide vaccination programme, the Company organised vaccination camps to get 100% of its staff and workers inoculated. In addition to being mindful of employee health, the Company remained sensitive towards the future of the employee's family in case of any unfortunate incident. It provided an insurance cover to all its employees with a fast-tracked claim resolution, if required.

**At the operating units:** In addition to improving man-machine productivity, the team sharpened its focus on optimising the cost structure by reducing consumption of raw materials, utilities and minimising wastages. Even as production volumes scaled, business profitability improved. The team successfully scaled up niche products from its labs to its operating units which received healthy traction in the market.

**At the labs:** The team continued to utilise its innovative passion to enhance the Company's future prospects.

On the one hand the R&D team worked alongside the operations team to scale up products and optimise



processes of existing products; while on the other hand it worked on filling the development pipeline with complex products for regulated and pharmerging markets. The regulatory team continued to filings in select markets (across the world) with the objective of rejuvenating its product basket in these markets. These efforts promise to widen the Company's horizon over the coming years.

## Human resources

Ind-Swift's journey towards scaling new heights is powered by people at its core. Its people are its core strategic pillars that fuel its inspiration to go beyond the boundaries within the mind, to open doors and drive performance.

The Company's people-centric policies have cemented a strong bond between the Company and its team.

The Company continued to invest in its people by providing them avenues to expand their knowledge capital, sharpening their expertise and nurturing leadership, which makes Ind-Swift a learning and delivering institution.

The Company continued to enhance the intellectual capital of its team through an engagement program with reputed educational institutions and comprehensive learning & development calendar.

Further, it intensified its people development initiatives to enable the team to make a more meaningful contribution to operational improvement and new product development. Also, the management team members periodically interacted with the team to update them on the Company's performance and prospects going forward.

# Ind-Swift: A global footprint

## Regulated Markets



### The US

The United States is the world's largest pharmaceutical market (based on consumption) with a market share of about 35% in 2020 and is expected to grow by about 6.5% between 2021 and 2026.

Since its entry in the world's largest pharmaceutical market in the world in 2006, Ind-Swift has worked relentlessly to establish a strong presence in this large and growing market. Currently, it is one of the leading Indian pharmaceutical companies supplying APIs to US generic industry. The company's manufacturing facility at Derabassi has cleared six US FDA audits.

During the current year, the Company continued commercial supplies of multiple APIs, including an oncology product from its containment facility. It continued constructive engagements with North American generic pharmaceutical companies with the objective of forging agreements.

The Company continued to strengthen its CRAMS portfolio with commercial supplies of multiple new and existing products to a reputed US organisation from the CRAMS SBU of the parent company.



### Japan

It is the eight largest market for global generics in terms of value proposition.

Generic drugs have had a low penetration in Japan traditionally, but this is fast changing with the Government's unwavering focus on managing its ballooning healthcare bill owing to a sizeable increase in country's ageing population. As such the Government has allowed for replacing innovative products with low-cost generics. This change has opened huge opportunities for both domestic and foreign generic manufacturers in Japan.

Ind-Swift's journey in Japan commenced in 2008-09. Its strategy of setting higher standards than those designated by the PMDA and its disciplined adherence to these exacting standards across every process has enabled it to emerge as a reliable supplier of high-quality products. As such, Ind-Swift has retained its place and is one of the leading market share holders of generic API export to this market. The Company supplies 9 products/ intermediates to this stringent market, with the aspiration of enriching its product basket with new products/ intermediates over the years to come.





## Europe

It is the second largest market in the world of pharmaceuticals. Ind-Swift continued to gain recognition in this market sustaining volume growth of its key molecules in FY21. The Company enjoys partnerships with leading generic companies for Atorvastatin and other important molecules. It gained market share key geographies namely Germany, Spain, France, UK, Italy, Hungary, Greece and Turkey, primarily owing to its efforts in maintaining seamless supply of its products despite the pandemic. This enabled the Company to earn client respect as a dependable business partner.

Going forward, the Company will focus on other complex molecules such as Ezetimibe and Ivabradine to accelerate its growth momentum. The addition of interesting new products in the development pipeline also has the potential to emerge as important revenue generators in the next few years.

# Asia



## India

Over the years, Ind Swift has gained a commanding position in domestic market offering products across multiple products which include niche and chronic therapies such as oncology, cardiology, antibiotics, anti-allergic, anti-protozoal and others. Additionally, the associations with many leading Indian companies and MNCs including the likes of Cipla, Sun Pharma, Lupin, Micro Labs and Abbott have helped Ind-Swift expand its business footprint within the country.

The Company enjoys a leadership position in Clarithromycin powder and granules despite the competitive pressures from imports. Ind Swift also maintained a dominant position for other products like Clopidogrel, Clarithromycin, Atorvastatin and Fexofenadine. The addition of Ezetimibe in the domestic product basket in FY21 gained traction and interest from many Indian formulators.

The Company also registered good growth for its blockbuster product Ivabradine, offered through its associate company on P2P basis.

Ind Swift is also a key preferred partner for many CROs (Clinical Research Organisations) for support on the API front for development and commercialisation of new products in the regulated markets as well. This space took a slight backseat in FY21 owing to the health emergency that prevailed across the globe.

The Company has identified new business associations with major companies from Europe as well as in India to support product development in several other key ROW markets.

The Company continued to build its pipeline of new API products for the Indian which will allow it to capitalise on emerging opportunities going forward.



## South Korea

According to a global data report, the South Korean pharmaceutical market value is expected to increase from ~US$19.5 billion in 2018 to more than US$23.2 billion by the end of 2022. Additionally, South Korea plans to invest more than US$1.7 billion in enhancing the capabilities of its biotechnology and biopharmaceutical sectors over the next five years. This has attracted several foreign investments and outsourcing opportunities.

Ind-Swift is commercially active on 4 products and has enjoyed more than 80% of the market share. It possesses 9 approved KDMFs to which it added one new product during the year under review – providing considerable promise to strengthen its presence in this market. Furthermore, the team is working on interesting products which could increase its market share in this region.



## China

The second largest global pharmaceutical market is expected to grow at an accelerated pace over the coming years. This is owing to the several reforms' setup by the government to reduce the time taken for drug approval. This has made a considerable difference in allowing new drugs to reach the market faster.

Ind-swift's anticipation of China has been on volume sales with price sensitivity due to several emerging markets that have gained pace post the pandemic COVID-19 leak. Additionally, Ind-Swift has obtained two IDLs with one product approval as per the new guidelines following commercial supplies within this market. Developmental quantities of few more products have also commenced in this region.

More recently, over three products have also been filed as CTDs with four products under CFDA approval following the new set of regulations put forward by the governmental authorities. Ind-Swift's smart technically supported information on products has gained it an advantage over many other suppliers in this region thereby registering good growth. The Company also has two new additional molecules filed in FY21 with two more under screening /filing phase.





## Bangladesh

This is a small but a very fast-growing pharmaceutical sector which is expected to register a 12% CAGR of between 2020 and 2025, with an absolute growth of ~114% since 2019.

Currently, the local pharma market of Bangladesh has over 300 pharmaceutical companies with exports values hovering over US$ 70 million a year. As the country has been allowed to extend the manufacture of patented pharma formulation for the next 17 years up to 2033, the Bangladesh pharma sector is planning to increase its imports to big numbers by the end of 2021. This means clearly Bangladesh is moving with a rapid pace to catch up the international markets and Indian players can play a vital role in enhancing the country's growth with mutual benefits to both India and Bangladesh.

Bangladesh's import demand for APIs particularly Nitazoxanide and Clopidogrel has seen an appreciable rise over the course of the pandemic owing to other illnesses affecting the population of the country. The demands for prime high volume consuming clients have greatly contributed to the sales of these APIs in the region.

Ind-Swift's manufacturing capacities and capabilities have also been able to ensure a steady supply. With new players emerging as competitors from both within India and externally, Ind-Swift has been able to maintain its supply of price sensitive APIs



## Pakistan

This pharmaceutical market has, over the years, increased its API sourcing dependency on India and China. According to a recent report Pakistan's import dependency on India and China for its raw materials/ APIs is expected to rise to ~90%. Despite the country's beleaguered economic position further ravaged by the COVID-19 outbreak and the import drug ban, Ind-Swift has successfully maintained its strong position in this market as a reliable business partner. Steady increases in consumption of APIs such as Clopidogrel from key giant firms in Pakistan has helped Ind-Swift's grow its presence and share in this market.

## Other Asian Markets

The markets of Taiwan, Vietnam, Philippines, Indonesia have yielded healthy sales for Ind-Swift, as the Company consolidated its presence in the SAARC region. In these markets, most of the Company products have garnered more than 70% market share.

In 2020-21, Ind-Swift added new customers in Taiwan for its approved products which strengthened its position in this nation. It also filed the TDMFs for two new molecules. Addition to new customers and products in Vietnam, Philippines and Indonesia helped the Company maintain its momentum in these countries.



# LATAM

Latin America's pharmaceutical market continues to be the among some of the fastest growing segments in the world. Ind-Swift continued to capitalise on emerging opportunities in this region especially in Brazil. The Company expanded its presence in some other markets too namely Argentina, Chile, Uruguay, Paraguay, El Salvador, Costa Rica, Guatemala, Dominican Republic and Honduras.



## Brazil

This is a sought-after pharma market in the Latam region owing to its large population. As the world's sixth most populous country, Brazil represents the largest market opportunity in the Latin America region. As such, the market regulatory framework is extremely stringent, akin to US regulatory standards.

Ind-Swift has a significant presence in this market in the generic space. Its product Nitazoxanide enjoys more than 80% of the market share in this geography. The has initiated the development of Lisdexamphetamine (scheduled to go off patent in 2024) for three major generic companies. This product is expected to emerge as a major growth driver over the coming years.



## Mexico

The Mexican pharma market has seen steady growth over the past decade and is projected to reach over US$ 13 billion by 2028. Being the second largest pharmaceutical market in Latin America, most pharma companies are vying for a share in this market. Business opportunities are largely through Government tenders which generally prefer the lowest bidder.

Owing to intense competition from Chinese players, Ind-Swift's market share has reduced marginally. The Company has nevertheless managed to garner a healthy share of the non-tender market with new product additions such as Clopidogrel Bisulphate as well as new oncology related product registrations. This should help in gaining traction in this market over the coming years.



## Argentina

Argentina's pharmaceutical market ranks third in Latin America in terms of overall size, thus still presenting an attractive opportunity for Ind-Swift.

However, the economically instability owing to Covid-19 induced challenges has led to the market becoming more price sensitive. As a result, the competitive intensity has resulted in significant price erosion.



## Colombia

It is the 4th largest pharmaceutical market in the Latin America region. It has around 400 manufacturing units which are completely dependent on imported raw materials, such APIs and excipients. Ind-Swift does not have a very large presence in this market currently. But it has made healthy inroads in this price-sensitive market as a reliable alternate source.



# MENA REGION

The diverse economic, political, cultural and public health profiles in the Middle East countries are echoed by a highly varied market environment for the pharmaceutical industry.

Overall, the prospects remain promising for both foreign and local firms with growing population and longer life expectancies resulting in good demand for pharmaceuticals in the Middle East as well as Northern Africa.

Local generic manufacturers and potentially overseas generic firms from countries such as India, who have set up manufacturing bases in the region and export from here, are likely to have good prospects too.

This market is largely government tender driven (country specific). Owing to the Covid-19 Pandemic, sales in the MENA region have slowed down as funds were allocated for crucial medicines since 2020. As a result, product penetration for Ind-Swift was limited.







## Jordan

This is an export oriented pharmaceutical market where more than 70% of the production being exported across the globe. After a lackluster first half of 2020, the market saw experienced a tepid recovery in the second half of 2020. This was halted owing to a sudden spike in coronavirus positive cases which mandated the Government to reinstate strict rules to control the contagion. As a result, the economic contraction was more severe than earlier anticipated. Going forward, the pharmaceutical sector is expected to at least for the first half of 2021.



## Egypt

It is the second largest producer and consumer of pharmaceutical products in the MENA region (Middle East and Africa). Ind-Swift has successfully added new customers in this market. Moreover, the Company is developing interesting products for this market which will allow it to increase its market share in this region.



## Iran

Geopolitical issues have thwarted the growth of this market. The Government is focused on urging API consumers to rely on the local sourcing of APIs within the country. With this object it recently imposed higher custom duties and sanctions on the use of international currencies including USD and Euro for transactions. These factors have hampered business prospects. Despite these hurdles, Ind-Swift was able to export intermediates to its JV partners and some new customers which has yielded heartening results. The Company is also evaluating other mitigation strategies against the prevailing issues.

## Other markets

In other markets such as Saudi Arabia, the Company exports Clarithromycin to one of the largest manufacturers. In Oman, Ind-Swift has nurtured healthy relations which local companies. Some of these local companies were awarded tenders which resulted in healthy sales volume throughout 2020-21. UAE, Lebanon, Tunisia, Algeria and Morocco also have witnessed healthy traction in sales volumes. Also, new products, currently under development, hold promise for growing the Company's presence in these markets.

## Financial performance

In the facing of strong headwinds, the Company posted a stellar performance. Growing traction for the Company's products resulted in healthy revenue growth – it increased from ₹ 75,183.74 Lakhs in FY20 to ₹ 85,657.84 Lakhs in FY21; export revenue increased from ₹ 55,082.65 Lakhs to ₹ 63,772.05 Lakhs over the same period. This increase was owing to increase in volumes for existing products coupled with new product launches in select geographies which generated heartening volumes.

Cost management efforts yielded good results as business profits and profitability improved. EBIDTA increased by 13.60% from ₹ 17,535.71 Lakhs in FY20 to ₹ 19,920.10 Lakhs in FY21. Also, the Company turned around at the pre-tax level – it reported a Profit before Tax of ₹ 1,611.71 Lakhs in FY21 against a Loss before Tax of ₹ 1,956.05 Lakhs. The bottomline though remained in the negative, much reduced though – Loss after tax stood at ₹ 439.83 Lakhs in FY21 against ₹ 2,078.73 Lakhs in FY20.

As a result, the Networth of the Company increased from ₹ 41,953.71 Lakhs as on 31st March, 2020 to ₹ 42,793.98 Lakhs as on 31st March, 2021.

**Significant changes i.e. change of 25% or more in the key financial ratios**

In accordance with the amendments notified by SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on 9th May, 2018, the details of significant changes i.e. change of 25% or more in the key financial ratios as compared to the immediately previous financial year along with detailed explanations are reported hereunder.

| Particulars | 2020-21 | 2019-20 | Change | Reason for Change |
|---|---|---|---|---|
| Debtors Turnover Ratio | 2.18 | 2.09 | 4.25% | N.A. |
| Inventory Turnover Ratio | 2.46 | 2.28 | 7.75% | N.A. |
| Interest Coverage Ratio | 2.13 | 1.71 | 22.44% | N.A. |
| Current Ratio | 3.02 | 2.73 | 10.59% | N.A. |
| Debt-Equity Ratio | 2.33 | 2.46 | (5.28)% | N.A. |
| Operating Profit Margin (%) | 23.46 | 23.33 | 0.29% | N.A. |
| Net Profit Margin (%) | (0.51) | (2.76) | (81.43)% | Due to continuous improvement in operations, the Company performed well during 2020-21. Hence, there is an improvement in both these ratios. Even a small change in absolute numbers result in a significant change in percentage terms. |
| Return on Net Worth (%) | (1.03) | (4.95) | (79.26)% | |

## Internal control & its adequacy

At Ind-Swift, we are cognizant of any risk arising out of internal and external factors. On account of a sound internal control system we are vigilant regarding the evaluation of risks and hindrances in achieving our business goals.

There are adequate checks and balances inbuilt in the processes along with diligent financial and operational reporting.

In order to strengthen the Internal Control architecture, the Company is using ERP (Enterprise Resource Planning) packages with built-in controls. The deployment of ERP technology has resulted in timely generation of financial reports, this in turn facilitates timely and in-depth audit of control mechanism, legal, regulatory and environmental compliance.

Further, the scope of Internal Audit also includes the periodic review and appraisal of internal controls and redressing any shortcomings in the process.

Finally, the entire internal audit and the control mechanism are under the surveillance and custodianship of the Board of Directors.

## Risk Management

At Ind-Swift, the risk strategy is determined by a risk appetite defined for a series of risk criteria. Risk criteria are based on sectoral circumstances, ground realities, liquidity available and our earnings target within accepted volatility limits. These criteria provide a reference for our business operations.

Our risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes beyond traditional boundaries and seeks to involve all our key business managers.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan.

To ensure transparency and critical assessment, we have a Risk Management Committee that coordinates the risk management system. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board.



# CORPORATE INFORMATION

**Board of Directors**

| | |
|---|---|
| N.R. Munjal | Chairman and Managing Director |
| Himanshu Jain | Jt. Managing Director |
| Rishav Mehta | Executive Director |
| Sahil Munjal | Executive Director |
| S. P. Sharma | Independent Director |
| Prabhat Khurana* | Independent Director |
| Ms. Neerja Chathley | Independent Director |
| Dr. Ashwani Kumar Vig | Independent Director |
| Rajinder Kumar Gupta** | Independent Director |

* Ceased w.e.f 24.03.2021
** Appointed w.e.f 23.06.2021

| | |
|---|---|
| Chief Executive Officer | Sunil Deshmukh (Appointed w.e.f 01.04.2021) |
| Chief Financial Officer | Gagan Aggarwal |
| Chief Accounts Officer | Lovekesh Mahajan |
| Compliance Officer | Pardeep Verma AVP-Corp. Affairs & Company Secretary |

**Senior Management Team**

| | |
|---|---|
| Vikas Narendra | President – US operations |
| Atul Chaubey | Group HR Head |
| Sandeep Singh | Sr. Vice President (Procurement) |
| Saranjai Tyagi | Sr. Vice President (QA) |
| Rakesh Bahuguna | Sr. Vice President (QC) |
| Anurag Chaturvedi | Sr. Vice President (Marketing) |
| Varun Chhabra | Sr. Vice President (Marketing) |
| Ashok Prasad | Sr. Vice President (R & D) |

**Statutory Auditors**
Avishkar Singhal & Associates
Chartered Accountants
SCO 2413-14, IInd Floor, Sector 22-C,
Chandigarh - 160 022

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

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

**Manufacturing Facilities**
**Unit-1 :** Village Bhagwanpur,
Barwala Road, Derabassi-Punjab
**Unit-2 :** Industrial Growth Centre
SIDCO, Phase-1, Samba (J & K)

**Research and Development Centre**
Plot No. E-5, Indusrial Area. Phase-II, ( Near Swaraj Tractors),
Mohali, Punjab

**Solicitors/Legal Advisors/Tax Consultants**
1. P.K. Goklaney & Company, Chandigarh
2. BSM Legal, Chandigarh
3. Equi Law Partners, New Delhi
4. Ved Jain & Associates, New Delhi

**Bankers**
Bank of India
SCO: 81-83, Sector 17B, Chandigarh 160017

Industrial Development Bank of India
SCO 72-73, Sector-17B, Chandigarh

Edelweiss Alternative Asset Advisors Ltd
Edelweiss House, Off. CST Road,
Kalina, Mumbai-400098

**Registered Office**
SCO 850, Shivalik Enclave, NAC, Manimajra, Chandigarh – 160 101
Tele: - +91-172-5061850, 2730920
Fax: - +91-172–2730504, 2736294
Email:investor@indswiftlabs.com
Website: www.indswiftlabs.com

**Corporate Identity Number:**
L24232CH1995PLC015553

**Registrars and Share Transfer Agents**
M/s Alankit Assignments Ltd.
205-208 Anarkali Market
Jhandewalan Extension,
New Delhi-110 055
Tel:- +91-11-42541965, 42541953
Fax:- +91-11-41540064
E-mail: info@alankit.com
Website: www.alankit.com

**Debenture Trustee**
Vistra ITCL (India) Limited
The IL&FS Financial Center,
Plot C-22, G-Block, 7th Floor
Bandra Kurla Complex, Bandra (East),
Mumbai 400051
Tel: +91 2226593219
www.vistraitcl.com

# STATUTORY REPORTS & FINANCIAL STATEMENTS

# DIRECTORS' REPORT

**Dear Shareowners,**

Your Directors have great pleasure in presenting the 26th Annual Report together with audited statement of accounts for the year ended 31st March, 2021.

## Financial results

Summary of your Company's financial performance, both standalone and consolidated, for the year ended 31st March, 2021 is tabulated below: (₹ in Millions)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| **PARTICULARS** | **Year Ending 31st March, 2021** | **Year Ending 31st March, 2020** | **Year Ending 31st March, 2021** | **Year Ending 31st March, 2020** |
| Sales (net of excise) and other income | 8,797.06 | 7,878.58 | 9,140.42 | 8,130.39 |
| Less Expenses : | | | | |
| Cost of Materials Consumed | 4,274.72 | 3,912.86 | 4,539.25 | 4,091.03 |
| Purchase of Stock in Trade | - | - | - | - |
| Change in Inventories of FG/WIP/Stock in trade | (24.77) | (124.40) | (24.77) | (124.40) |
| Employee Benefit Expense | 1,041.67 | 1,003.77 | 1,065.50 | 1,027.17 |
| Other Expenses | 1,469.19 | 1,307.20 | 1,505.26 | 1,358.83 |
| **Total Expenses** | **6,760.82** | **6,098.77** | **7,085.25** | **6,352.63** |
| **Profit before Interest, Depreciation, Tax & Amortisation** | **2,036.25** | **1,779.80** | **2,055.77** | **1,777.75** |
| Less: - Interest | 1,002.16 | 1,074.80 | 1,002.16 | 1,074.80 |
| - Depreciation | 872.92 | 900.59 | 872.92 | 900.59 |
| - Extra Ordinary Item | - | - | - | - |
| **Proft/(Loss) before Tax** | **161.17** | **(195.61)** | **180.09** | **(197.71)** |
| Less- Provision for Deffered Tax | (94.76) | (8.22) | (94.76) | (8.22) |
| - Income tax adjustment of previous year | 0.00 | (4.05) | 0.00 | (4.05) |
| - Current Tax /Mat credit utilisation | 110.39 | 0.00 | 116.80 | 1.9 |
| **Proft/(Loss) After Tax (A)** | **(43.98)** | **(207.87)** | **(31.47)** | **(211.88)** |
| Amount B/F from previous year (B) | (700.52) | (492.64) | (740.24) | (528.36) |
| **Profit/(Loss) after tax available for appropriations (A+B)** | **(43.98)** | **(207.88)** | **(22.18)** | **(211.88)** |
| **Balance carried forward to Balance sheet** | **(744.50)** | **(700.52)** | **(762.42)** | **(740.24)** |

## Operations and business performance

During the financial year 2020-21, your Company has achieved a turnover of ₹ 8,797.06 Millions against the turnover of ₹ 7,878.58 Millions during the financial year 2019-20. The Company has suffered Net loss of ₹ 43.98 Millions in 2020-21 against Net loss of ₹ 207.88 Millions in 2019-20. The Company's export has increased to ₹ 6,377.20 Millions in 2020-21 as compared to ₹ 5,508.27 Millions in 2019-20. There has been no change in the nature of business of the Company during the year under review. Kindly also refer to Management

Discussion & Analysis Report & Corporate Governance Report which forms part of this report.

## Consolidated financial performance

Your company recorded a consolidated turnover of ₹ 9,140.42 Millions during 2020-21 against the turnover of ₹ 8,130.39 Millions during 2019-20. In consolidated terms, the Company suffered a Net loss of ₹ 31.47 Millions during 2020-21, against loss of ₹ 211.88 Millions in 2019-20. The Consolidated financial figures include the respective financial figures of the company's subsidiaries. As required under the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015, Audited Consolidated Financial Statements form part of the Annual Report and the same are annexed to this Report.

## Indian accounting standards

The financial statements for the year ended on 31st March, 2021 has been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013 and other relevant provisions of the Act. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2021.

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

## State of affairs of the company

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

## Hiving off / Divestment of API business of the company

The Board of Directors of your company in their Meeting held on July 30, 2021 have approved the transfer by way of slump sale of the Active Pharmaceuticals Ingredients ("API") business of the Company on a going concern basis to PI Industries Limited ("Buyer") at consideration of INR 1530 Crore (subject to customary working capital and other adjustments) along with related business assets and liabilities, contracts, permits, employees etc., subject to receipt of requisite approvals including that of the Shareholder of the Company and in this regard a Business Transfer Agreement (BTA) between the Company and the Buyer has been executed.

In terms of Section 180(1)(a) of the Companies Act, 2013, approval of the Members of the Company would be obtained on 28th August, 2021 for the proposed transaction.

The effect of the transfer of API Business of the Company will be reflected in the financial results of the period in which the deal is consummated post receipt of all the requisite regulatory and statutory approvals.

## Outlook

The main business of your Company is manufacturing Pharmaceutical Products especially Active Pharmaceutical Ingredients (APIs) & Advanced Intermediates. We are presently in both domestic and export markets. In view of the ongoing transaction of slump sale of API business of the Company, the Directors are of the view that outlook for the future looks good as the Company will re-pay its debts from the sale proceeds and shall have surplus funds in hand to look for acquisition / investments which are EBIDTA generative.

## Directors & key managerial personnel

Pursuant to Section 152 of the Companies Act, 2013, Mr. Sahil Munjal, director will retire by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment in accordance with provisions of the Act. The Board recommends his appointment.

During the financial year 2020-21, Mr. Prabhat Khurana, Independent Director of Company ceased to be director w.e.f 24.03.2021 consequent to the completion of his second tenure as Independent Director. In order to strengthen the Board Mechanism and to fill the vacancy caused by the cessation of Mr. Prabhat Khurana, the Board of Directors of the Company have appointed Mr. Rajinder Kumar Gupta, as an Additional Director in the category of Non-Executive Independent Director of the Company, subject to approval of the shareholders in the ensuing Annual General Meeting, for a period of 5 consecutive years w.e.f. 23.06.2021.

Now at present, the Board of the Company consists of Sh. N.R. Munjal- Chairman and the Managing Director , Sh. Himanshu Jain- Joint Managing Director , Sh. Rishav Mehta- Executive Director , Sh. Sahil Munjal-Executive Director, Sh. S. P. Sharma- Independent Director, Dr. Ashwani Kumar Vig- Independent Director, Sh. Rajinder Kumar Gupta-Independent Director and Ms. Neerja Chathley- Independent Women Director. The Chairman of the Company is a Executive Promoter Director.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence

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

Details and brief resume of the Directors seeking reappointment/ appointments required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards – 2 on General Meetings issued by "The Institute of Company Secretaries of India" are furnished in the Notice convening the Annual General Meeting forming part of the Annual Report.

**a) Key Managerial Personnel**

The Board of Directors in its meeting held on 01.04.2021 had appointed Mr. Sunil Deshmukh as Chief Executive Officer of the Company w.e.f 01.04.2021.

Mr. N. R. Munjal, Chairman and Managing Director, Mr. Himanshu Jain, Joint Managing Director, Mr. Rishav Mehta, Executive Director, Mr. Sahil Munjal, Executive Director, Mr. Gagan Aggarwal, Chief Financial Officer, Mr. Sunil Deshmukh, Chief Executive Officer and Mr. Pardeep Verma, AVP-Corporate Affairs & Company Secretary are the Key Managerial Personnel of the Company.

**b) Relationship/Transaction of Non-Executive Directors with the Company**

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

**c) Number of Meetings of the Board**

During the year, Six Board meetings were held on 20.06.2020, 25.07.2020, 31.08.2020, 09.11.2020, 12.02.2021 & 27.03.2021. The details regarding the meetings are given in the Corporate Governance Report.

**d) Performance evaluation of the Board, its Committees and Individual Directors**

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

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

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

The Directors expressed their satisfaction with the evaluation process.

**e) Familiarization Programme**

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at https://www.indswiftlabs.com/wp-content/uploads/2018/07/Familiarisation_Programme_for_Independent_Directors.pdf

## Directors responsibility statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended 31st March, 2021; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## Vigil mechanism/whistle blower policy

In compliance with the provisions of Section 177(9) of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, your Company has in place a Vigil Mechanism (Whistle blower Policy) which provides an opportunity to the directors and employees to raise concerns about unethical and improper practices or any other wrongful conduct in or in relation to the Company. The details of the Vigil Mechanism (Whistle blower Policy) are stated in the Corporate Governance Report and the said Policy has been uploaded on the Company's website www.indswiftlabs.com.

## Name of companies which have become or ceased to be its subsidiaries, joint ventures or associates

During the year Fortune (India) Constructions Limited (100%) and Halcyon Life Sciences Pvt. Ltd. (98.19%) became the wholly owned subsidiary of the company consequent to the Company acquiring/ subscribing to the total equity capital of these Companies. Fortune (India) Constructions Limited ceased to be the associate as it became the wholly owned subsidiary of the company.

Also the Company has entered into an Agreement for Sale of its Subsidiary in UAE i.e. Ind-Swift Middle East FZ-LLC for a consideration of 19,89,000 USD. The funds from the sale of subsidiary are expected before 31st March, 2022.

## Subsidiaries, joint ventures & associate companies

As on 31.03.2021, your Company had 5 Subsidiaries i.e. Ind-Swift Laboratories Inc. (US Subsidiary), Ind-Swift Middle East FZ-LLC (Dubai Subsidiary), Meteoric Life Sciences PTE Ltd. (Singapore Subsidiary), Fortune (India) Constructions Limited (Indian Subsidiary) and Halcyon Life Sciences Pvt Ltd (Indian Subsidiary).

A summary of the financial performance of each of the subsidiaries is presented below:

- The US subsidiary of the Company viz. Ind-Swift Laboratories Inc. achieved net sales of USD 126,14,934 and recorded a net Profit of USD 2,30,505 as on 31.03.2021.
- The Singapore Subsidiary Viz. Meteoric Life Sciences PTE Ltd. has no sales during the Financial Year.
- There is no significant transaction in the Company's Dubai Subsidiary viz. Ind-Swift Middle East FZE during the period under review.
- Fortune (India) Constructions Ltd achieved total revenue of ₹ 94,68,159 and recorded a net loss of ₹ 30,72,693 as on 31.03.2021.
- Halcyon Life Sciences Pvt. Ltd. achieved total revenue of ₹ 1,56,547 and recorded a net loss of ₹ 34,83,310 as on 31.03.2021

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of the financial statements, performance and financial position of each subsidiary and a joint venture is given in Form AOC-1 as **Annexure-I** to this report. The Company has framed a policy for determining material subsidiaries, which has been uploaded on the Company's website www.indswiftlabs.com.

## Dividend

In view of inadequacy of profits, the Board does not recommend any dividend for the Financial Year 2020-21.

There is no unpaid dividend outstanding as on 31.03.2021.

## Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, your Board has approved and adopted a Dividend Distribution Policy of the Company. The policy is available on the Company's website under weblink https://www.indswiftlabs.com/wp-content/uploads/2021/08/DividendDIstributionPolicy.pdf

## Reserves

During the year, the Company has not transferred any amount to Reserves.

## Investor education and protection fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('The Rules'), all unpaid or unclaimed dividends are transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, after the completion of seven years. Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the

demat account created by the IEPF Authority.

There are no shares pending to be transferred to the IEPF Account.

## Public deposits

During the year under review, the company has not accepted any fresh deposits in terms of Chapter V of the Act and Rules framed there under.

The aggregate amount of fixed deposits outstanding as on 31st March 2021 was ₹ 4.68 Crores approx. (previous year ₹ 11.23 Crores).

The Hon'ble Company Law Board vide its order No.CP27/01/2013 dated 30th September, 2013 had granted extension of time in repayment of deposits. Now, the Company is making repayment to the fixed deposit holders in terms of the aforesaid order of Hon'ble CLB.

## Details in respect of frauds reported by auditors other than those which are reportable to the central government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

## Related party transactions disclosure under the Companies Act, 2013

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

## Related party transactions disclosure under SEBI (LODR) regulations, 2015

The necessary Related Party Disclosures as required under Schedule V, Part - A of SEBI (LODR) Regulations, 2015 are given in Note XXXI of the Standalone and Consolidated Financial Statements.

## Disclosure of transactions with promoter/ promoter group

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

As on 31st March, 2021, M/s Essix Biosciences Limited and M/s Ind Swift Limited, being the Promoter entities are holding 21.71% and 16.08 % respectively, of total equity of the Company. The details of all the transactions with Essix Biosciences Limited and Ind Swift Limited are already given in Form AOC-2, forming part of this Annual Report.

## Risk management

As the Market Capitalization of the Company as on 31st March, 2021 was within the top 1000 companies by Market Capitalization, so, the provisions related to Risk Management Committee became applicable on Company w.e.f. 05.05.2021. The Company already has a Risk Management Committee in place.

Evaluation of business risk and managing the risk has always been an ongoing process in the Company. The Risk Assessment Committee assists the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.

The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

The Company's Risk Management Policy is available on Company's Website i.e. www.indswiftlabs.com and the weblink of the same is https://www.indswiftlabs.com/wp-content/uploads/2018/07/Risk_Management_Policy.pdf

## Business responsibility report

Regulation 34 of the SEBI (LODR), 2015, mandates for the top 1000 listed entities based on market capitalization as on 31st March of previous financial year, preparation of a business responsibility report describing the initiatives taken by the listed entity from an environmental, social and governance perspective which becomes the part of the Annual Report.

Ind-Swift Laboratories Limited is fortunate to be among the top 1000 listed entities based on market capitalization of company as on 31.03.2021. Accordingly, in terms of Regulation 34 of the Listing Regulations, the Business Responsibility Report for the year 2020-21 describing the initiatives taken from an environment, social and governance perspectives, in the prescribed format is

given as **"Annexure-III"** to this Report and is also available on the Company's website viz., www.indswiftlabs.com.

## Change in capital structure and listing of shares

The paid up Equity Share Capital of the Company as on 31st March, 2021 was ₹ 5,908.69 Lakhs. The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) and are actively traded. The Company has not issued any shares with differential voting rights or sweat Equity during the year.

During the year, the company has not made any allotment.

**a) Employee Stock Option Scheme**

During the financial year 2020-21, there has been no change in the Employees Stock Option Plan (Employee Incentive Scheme, 2014) of the Company. Further, it is confirmed that the ESOP Scheme of the Company is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014, and rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 with regard to Employees Stock Option Plan of the Company are given as **"Annexure-IV"**.

## Management discussion and analysis report

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

## Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013

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

## Annual return

A copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, as they stood on the close of the financial year i.e. 31st March, 2021 is uploaded on the website of the Company at weblink https://www.indswiftlabs.com/investor/annual-returns/

## Policy on directors' appointment and remuneration

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

i) has formulated criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board, Policy relating to remuneration for directors, KMP and other employees;

ii) has formulated the evaluation criteria for performance evaluation of independent directors and the Board;

iii) has devised a policy on Board diversity;

iv) identifies persons who are qualified to become directors or may be appointed in Senior Management in accordance with criteria laid down and recommend to the Board their appointment and removal;

v) recommends to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## Credit rating

During the Financial Year, 2020-21, the credit rating of the Company was revised from 'CARE C' to 'CARE B' by CARE which denotes-Stable Ranking.

## Corporate social responsibility

Company is committed to and fully aware of its Corporate Social Responsibility(CSR), the guidelines in respect of which were more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

During the year under review, the company had incurred expenditure on CSR activities of ₹ 1,44,56,404/- in areas specified in Schedule VII of Companies Act, 2013.

The disclosure related to the CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and form part of this report as **"Annexure-V"**.

## Environment/pollution control, health and safety

The Company is conscious of the importance of environmentally

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

## Research & Development and Quality Control

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

## Insurance

The Company has taken adequate insurance policies for its assets against the possible risks like fire, flood, public liability, marine etc. The Company has not taken Directors and Officers Liability insurance policy as it is applicable on top 500 listed Companies as on 31st March, 2021 and your Company does not fulfill that criteria.

## Conservation of energy, technology absorption, foreign exchange earnings and outgo

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

## Committees of the board

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

a) Audit Committee
b) Stakeholders Relationship Committee
c) Risk Management Committee
d) Nomination and Remuneration Committee
e) Corporate Social Responsibility Committee
f) Compensation Committee
g) Sub-Committee of the Board

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

## Statutory auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company in its Annual General Meeting held on 26th day of September, 2017 had appointed M/s Avishkar Singhal & Associates, Chartered Accountants (Firm Reg. No. 017362N) as the Statutory Auditors of the Company for a period of Five Consecutive years from the conclusion of the 22nd Annual general Meeting, till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2022. The Companies Amendment Act ,2017 has dispensed the ratification of auditors appointment at every Annual General Meeting . Accordingly the Ordinary Business Agenda item relating to the ratification of the statutory Auditors appointment is not placed in the AGM notice.

## Audit Report

The Auditor's Report for the Financial Year 2020-21 does not contain any qualification, reservation or adverse remark. With regard to emphasis of matter contained in the Auditors' Report, the Board is of the view that the same are self explanatory. Regarding, Auditor's remarks on the assets not held in Company's name, the Board has passed necessary directions to get the same registered in Company's name.

## Cost-auditors and their report

M/s. V. Kumar & Associates, Cost Accountants have been duly appointed as Cost Auditors of the Company for audit of cost accounting records which are covered under the Cost Audit Rules for current financial year ending 31st March, 2022.

As required by Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by the Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending 31st March, 2022.

The Cost Audit Reports for the financial year 2019-20 issued by M/s V. Kumar and Associates, Cost Auditors, was filed with Ministry of Corporate Affairs. The Cost Audit Reports for the financial year ended 2020-21 will be filed within the prescribed period.

The Company has maintained all the cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013.

## Secretarial auditors and their report

Mr. Vishal Arora, Practicing Company Secretary was appointed as Secretarial Auditors of the Company for the financial year 2020-21, pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **"Annexure-VII"** and forms part of this report.

There are no qualifications or other remarks of the secretarial auditors in the secretarial audit report as issued by them for the financial year 2020-21. There are only five observations by the Secretarial Auditors, the Board comments on the same are:-

a) The inspection with ROC is ongoing and company is responding with all necessary details.

b) The Statutory Auditors have mentioned emphasis of matters which are informatory in nature and sufficiently replied.

c) Replied in the Statutory Auditors reports observations.

d) To have a better control and consolidate the affairs of the Company and its related parties these companies were made subsidiaries during the year.

e) The necessary penal action was taken against the employees which violated insider trading code of the company and proper disclosure was given to stock exchanges.

## Internal auditors

M/s Jain and Associates, Chartered Accountants were appointed as Internal Auditors of the Company upto 31st March, 2021. The Board has however approved the re-appointment of M/s Jain & Associates, Chartered Accountants as Internal Auditors of the Company for the first quarter of financial year 2021-22 as well. They will conduct the Internal Audit of the Company as required under Section 138 of the Companies Act and their reports shall be reviewed by the Audit committee and the Board of Directors.

## Internal complaints committee

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

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

## Internal financial control

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

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

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

## Corporate governance

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

## Human resource

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

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

## Particulars of employees

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The relation between the management and employees are healthy and cordial. There is a transparency in the dealings and on matters relating to the activities of the Company and its employees.

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

## Significant and material orders passed by the

## regulators or courts

During the Financial Year 2020-21, no significant/material orders was passed by any of the Regulators/Courts or Tribunal that would impact the going concern status of the Company and its future operations.

## Change in the nature of business

There is no change in the nature of business of the Company as on 31st March, 2021 and till date. However, due to ongoing slump sale transaction, the nature of business of the Company may get changed. The disclosure for the same shall be timely made to Stock Exchanges for dissemination to shareholders of the Company.

## Material changes and commitments affecting the financial position of the Company.

The Board of Directors of your company in their Meeting held on July 30, 2021 had approved the transfer of the Active Pharmaceuticals Ingredients ("API") business of the Company on a going concern basis to PI Industries Limited ("Buyer") at consideration of INR 1530 Crore (subject to customary working capital and other adjustments ) along with related business assets and liabilities, contracts, permits, employees etc. subject to receipt of requisite approvals including that of the Shareholder of the Company and in this regard a Business Transfer Agreement (BTA) between the Company and the Buyer has been executed.

## Registrar and share transfer agent

M/s Alankit Assignments Ltd., are the Registrar and Share Transfer Agent of the Company for the Physical as well as Demat shares and Non-Convertible Debentures of the Company. The members are requested to contact the Registrar directly for any of their requirements.

## Listing fees

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

## CEO/CFO certification

In terms of the Listing Regulations, the Certificate duly signed by Sh. Navrattan Munjal, Chairman and Sh. Gagan Aggarwal, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on 31st March, 2021, at its meeting held on 29th June, 2021.

## Secretarial standards:

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

## 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 cooperation during the year under review.

Place: Chandigarh
Date: 12th August, 2021

**N. R. Munjal**
Chairman and Managing Director

# ANNEXURE I

## Form AOC-I

(Pursuant to First Proviso to Sub Section (3) of Section 129 read with Companies (Accounts) Rules, 2014)

**Part A: Subsidiaries**

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Name of the subsidiary | **Ind Swift Laboratories Inc.** | **Meteoric Life Sciences Pte. Ltd.** | **Ind-Swift Middle East FZE.** | **Fortune India Constructions Ltd.** | **Halcyon Life Sciences Pvt. Limited** |
| The date since when subsidiary was acquired | 02.01.2004 | 20.11.2009 | 15.10.2009 | 30.03.2021 | 30.03.2021 |
| Reporting period of the Subsidiary concerned, if different from the holding company's reporting period | 31.12.2020 | 31.10.2020 | 31.12.2020 | 31.03.2021 | 31.03.2021 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | USD (73.06) | USD (73.06) | USD (73.06) | INR | INR |
| Share Capital | 6,29,33,076 | 1,40,16,364 | 4,41,67,875 | 10,10,00,000 | 46,47,82,600 |
| Reserves and surplus | 3,09,51,684 | 2,34,81,534 | 2,02,75,928 | (2,52,02,255) | (51,43,25,020) |
| Total Assets | 37,71,84,076 | 3,74,97,897 | 5,86,56,751 | 1,08,00,49,346 | 20,57,99,708 |
| Total Liabilities | 28,32,99,316 | NIL | NIL | 1,00,42,51,595 | 25,53,42,133 |
| Investments | - | - | - | | |
| Turnover | 92,62,18,622 | NIL | NIL | 94,68,159 | 1,56,547 |
| Profit before taxation | 2,32,29,841 | NIL | NIL | (30,72,693) | (34,83,310) |
| Provision for taxation | 64,02,499 | NIL | NIL | NIL | NIL |
| Profit after taxation | 1,68,27,342 | NIL | NIL | (30,72,693) | (34,83,310) |
| Proposed Dividend | NIL | NIL | NIL | NIL | NIL |
| Extent of shareholding (In %) | 100% | 100% | 100% | 100% | 98.19% |

# ANNEXURE II

## FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31st March, 2021, which were not at arm's length basis.
2. Details of contracts or arrangements or transactions at Arm's length basis:

| Sl. No | Particulars | Details | | | |
|---|---|---|---|---|---|
| a) | Name (s) of the related party and nature of relationship | Ind Swift Ltd. (Group Co.) | Essix Biosciences Ltd. (Group Co.) | Halcyon Life Sciences Pvt. Ltd. (Subsidiary Co.) | Fortune (India) Constructions Ltd. (Wholly owned Subsidiary Co.) |
| b) | Nature of contracts / arrangements / transaction | Purchase & Sale-Goods | Purchase & Sale-Goods | Purchase/Sales/ Advances | Purchase / Sales / Advance |
| c) | Duration of the contracts/ arrangements / transaction | Ongoing | Ongoing | Ongoing | Ongoing |
| d) | Salient terms of the contracts or arrangements or transactions including the value | Based on transfer pricing guidelines. ₹ 49,46,95,862 | Based on transfer pricing guidelines. ₹ 76,43,48,245 | Based on transfer pricing guidelines-Nil | Based on transfer pricing guidelines-Nil |
| e) | Date of approval by the Audit Committee/Board | 29.05.2019 | 29.05.2019 | 29.05.2019 | 29.05.2019 |
| f) | Amount paid as advances, if any (₹) | 82,19,210 | Nil | 24,76,11,076 | 63,52,81,649 |

Place: Chandigarh
Date: 12th August, 2021

**N.R. Munjal**
Chairman and Managing Director

# ANNEXURE III

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|---|---|---|
| 1. | **Corporate Identity Number (CIN) of the Company** | L24232CH1995PLC015553 |
| 2. | **Name of the Company** | Ind-Swift Laboratories Limited |
| 3. | **Registered Address** | SCO 850, Shivalik Enclave, NAC, Manimajra, Chandigarh- 160101 |
| 4. | **Website** | www.indswiftlabs.com |
| 5. | **E-mail id** | pardeep.verma@indswiftlabs.com |
| 6. | **Financial Year Reported** | 1st April 2020 to 31st March 2021 |
| 7. | **Sector(s) that the Company is engaged in (industrial activity code-wise):** | NIC Code - 210<br>Description - Pharmaceuticals |
| 8. | **List three key products/services that the Company manufactures/provides (as in balance sheet)** | 1.Active Pharmaceutical Ingredients( APIs).<br>2.Advanced Intermediates<br>3.Contract Research and Manufacturing Services (CRAMS) |
| 9. | **Total number of locations where business activity is undertaken by the Company**<br>(a) Number of International Locations (Provide details of major 5)<br>(b) Number of National Locations | <br>International : USA<br><br>National : Two manufacturing locations, one R&D Centre, one marketing office |
| 10. | **Markets served by the Company – Local/State/National/ International** | Company has a global footprint and serves both National and International markets. |

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)**

   INR 59.81 Crores

2. **Total Turnover (INR)**

   INR 856.58 Crores

3. **Total profit after taxes (INR)**

   INR (4.40) Crores

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

   During the financial year 2020-21, the company has spent INR 1,44,56,404/- on CSR Activities.

5. **List of activities in which expenditure in 4 above has been incurred:-**

   Please refer to Annexure ---- Corporate Social Responsibility of the Board's report.

### SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   - Yes. The details of subsidiaries are provided in Board's report, which forms part of the annual report.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   - The Subsidiary Companies do not participate in the BR Initiatives of the Company.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

- The other entities e.g. Suppliers, distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

## SECTION D: BR INFORMATION

**1. Details of Director/Directors responsible for BR**

**(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1. DIN Number: 00015096
2. Name: Sh. Navrattan Munjal
3. Designation: Chairman and Managing Director

**(b) Details of the BR head**

| No. | Particulars | Details |
|---|---|---|
| 1 | DIN Number (if applicable) | 00015096 |
| 2 | Name | Sh. Navrattan Munjal |
| 3 | Designation | Chairman and Managing Director |
| 4 | Telephone number | 0172-5061850 |
| 5 | e-mail id | investor@indswiftlabs.com |

**2. Principle-wise (as per NVGs) BR Policy/policies**

**(a) Details of compliance (Reply in Y/N)**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a policy/ policies for.... | Ind-Swift Laboratories Limited does not have a formal policy covering all the nine NVG principles. However, company is in the process of developing policies adopting all of the National Voluntary Guidelines Principles.<br>Currently, company has a few policies to encourage business responsibility throughout its operations viz:<br>a) Vigil Mechanism (Whistle Blower Policy).<br>b) Corporate Social Responsibility Policy.<br>c) Policy for Determination of Materiality.<br>d) Code of Fair Disclosure.<br>e) Code of Conduct<br>f) Code of Business Conduct and Ethics | | | | | | | | |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Stakeholders are of utmost importance to Ind-Swift. Stakeholder interest is incorporated into developing a successful business agenda and policymaking, ensuring stability in long term financial returns, at the same time meeting along with legal and ethical requirements.<br>Board members ensure operational transparency to the stakeholders, and at the same time ensure that confidentiality is maintained in order to build a culture of good decision-making. Company has a stakeholder relationship committee to address stakeholder's interest. | | | | | | | | |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Ind-Swift governance strategies and policies follow the Companies Act, 2013, as well as SEBI listing regulations. | | | | | | | | |

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 4 | Has the policy being approved by the Board?Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes, all of Ind-Swift policies need to be approved by the board before execution. Board members and the Managing Director are actively involved in formulation of the policy. | | | | | | | | |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation | Ind-Swift has seven KMP's (Key Managerial Personnel) in accordance with Companies Act, 2013. The Chairman of company is also the executive director, who is mostly responsible for Environmental, Economic, Social and Governance decisions, with the help of other board members. The board is responsible for overseeing implementation of policies. | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | https://www.indswiftlabs.com/investor/ | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes. The policies have been communicated to all employees, shareholders, and other relevant stakeholders. Policies are available on the company's website. | | | | | | | | |
| 8 | Does the company have in-house structure to implement the policy/ policies. | Ind-Swift KMP's, board members are responsible for formulating and implementing the policies, under the guidance of the Managing Director. | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Ind-Swift has a code of conduct and Vigil Mechanism (Whistle Blower Policy) that allow stakeholders to communicate their grievances to the board members.<br>Ind-Swift has an internal complaint committee to hear cases related to Sexual harassment and to promote a safe workplace for all the women's working in the organization. These grievances are reported to the Chairman and other members of the committee. Ind-Swift also has an investor's grievance cell i.e. Stakeholder Relationship Committee where investors can put forth their issues. | | | | | | | | |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Ind-Swift has not yet carried out an evaluation of the working of its policies by external agencies. However, it constantly evaluates the performance of its policies internally. | | | | | | | | |

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | Ind-Swift intends on further building up existent policies in relation to the nine principles within the next year. | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

**3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Ind-Swift assesses the business performance Annually. This is company's first BRR for the current reporting period (FY 2020-21).

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is Ind-Swift first business responsibility report for reporting year 2020-21. The report is published on an annual basis. Hyperlink of the same is http://www.indswiftlabs.com/investor/business-responsibility-reports/

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Business should conduct and govern themselves with Ethics, transparency and Accountability

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Ind-Swift policies on ethics, bribery and corruption i.e. its code of conduct covers not only its employees, but also includes other people associated with it like contractors/suppliers. Ind-Swift code of conduct or "Vigil Mechanism (Whistle Blower Policy)" constantly promotes ethical behaviour in all its business activities in accordance with the best international governance practices; through its directors, employees, business associates and other stakeholders, Ind-Swift has established a system to report unethical behaviour, malpractices, fraud and other incidents of misconduct. Ind-Swift has a policy in place in which all the directors, employees and business associates have the ability to directly access the Chairman, who then work towards resolving the issues. Ind-Swift is putting in a mechanism in place to develop a supply chain policy to ensure that best practices are followed throughout its supply chain.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During this year, we have not received any significant complaint related to unethical practices across all our operations

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

(a) Active Pharmaceutical Ingredients ( APIs).

(b) Advanced Intermediates

(c) Contract Research and Manufacturing Services ( CRAMS)

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Continuous improvement in every aspect is a prime factor in our corporate policy. Our motive is to look beyond the statutory compliances to create responsible business practices that guarantee a safe work environment and a healthy work force.

Initiatives are taken to improve awareness regarding legal compliances, to enhance eco-friendly efficiencies and packaging/ logistics improvements at the suppliers' end. Our approach is to add value in such a manner that not only are our products affordable and accessible, but our practices are also sustainable and equitable.

Paper less working while generating Purchase Requisitions through SAP & introduction of Track-wise software in Quality systems has resulted in reduction of the number of papers used.

In addition to spreading wellness through our APIs, we also work for the welfare of the neighborhood economy by sourcing local material and labor wherever possible. Local sourcing is also an environmentally sustainable option as the decrease in the need for transportation significantly reduces the carbon footprint.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Each employee at Ind-swift is committed to take adequate preventive measures related to Environment, Health & Safety in developing, manufacturing, storing, handling, transportation, and distribution of all our products. As a resource-respecting organization, we make every effort to be environment-friendly and we take steps to follow the best practices. Our manufacturing unit is certified for ISO standards. Accordingly, we have made large investments in a zero liquid discharge system for our manufacturing facility. This system recycles the recovered water for onward use within our utilities.

The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements. 100% of wastewater is recycled and reused back in the process or in the utilities.

Adoption of innovative measures such as energy efficient machines, LED lighting and condensate recovery measures have significantly enhanced energy savings.

All new facilities constructed on our campuses have been designed to be energy-efficient and optimize use of natural light.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

We are having sustainable procurement policy in place. Critical RM Suppliers – 80% of them meet the compliance . VQF and other set of documents submitted by the supplier are validated by Q.A to ensure on the Quality parameter's and party's capability to supply material on long term basis . Audits are also performed to check on their Quality & Capacity capability.

Simultaneously, we are working on de-risking of our API, where dependency of RM's are entirely from china. Exercise has already commenced with formation of cross functional team with focus on import substitution / contract manufacturing of same to have sustainable sourcing .

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, we prefer & encourage indigenous / local procurement. We have successfully developed & approved the sources for PTSC, DCC, Thiophene2-Ethanol, N-Hydroxy Succinimide, 6-Bromoveratradehyde which were earlier being imported from china. For Engineering material/services – We prefer & procure from engineering / operating supplies from local supplier to reduce the freight / inventory cost & delivery time. Even engineering person visit the local fabricators to elucidate them on the required item as per our drawing.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Company has mechanism for recycling the wastewater and some solid waste. Process water, cooling tower blow down water and domestic water are being treated in different types of systems like Biological treatment, RO, Mechanical Vapor Recompression and Multi Effect Evaporator. Thereafter, the recovered water is being used for makeup in cooling towers.

Steam Condensate is being recycled to Boiler Unit. Used containers from process are being recycled for low end requirement. Waste polythene is also being reused for packing of Hazardous waste (100 %).

## Principle 3: Business should promote the wellbeing of all employees

**1. Please indicate the Total number of employees.**

1,531 on roll

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

808

**3. Please indicate the Number of permanent women employees.**

97

4. **Please indicate the Number of permanent employees with disabilities**

   Nil

5. **Do you have an employee association that is recognized by management.**

   No

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Nil

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---|---|---|---|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

   (a) Permanent Employees – 29%
   (b) Permanent Women Employees – 40%
   (c) Casual/Temporary/Contractual Employees – 45%
   (d) Employees with Disabilities - NA

## Principle 4: Businesses should respect the interests of and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, Ind-Swift has mapped its internal and external stakeholders i.e.

   a) Management
   b) Employees
   c) Farmers
   d) Customers
   e) Partners
   f) Suppliers
   g) Vendors
   h) Retailers
   i) Government authorities/regulators
   j) Local communities

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Ind-Swift has identified disadvantaged, vulnerable and marginalized stakeholders within its communities and has worked towards building community development programs for assisting them.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Education Initiatives: Education is one of the primary focuses of Ind-Swift CSR activities. Ind-Swift has a staunch belief that education is a right that needs to be provided to all children. Keeping this in mind, Ind-Swift has initiated various projects to promote the education, details of which are given in CSR schedule as mentioned above.

   Creation of jobs: The presence of Ind-Swift has provided many job opportunities for the communities present around it, resulting in economic growth, community development, income growth and improvement in general quality of life.

## Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The policy covers Ind-Swift and its subsidiaries

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   We have not received any complaint related to human rights violation during the reporting period.

## Principle 6: Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   As an integral part of our EHS philosophy, we think & work together responsibly so that employee & community at large and the environment including natural resources are protected and maintained leaving minimal environmental foot prints. Over the record on EHS excellence, ISLL has adopted a top down approach and embraced the principles and code of best EHS practices into the EHS management system.

   Ind-Swift has a well-defined Environment, Health & Safety (EHS) Policy in place to minimize environmental impacts and prevent injuries and ill health at the workplace. It covers all our internal and external stakeholders and extends to the Group, suppliers, contractors who work with us. This policy is communicated to ensure participation, consultation, awareness through trainings among all our employees, contractors, Service providers, Local Community and those working on behalf of organization.

   Adherence to the EHS policy is communicated to all stakeholders by the top management, as well as through appropriate communications within the Company.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. The commitment to minimize the impact on environment (global warming, climate change) and biodiversity is clearly stressed upon in the Company's EHS policy.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, A Risk Based approach i.e. 'Aspect impact identification' methodology, is in place to assess and identify environmental risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   An MVR has been installed. It shall help in saving of 100 KL of fresh water from withdrawal, by treating effluent & making it fit for use in as makeup for cooling towers.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   i) A 50 KW solar power plant is proposed to be installed in our Power Plant area. Thus renewable energy shall be available to the plant. Ii) For energy efficiency improvement, various measures have been taken, like utility pump & AHU operation optimization, use of VFDs for blower & CT Fan motors, installation of energy Efficient Reactor Agitators, use of LEDs for lighting and Enhancement of Condensate collection."

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, Emissions/ waste generated by the Company are well within the permissible limits prescribed by the environmental regulators such as CPCB/SPCB for the last financial year.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   One notice was received during the year which was sufficiently resolved to the satisfaction of SPCB.

## Principle 7: Businesses when engaged in influencing public and regulatory policy should do in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) Federation of Indian Export Organizations (FIEO)

   (b) Pharmexcil

   (c) Confederation of Indian Industry (CII)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes the company actively participates in the initiatives for the overall development of the Industry and its stakeholders through these Associations.

## Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof..**

   Yes, Ind-Swift has undertaken initiatives for supporting inclusive growth and equitable development through its CSR activities. Ind-Swift continuously engages itself in the upliftment of the communities that it is involved with. Ind-Swift Laboratories Limited believes that a triple bottom line approach - growth of people, protection of environment, and profit in operations, is essential for sustained growth.

   Ind-Swift constantly works towards the wellbeing of the community around its operations, believing in the principles of inclusive growth. Community growth and development is done by promoting various healthcare programs, educational programs, and many other activities. Ind-Swift ensures that such community development programs are conducted in all its locations of operation.

   Ind-Swift has a CSR Committee that is responsible for the development of the company's CSR activities, and develop, monitor and review various CSR initiatives as specified under Companies Act, 2013 which relate to environmental protection as well as community involvement and development. The CSR committee also recommends the amount of expenditure on different types of activities to the board, depending on the kind of CSR policy is in place. The committee also looks at various communities and the issues effecting them, in order to create effective management plans to address such issues. The CSR committee is also involved with development of the CSR policy.

   The CSR committee initially identifies priority areas - education, health, and infrastructure, skill-development etc. During the year, the company has taken many initiatives as CSR which are mentioned above in this report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   Ind-Swift has a dedicated in-house team which undertakes CSR activities and initiatives. Its projects are also directed through external trusts and agencies which have a positive proven track record.

3. **Have you done any impact assessment of your initiative?**

   Ind-Swift has not yet done an impact assessment of its CSR initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   During the year, the company has contributed in various projects as per the CSR Policy of the Company. Details of various initiatives taken by the Company is specified in Corporate Social Responsibility of the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes, Ind-Swift frequently monitors its initiatives & projects to ensure that it's successfully adopted by the communities. Ind-Swift is

constantly in touch with communities to constantly check the progress of the CSR activities that are implemented. Ind-Swift CSR policy ensures effective implementation of various CSR programs by monitoring them on a constant basis.

## Principle 9-Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   For the financial year 2020-21, total 10 complaints were received and 9 are closed. 1 complaint is pending for investigation and matter has already been referred to R&D. 10% of customer complaints are pending for closure.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   Yes, the product information which is mandatory as per laws is mentioned on the label. Information includes product name, storage condition, container No. , Net wt., gross wt., tare wt., Batch No., Mfg. date, expiry/retest date, licence No. and company address.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   We have well defined procedure in place SOP/MK/007 in accordance to which customer satisfaction surveys is carried out annually.

# ANNEXURE IV

**Details of ESOP as per the provisions of Companies Act, 2013 & SEBI (Share Based Employee Benefits) Regulations, 2014**

| S. No. | Particulars | Options Movement During 2020-21 | Options Movement During 2019-20 | Options Movement During 2018-19 |
|---|---|---|---|---|
| 1 | No. of Options outstanding at the beginning of the year | NIL | NIL | 5,43,109 |
| 2 | No. of Options granted during the year | NIL | NIL | NIL |
| 3 | No. of Options Vested | NIL | NIL | 5,33,340 |
| 4 | No. of Options exercised during the year | NIL | NIL | 5,19,989 |
| 5 | No. of Shares allotted during the year pursuant to exercise of options | NIL | NIL | 5,19,989 |
| 6 | Options Lapsed | NIL | NIL | 23,120 |
| 7 | Exercise Price | NIL | NIL | ₹ 10.00 |
| 8 | Variations in Terms of Options | NIL | NIL | NA |
| 9 | Money Realized by exercise of Options | NIL | NIL | 51,99,890 |
| 10 | Total No. of Options in Force | NIL | NIL | Nil |
| 11 | Employee wise details of options granted during the year to: | | | |
| | (a) Key managerial personnel: | NIL | NIL | NIL |
| | (b) Any other employees who were granted during any one year, options amounting to 5% or more of the options during the year: | | NIL | NIL |
| | (c) Identified employees who were granted option 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 | NIL | NIL |

Place: Chandigarh
Date: 12th August, 2021

**N.R. Munjal**
Chairman and Managing Director

# ANNEXURE V

## Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21

**1. Brief outline on CSR Policy of the Company.**

The Company firmly believes in Corporate Social Responsibility (CSR) and commits to take initiative to contribute to harmonious and suitable development of the society and its inhabitants. The Company shall pursue CSR activities to carry out the welfare work directly and/or through other institutions involved in welfare of society in general. The Company shall give preference to local areas falling in the periphery of the manufacturing sites of the Company. The focus area of the Company under its CSR programme are promotion of education, health care, rural development, skill enhancement, environment protection and any other project as defined in Schedule VII of the Companies Act, 2013.

**2. Composition of CSR Committee:-**

The CSR Committee of our Board provides oversight of CSR policy and monitors execution of various activities to meet the set CSR objectives:

| Sr. No | Name of director | Designation | Category | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|---|
| 1. | Sh. Navrattan Munjal | Chairperson | Chairman and Managing Director | 1 | 1 |
| 2. | Sh. Himanshu Jain | Member | Joint Managing Director | 1 | 1 |
| 3. | Sh. S P Sharma* | Member | Independent Director | - | - |
| 4. | Mr. Prabhat Khurana** | Member | Independent Director | 1 | 1 |

* appointed as member w.e.f. 24.03.2021

** Ceased to be the member w.e.f 24.03.2021

**3. Provide the web-link where the composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.**

The CSR Policy, details of the CSR Committee and CSR projects approved by the Board of the Company is available on the website of the Company (www.indswiftlabs.com):-

The CSR Policy and Projects approved by the Board : https://www.indswiftlabs.com/wp-content/uploads/2021/06/CSRPolicy.pdf

The Composition of the CSR Committee: https://www.indswiftlabs.com/investor/composition-of-committees-of-the-board/

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:**

Not Applicable.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

| Sr. No | Financial year | Amount available for set-off from preceding financial years (in ₹) * | Amount required to be set-off for the financial year, if any (in ₹) |
|---|---|---|---|
| | | Not Applicable | |

**6. Average net profit of the Company as per section 135(5)**

₹ 2848.23 Lakhs

**7. a) Two percent of average net profit of the company as per section 135 (5)**

₹ 56.96 Lakhs

**b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years**

NIL

**c) Amount required to be set off for the financial year, if any**

NIL

**d) Total CSR obligation for the financial year (7a+7b-7c)**

₹ 56.96 Lakhs

8. **a) CSR amount spent or unspent for the financial year:**

During the financial year 2020-21, the Company spent ₹ 1,44,56,404/- on various CSR initiatives, which is more than 2% of the average net profit of the last three financial years.

| Total Amount Spent for the Financial Year. (In ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second prioviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| ₹ 1,44,56,404/- | NIL | Nil | NA | NA | NA |

**b) Details of CSR amount spent against ongoing projects for the financial year**

Not Applicable.

The Company does not have any ongoing projects as defined under CSR Rules.

**c) Details of CSR amount spent against other than ongoing projects for the financial year:-**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Amount spent for the project | Mode of implem-entation - Direct (Yes/No) | Mode of implementation-through implementing agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1. | Team Lease Skills University | Promoting Education | Yes | Punjab | Mohali | ₹ 47,54,642 | No | Team Lease | CSR00001676. |
| 2. | Distill Education & Technology Pvt. Ltd. | Promoting Education | Yes | Punjab | Mohali | ₹ 76,11,302 | No | Distill Education | - |
| 3. | Inara Training and Skill Development Academy | Promoting Education | Yes | Punjab | Mohali | ₹ 15,55,343 | No | Inara Academy | - |
| 4. | Training to Promote rural sports, national recognized sports. | Promoting Sports | Yes | Punjab | Mohali | ₹ 3,85,400 | Yes | - | - |
| 5. | Distill Education & Technology Pvt. Ltd. | Promoting Education | Yes | Jammu & Kashmir | Jammu | ₹ 1,49,717 | No | Distill Education | - |
| | **TOTAL** | - | | | | **₹ 1,44,56,404/-** | | | |

**(d) Amount spent in administrative overheads**

NiL

**(e) Amount spent on impact assessment, if applicable**

Not Applicable

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹ 1,44,56,404/-

**(g) Excess amount for set off, if any:**

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | ₹ 56,96,000/- |
| (ii) | Total amount spent for the financial year | ₹ 1,44,56,404/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | ₹ 87,60,404/- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | ₹ 87,60,404/- |

**9. (a) Details of Unspent CSR amount for the preceeding three financial years:**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135(6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| NIL | | | | | | | |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceeding financial year(s):**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project -Completed/ Ongoing |
| Not Applicable | | | | | | | | |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

Not Applicable

**(a) Date of creation or acquisition of the capital asset(s)**

Not applicable.

**(b) Amount of CSR spent for creation or acquisition of capital asset(s)**

Not applicable.

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.**

Not applicable.

**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**

Not applicable

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)**

Not applicable. During the financial year 2020-21, the Company spent ₹ 1,44,56,404/- crores on various CSR initiatives, which is more than 2% of the average net profit of the last three financial years.

Date: 12th August, 2021
Place: Chandigarh

**Himanshu Jain**
Joint Managing Director

**N.R. Munjal**
Chairman of CSR Committee

# ANNEXURE VI

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

## A. CONSERVATION OF ENERGY

**Steps taken for conservation of Energy with their impact / Steps taken for utilising alternate sources of energy / Capital investment in energy saving equipments**

| | STEP TAKEN | IMPROVEMENT |
|---|---|---|
| **POWER PLANT** | | |
| 1 | VFD installed on cooling tower fans & reduce the power consumption | 10 Kw/Hr. |
| 2 | 100 KL ground water saving in cooling tower. | 100 to 150 kl treated water from MVR used in cooling tower & same qty. reduced borewell. |
| 3 | Old dm plant shifted to near storage tank & reduce one transfer pump from system. | 5.5 kw/Hr. power saving |
| 4 | Coal yard lights operated by time controller. | 3.7 kw/day. Power saving |
| **ELECTRICAL** | | |
| 1 | 69 no of streetlight change with LED lights | 22,666.5 kw total saving uptil June in current year |
| **UTILITY** | | |
| 1 | Natural draft cooling tower for Kirloskar chiller machine #2 has been replaced with induced draft cooling tower. | System is under commissioning and expected improvement will be 30 Tr during peak season. |
| 2 | Optimization of pumps on chiller machines by pump impeller trimming. | More than 40 kw/ hr. saving on 4 equipment. |
| **HVAC & WATER SYSTEM** | | |
| 1 | Plant-3, AHU-03-004 electric motor (15 KW) pulley has been replaced from 10" to 8.5" and reduce the RPM of blower (as per the evaluation done on 42 HZ with VFD). | Energy saving is 5 KWH |
| 2 | Plant-11, AHU-11-002 electric motor has been replaced from 18.5 KW to 15 KW. Initially running current was 16.5 Amp and after changes running current is 15 Amp | Energy saving is 1 KWH |

**Planning for 2022-2023:**

1. Online condenser tube cleaning system for VAM machine #4.
2. Installation of underground tank to utilise the MGF backwash water for gardening based upon the requirement This will lead to water saving of 90 kl/month.
3. Venturi steam trap to be replaced with thermodynamic trap , for flash steam saving.
4. 50 kwp solar power plant to be install on power plant fuel storage shed.
5. Replacement of energy efficient ceiling fans in the canteen.

## B. TECHNOLOGY ABSORPTION

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

- To continue developing innovative and commercially viable process know-how for

**Research & Development (R&D)**

ISLL R & D is basically focused on the development and improvements of technologies of API's for several years. The developed technologies have been commercialized for both regulated and semi regulated markets.

In addition, ISLL has made forays in to the Custom Research and Manufacturing services (CRAMS) wherein it has initiated R & D and manufacturing of very high purity specialty chemicals that are precursors to the synthesis of ORGANIC LIGHT EMITTING DIODE

(OLED) compounds which are used for preparing Advanced Optical Display Instruments and are extensively applied in Artificial Intelligence studies and software development.

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

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

**iii. Information in case of imported technology (imports during last five years).**

During the year FY 2020-21, the Company did not import any specific technology. The Company developed technology through efforts of its in-house Research & Development.

**iv. Expenditure on R & D during the year 2020-21**

(₹ in Lakhs)

| | 2020-21 | 2019-20 |
|---|---|---|
| a. Capital | 243.36 | 388.39 |
| b. Revenue | 3,301.33 | 3,021.52 |
| **Total** | **3,544.69** | **3,409.91** |
| c. Total R&D expenditure as percentage of total turnover | 4.14 | 4.53 |
| d. Turnover | 85,657.84 | 75,183.74 |

## C. Foreign Exchange Earnings & Outgo

During the year foreign exchange outgo was ₹ 22,162.30 Lakhs and the earnings in Foreign Exchange were ₹ 63,772.05 Lakhs. The details have been given in Note XXXV of Notes to Accounts.

# ANNEXURE VII

**Form No. MR-3**

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March 2021

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

To
The Members,
**Ind Swift Laboratories Limited**
SCO 850, Shivalik Enclave, NAC, Manimajra
Chandigarh 160101

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

Based on our verification of the IND SWIFT LABORATORIES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by IND SWIFT LABORATORIES LIMITED ("the Company") for the financial year ended on 31stMarch, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

  (i) The Securities and Exchange Board of India (listing obligations & disclosure requirements) regulations, 2015

(vi) other applicable acts :

  (a) Pharmacy Act, 1948

  (b) The Finance Act, 2021

(c) Prevention of Money Laundering Act, 2002 and the prevention of Money-Laundering (Amendment) Act 2012.
(d) Payment of Wages Act, 1936, and rules made thereunder
(e) The Minimum Wages Act, 1948, and rules made therunder
(f) Employee's State Insurance act, 1948, and rules made thereunder
(g) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
(h) The Payment of Bonus Act, 1956, and rules made thereunder.
(i) The Air (Prevention & Control of Pollution) Act 1981, Read with water
(j) (Prevention & Control of Pollution) Rules, 1982
(k) The Industrial Disputes Act, 1947
(l) The Payment of Gratuity Act, 1972
(m) Indian Contract Act, 1872
(n) The Apprentices Act, 1961
(o) The Workmen's Compensation act, 1923
(p) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
(q) The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987)
(r) The drugs (Control) Act, 1950.
(s) The Environment (Protection) Act, 1986
(t) Drugs and Cosmetics Act, 1940
(u) Drugs and Magic Remedies ( Objectionable Advertisement) Act, 1954
(v) Narcotic Drugs and Psychotropic Substances Act, 1985
(w) Conservations of Foreign Exchange And Prevention of Smuggling Activities Act, 1974
(x) The Medicinal & toilet Preparations Substances ( Excise Duties) Act, 1955
(y) The Indian Copyright Act, 1957
(z) The Patents Act, 1970
(aa) The Trade Marks Act, 1999
(bb) Goods & Service Tax Act, 2017
(cc) Other Miscellaneous Acts and rules as applicable

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

(i) Secretarial Standards issued by "The Institute of Company Secretaries of India"

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

**Observations not amounting to qualifications**

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

1. The Registrar of Companies has initiated an Inspection as per the Provisions of the Companies Act, 2013 in the Year 2018-19 and the same is still continuing.
2. The Statutory Auditors have made certain observations in their Report which have Financial Implications. They correlate with such observations to the extent they make an impact with reference to the Companies Act, 2013 and other applicable Laws, Rules and Regulations covered under our Audit Report.
3. The Statutory Auditors have also reported about certain Fixed Assets which are not registered in the name of the Company .

4. .During the period the company has acquired substantial shareholding in the following companies named:
    1) M/s Halcyon Life Science Private Limited
    2) M/s Fortune (India) Constructions Limited

thereby making them as their subsidiary companies which though do not fall under the definition of material subsidiary as defined under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

5. There have been instances where the company has levied fine on its employees under the Provision of SEBI (Prohibition of Insider Trading) Regulation, 2015 for violation.

**We further report that**

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

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

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

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

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

**(VISHAL ARORA)**
Company Secretary
FCS NO. 4566
CP NO.3645
UDIN: F004566C000787271

Place: Chandigarh
DATE: 12th August, 2021

# ANNEXURE 'A'

To
The Members,
**Ind Swift Laboratories Limited**

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

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

**(VISHAL ARORA)**
Company Secretary
FCS NO. 4566
CP NO.3645
UDIN: F004566C000787271

Place: Chandigarh
DATE: 12th August, 2021

# ANNEXURE VIII

# AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
**Ind-Swift Laboratories Limited**
SCO 850, Shivalik Enclave, NAC,
Manimajra, Chandigarh, 160101

1. The Corporate Governance Report prepared by Ind-Swift Laboratories Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the company.

## MANAGEMENT'S RESPONSIBILITY

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

## AUDITOR'S RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing ("SA's) specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2021, referred to in paragraph 1 above.

## OTHER MATTERS AND RESTRICTION ON USE

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For **Avishkar Singhal & Associates**
Chartered Accountants
FRN: 017362N

**(CA Avishkar Singhal)**
Partner
Membership No. 098689
UDIN: 21098689AAAAG07712

Place: Chandigarh
Date:12th August, 2021

# ANNEXURE IX

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

| Rule | Particulars | | | |
|---|---|---|---|---|
| (i) | The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | a | Mr. N.R. Munjal, Chairman and Managing Director | 105.96:1 |
| | | b | Mr. Himanshu Jain, Jt Managing Director | 84.77:1 |
| | | c | Mr. Rishav Mehta, Executive Director | 42.38:1 |
| | | d | Mr. Sahil Munjal, Executive Director | 48.25:1 |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year. | a | Mr. N.R. Munjal, Managing Director | 8% |
| | | b | Mr. Himanshu Jain, Jt Managing Director | 8% |
| | | c | Mr. Rishav Mehta, Executive Director | 8% |
| | | d | Mr. Sahil Munjal, Executive Director | 8% |
| | | e | Mr. Gagan Aggarwal, Chief Financial Officer | 8% |
| | | f | Mr. Pardeep Verma, AVP, Corporate Affairs & CS | 9% |
| (iii) | The percentage increase in the median remuneration of employees in the financial year | | 12.00% | |
| (iv) | The number of permanent employees on the rolls of the company as on 31st March, 2021. | | 1,531 | |
| (v) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | | 9.58% | |
| (vi) | It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company. | | | |

# REPORT ON CORPORATE GOVERNANCE

## The Company's philosophy on code of corporate governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its Senior Management including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). These codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the Company's Code of Conduct for Prevention of Insider Trading.

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

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

## Code of business conduct & ethics

The Company has adopted a Code of Business Conduct and Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliances with the Code for the year ended 31st March, 2021.

The Code has been displayed on the Company's website – www.indswiftlabs.com.

## Code of conduct for prevention of insider trading

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

The Code of Conduct is applicable to Promoter(s), Director(s), Key Managerial Personnel, Specified employees and other Connected Person of the Company who are expected to have access to Unpublished Price Sensitive Information (UPSI) relating to the Company. All of them have duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. This Code is displayed on the website of the Company i.e. www.indswiftlabs.com.The Directors and Senior employees have given affirmation for the compliance under this code

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

## Composition of the board

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

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

During the financial year 2020-21, Mr. Prabhat Khurana, Independent Director of Company, on the completion of his

second tenure as Independent Director ceased to be director w.e.f 24.03.2021. Further, Mr. Rajinder Kumar Gupta was appointed as an Independent Director on the Board of the Company w.e.f. 23.06.2021. Now at present, the Board of the Company Consists of Sh. N. R. Munjal- Chairman and the Managing Director , Sh. Himanshu Jain- Joint Managing Director, Sh. Rishav Mehta-Executive Director, Sh. Sahil Munjal-Executive Director, Sh. S. P. Sharma- Independent Director, Dr. Ashwani Kumar Vig-Independent Director, Sh. Rajinder Kumar Gupta-Independent Director & Ms. Neerja Chathley-Independent Women Director. The Chairman of the Company is an Executive Promoter Director.

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1st April, 2019, no listed Company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special Resolution is passed to that effect. As on 31-03-2021, there is no director above the age of 75 years.

The Independent Directors on the Board of the Company serve as an Independent Director in not more than seven listed companies, as prescribed in Regulation 25(1) of the Listing Regulations.

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

## Board skill matrix

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

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

| Board of Directors | Research & Innovation | General Management | Finance & Risk Management | Corporate Governance & Compliance | Global healthcare | Technology & digital perspective | Scientific knowledge |
|---|---|---|---|---|---|---|---|
| Mr. Navrattan Munjal | √ | √ | √ | √ | √ | | √ |
| Mr. Himanshu Jain | | √ | √ | √ | | √ | |
| Mr. Rishav Mehta | | √ | √ | √ | √ | √ | |
| Mr. Sahil Munjal | √ | √ | | | √ | √ | √ |
| Mr. S.P. Sharma | | √ | √ | √ | | √ | |
| Mr. Rajinder Kumar Gupta | | √ | √ | √ | | | |
| Dr. Ashwani Kumar Vig | √ | | | √ | √ | | √ |
| Ms. Neerja Chathley | | √ | | √ | | √ | √ |

## Membership of other boards

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

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

## Criteria for board membership

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

## Membership term

### Non-Independent Directors

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

Sh. Himanshu Jain, Joint Managing Director, Sh. Rishav Mehta, Director and Sh. Sahil Munjal ,Director shall be the Directors retiring by Rotation. Out of them Sh. Sahil Munjal, Director shall be retiring by rotation in the forthcoming Annual General Meeting and seek re-appointment. The required information regarding him is given with the notice of the Annual General Meeting.

### Independent Directors

Independent Directors shall hold office for up to two terms of five years each. Mr. S.P. Sharma whose first tenure expired on 4th July, 2020 was re-appointed by the Board of Directors for the second tenure in its meeting held on 20th June, 2020 for a further period of 5 years and the Board further recommended the same to shareholders for its approval. The Shareholders in its meeting held on 29th September, 2020 had approved the re-appointment by passing special resolution for a term of 5 years w.e.f. 5th July, 2020.

During the year, Sh. Prabhat Khurana ceased to be the Independent Director consequent to his completion of second term of 5 years. In his place Sh. Rajinder Kumar Gupta were appointed as an Independent Director for five years.

All the Independent Directors of the Company have registered themselves with databank of Independent Directors as maintained by Indian Institute of Corporate Affairs in compliance with Rule 6(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

### Succession Policy

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

### Board Procedure

The Board looks at long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews business plans, key risks and opportunities in the business context. The Board meets at least four times every calendar year and the maximum time gap between any two meetings is not more than 120 days. During the financial year ended 31st March, 2021, the Board met six times on the following dates:-

| | | |
|---|---|---|
| 20.06.2020 | 25.07.2020 | 31.08.2020 |
| 09.11.2020 | 12.02.2021 | 27.03.2021 |

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

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

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

The Company provides Audio/Video conference facility to the Board Members, (if required) for participation by the Directors in Board/Committee meetings.

### Board of Directors

The Details of Composition and category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the Financial Year 2020-21 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on 31st March, 2021 are as follows: -

| Name of Director | Category | FY 2020-21 Attendance**** | | No. of Directorship(s)/Membership(s)/ Chairmanship(s) held in other companies | | | | Share-Holding |
|---|---|---|---|---|---|---|---|---|
| | | BM | Last AGM 29.09.20 | Membership in other Listed Entities** | No. of D'ship* | Comm-ittees*** | Chairman | |
| Mr. N.R. Munjal | Executive Promoter Director | 6 | Yes | Ind-Swift Limited (Non-Executive Director) | 3 | Nil | Nil | 9,20,724 |
| Mr. Himanshu Jain | Executive Promoter Director | 6 | Yes | Ind-Swift Limited (Non-Executive Director) | 3 | 3 | Nil | 4,06,961 |
| Mr. Rishav Mehta | Executive Promoter Director | 6 | Yes | Ind-Swift Limited (Non-Executive Director) | 3 | Nil | Nil | 4,54,545 |
| Mr. Sahil Munjal | Executive Promoter Director | 6 | N.A. | Nil | 2 | Nil | Nil | 2,000 |
| Mr. Sri Prakash Sharma | Independent Director | 6 | Yes | Ind-Swift Limited (Independent Director) | 1 | 1 | Nil | Nil |
| Ms. Neerja Chathley | Independent Women Director | 6 | No | Nil | Nil | Nil | Nil | Nil |
| Dr. Ashwani Kumar Vig | Independent Director | 6 | N.A. | Nil | Nil | Nil | Nil | Nil |
| Sh. Prabhat Khurana# | Independent Director | 5 | Yes | Velox Industries Limited (Independent Director) | 1 | 1 | Nil | Nil |
| Mr. Rajinder Kumar Gupta## | Independent Director | N.A | N.A | Nil | Nil | Nil | Nil | Nil |

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

**Represents directorships in listed Companies and category of directorship other than Ind Swift Laboratories Limited.

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

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

**Notes:-**

a) None of the Directors hold the office of Director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 17A of SEBI (LODR), Regulations 2015.

b) # ceased to be Director w.e.f. 24.03.2021

c) ##appointed as an independent director w.e.f. 23.06.2021

**Relationship between Directors Inter-se**

Sh. N.R. Munjal & Sh. Sahil Munjal, Directors are related to each other as Father & Son respectively.

**Maximum Tenure of Independent Directors**

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company is for a period of 5 consecutive years from their respective date of appointment.

**Formal Letter of appointment to Independent Directors**

In accordance with Regulation 25 of the SEBI (LODR) Regulations, 2015 the Company has issued formal letters of appointment to all the Independent Directors.

The terms & conditions of their appointment have also been disclosed on the website of the Company www.indswiftlabs.com

**Board Independence**

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors are independent in terms of Listing Regulations, 2015.

**Independent Directors Role**

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgment on matters of strategy, risk management, control and business performance. The Directors'

Report contains the disclosures regarding fulfillment of the requisite independence criteria by Company's Independent Directors.

**Terms and conditions of appointment of Independent Directors**

The Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations and his / her affirmation is taken with respect to the same.

## Information supplied to the board

The Board has complete access to all information with the Company. All Board meetings are governed by a structured agenda which is backed by comprehensive background information.

The following information is regularly provided to the Board, prior to the Board meetings.

- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Annual and Quarterly financial results for the Company and its operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition.
- Significant labour problems and their proposed solutions. Any significant development on Human Resources / Industrial Relations front, like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' service, such as nonpayment of dividend, delay in share transfer, etc.

## Familiarization programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarization programmes for its Independent Directors and other Directors.

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

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

The details of familiarization programmes are available on the website of the Company. The weblink of the same is https://www.indswiftlabs.com/wp-content/uploads/2018/07/Familiarisation_Programme_for_Independent_Directors.pdf

## Separate meeting of independent directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on February 11th, 2021 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the Meeting, the Independent Directors:

a) Reviewed the performance of Non-Independent Directors and the Board as a whole;

b) Reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and

c) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the said Meeting.

## Confirmation from the board

The Board of Directors have taken on record that all the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

## Appointment /re-appointment of directors

Appointment : Sh. Rajinder Kumar Gupta, Director who has been appointed as the Independent Director on 23.06.2021 shall seek approval of the members in the forthcoming Annual General Meeting for regular appointment to the Board of the Company

Re-appointment : Sh. Sahil Munjal, Executive Director shall be retiring by rotation in the forthcoming Annual General Meeting and seek re-appointment. As required under Regulation 36 (3) of the Listing Regulations, particulars of the Directors seeking appointment / re-appointment are given in the Explanatory Statement to the Notice of the AGM.

## Committees of the board

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

### A. Audit committee

The terms of reference of Audit Committee have been adopted in line with the provisions of Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The details regarding constitution, terms of reference and meetings held/ attendance is as under: -

### I. Constitution and attendance of the Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.The Audit committee of the Company presently consists of three Directors and majority consists of independent and non-executive Directors. The chairman of Audit Committee is Mr. S P Sharma who has experience of financial matters and its management. Members of the Audit Committee possess financial / accounting expertise / exposure.

Five meetings of audit committee were held during the period 1st April 2020 to 31st March, 2021 on 20.06.2020, 25.07.2020, 31.08.2020, 09.11.2020 and 12.02.2021. The necessary quorum was present at all the meetings. The then Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 29th September, 2020.

The constitution of audit committee and attendance of each member is as under:-

| Name | Desig-nation | Category | No of Meetings Attended |
|---|---|---|---|
| Mr. S P Sharma* | Chairman | Non-Executive, Independent | 5 |
| Mr. N R Munjal | Member | Executive, Promoter | 5 |
| Dr. Ashwani Vig** | Member | Non-Executive, Independent | N.A. |
| Mr. Prabhat Khurana*** | Chairman | Non-Executive, Independent | 5 |

*Appointed as Chairman w.e.f 24.03.2021
** Appointed as Member w.e.f 24.03.2021
***ceased to be Chairman & Member of Committee w.e.f 24.03.2021

Sh. Pardeep Verma AVP-Corporate affairs & Company Secretary acts as Secretary of the Audit Committee in conformity to Section 177.

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

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

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

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

The terms of reference/ role of the Audit Committee inter alia, includes the following:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Recommendation to the Board for appointment, reappointment, remuneration and terms of appointment and, if required, the replacement or removal of statutory auditors of the company.

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013;

   b) Changes, if any, in accounting policies and practices and reasons for the same;

   c) Major accounting entries involving estimates based on the exercise of judgment by management;

   d) Significant adjustments made in the financial statements arising out of audit findings;

   e) Compliance with listing and other legal requirements relating to financial statements;

   f) Disclosure of any related party transactions; and

   g) Modified opinion(s) in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

vii. Review and monitoring the auditor's independence and performance, and effectiveness of audit process.

viii. Approval of transactions with related parties or any subsequent modification thereof and recommend such transactions, if required, to the Board for its approval.

ix. Scrutiny of inter-corporate loans and investments.

x. Valuation of undertakings or assets of the company, wherever it is necessary.

xi. Evaluation of internal financial controls and risk management systems.

xii. Reviewing, with the management, performance of statutory, cost and internal auditors, adequacy of the internal control systems.

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

xiv. Discussion with internal auditors of any significant findings and follow up thereon.

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non-payment of declared dividends) and creditors.

xviii. To review the functioning of the Whistle Blower mechanism.

xix. Recommend to the Board for approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

xx. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

xxi. Recommending to the Board the terms of appointment, reappointment and if required, the replacement or removal of cost auditors and internal auditors & fixation of their audit fees & fees for other services.

xxii. To review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

f) Statement of deviations, if any.

xxiii. Investigate any matter referred to it by the Board or within its terms of reference.

xxiv. To review the financial statements, in particular, the investments made by the unlisted subsidiary companies of the Company.

In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, SEBI (LODR) Regulations or any other applicable law.

The Committee shall have full access to information contained in the records of the Company and can seek information from any employee of the Company. The Committee may access external professional and legal advice, if so required in discharge of its functions.

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

## B. Nomination and remuneration committee

In compliance to the requirements of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board of the Company has constituted "Nomination and Remuneration Committee". The then Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 29th September, 2020. The Committee met two times during the Financial Year 2020-21 i.e. on 29.08.2020 and 11.02.2021.

### I. Constitution and Attendance of the Committee

| Name | Desig-nation | Category | No. of Meetings Attended |
|---|---|---|---|
| Dr. Ashwani Vig* | Chairman | Non-Executive, Independent | - |
| Mr. S.P Sharma | Member | Non-Executive, Independent | 2 |
| Mrs. Neerja Chathley | Member | Non-Executive, Independent | 2 |
| Mr. Prabhat Khurana** | Chairman | Non-Executive, Independent | 2 |

*appointed as Chairman in the Committee w.e.f 24.03.2021.
**ceased to be Chairman & Member of Committee w.e.f 24.03.2021.

Sh. Pardeep Verma Compliance Officer of the Company acts as the Secretary of the Committee.

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

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

### II. Terms of Reference

The terms of reference of this Committee is as under:

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

**Performance Evaluation and Criteria for Evaluation**

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors, including the Managing Director and Non Executive Directors and Chairperson of the Board.

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

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

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

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

**Remuneration of directors**

**Criteria of Making Payment to Directors**

The Board on the recommendation of the Nomination and Remuneration Committee has framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior

management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

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

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

Annual increments to executive directors are decided by the Board on recommendation by the Nomination and Remuneration Committee on the basis of the Company's size, their knowledge and expertise, economic & financial position of the Company, industrial trend and compensation paid by the peer Companies, etc. The Remuneration paid to the Executive Directors in respect of the financial year 2020-21 is given below:

(₹ in Lakhs)

| Director | Designation | Remuneration for the year ended 31st March, 2021 | | | |
|---|---|---|---|---|---|
| | | Salary * | Contribution to Provident Fund | Perquisites | Total |
| Mr. N.R. Munjal | Chairman and Managing Director | 327.14 | 0.22 | Nil | 327.36 |
| Mr. Himanshu Jain | Jt. Managing Director | 261.70 | 0.22 | Nil | 261.92 |
| Mr. Rishav Mehta | Executive Director | 130.74 | 0.22 | Nil | 130.96 |
| Mr. Sahil Munjal | Executive Director | 148.87 | 0.22 | Nil | 149.09 |

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

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

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

**Remuneration to Non-Executive Directors**

Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity

Remuneration to Non-Executive Directors comprises sitting fees only. The sitting fee is paid to the non-Executive Directors as per the provisions of the Companies Act, 2013 and the rules there under.

Sitting fee paid to Directors during the year 2020-21 is as follows:

| Sr. No. | Director | Designation | Sitting Fees | Other | Total Expenses |
|---|---|---|---|---|---|
| 1. | Sh. S P Sharma | Independent Director | 1,22,500 | -- | 1,22,500 |
| 2. | Sh. Prabhat Khurana* | Independent Director | 107,500 | - | 1,07,500 |
| 3. | Mrs. Neerja Chathley | Independent Director | 67,500 | - | 67,500 |
| 4. | Dr. Ashwani Kumar Vig | Independent Director | 60,000 | -- | 60,000 |
| 5. | Mr. Rajinder Kumar Gupta** | Independent Director | -- | -- | -- |

* ceased to be Director w.e.f. 24.03.2021

** Appointed as Independent Director w.e.f 23.06.2021

**Service contracts, notice period, severance fees**

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

During the year, the Company has not granted any stock options to the Directors.

**C. Stakeholders' relationship committee:**

The Stakeholders' Relationship Committee has been constituted to specifically look into transfer/transmission/ demat/remat of shares, issue of duplicate/split/consolidation of share certificates, notices and to attend shareholder's complaints. This Committee meets as may be required.

The Company Secretary of the Company Acts as secretary/ Compliance Officer to the committee .The Company Secretary is authorized to authenticate the transfers/transmissions/ issue of duplicate share certificates etc. All requests for dematerialization of shares are processed and confirmed by M/s Alankit Assignments Ltd, Registrars and Share Transfer Agent of the Company. The committee met once during the financial year 2020-21..

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

| Name | Designation | Category | Meetings Attended |
|---|---|---|---|
| Dr. Ashwani Vig* | Chairman | Non-Executive, Independent | N.A |
| Mr. N.R. Munjal | Member | Executive, Promoter | 1 |
| Mr. S.P. Sharma | Member | Non-Executive, Independent | 1 |
| Mr. Prabhat Khurana** | Chairman | Non-Executive, Independent | 1 |

*appointed as Chairman in the Committee w.e.f 24.03.2021.
**ceased to be Chairman & Member of Committee w.e.f 24.03.2021.

Mr. Pardeep Verma, Company Secretary & Compliance Officer of the Company, acts as the Secretary of the Committee.

During the year, 2020-21, the Company has received few complaints from its FD holders / shareholders; which has been resolved timely.

**II. Terms of Reference**

The Stakeholders Relationship Committee reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non receipt of declared dividends. The following terms of reference of the Committee have been aligned to the Companies Act, 2013:-

1) To review, consider & resolve complaints received from shareholders security holders and other investors ("stakeholders").
2) To review, consider & resolve complaints and other letters received from SEBI, Department of Company Affairs, Stock Exchanges and similar bodies, pertaining to stakeholders.
3) To consider, approve or delegate its powers to the officials of the Company or R&T Agent or any other person relating to the following:-
   a) Transfer and transmission of the securities of the Company
   b) Consolidation, splitting, renewal & replacement certificates pertaining to securities issued by the Company. Provided that the new certificate shall be issued only against the surrender of old certificate, which shall be cancelled.
   c) Dematerialization & Rematerialisation of securities issued by the Company.
4) To consider & issue certificates for shares, debentures and other securities issued by the Company and to consider & issue duplicate certificates in lieu of lost, mutilated or destroyed certificates and to authorize officials of the Company or any other person in this matter
5) In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, 2013, Listing Agreement with stock exchanges or any other applicable law / regulations from time to time or as may be assigned by the Board of Directors.
6) The Committee shall have full access to information contained in the records of the Company and its R&T Agent.

The company has also received number of complaints from fixed deposits holders regarding repayment of deposits. The Hon'ble Company Law Board vide its order No. CP27/01/2013 dated 30th September, 2013 has granted extension of time in repayment of deposits. Now, the Company is making repayment of interest and Principal amount as due to the fixed deposit holders in terms of the aforesaid order of Hon'ble CLB.

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

**D. Risk management committee**

As the Market Capitalization of the Company as on 31st March, 2021 was within the top 1000 companies by Market Capitalization so the provisions related to Risk Management Committee became applicable on Company w.e.f., 05.05.2021. The Company however already has a Risk Management Committee in place.

Evaluation of business risk and managing the risk has always been an ongoing process in the Company. The Risk Assessment Committee assists the Board in fulfilling its corporate

governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.

### I. Composition of the Committee

The Board of the Company has constituted a Risk Assessment Committee, comprising of 3 Directors. The composition of the Risk Management Committee is as follows:-

| Name | Designation | Executive/ Non-Executive/ Independent |
|---|---|---|
| Dr. Ashwani Vig* | Chairman | Independent/Non-Executive Director |
| Mr. N.R Munjal | Member | Executive Director |
| Mr. S P Sharma | Member | Independent/Non-Executive Director |
| Mr. Prabhat Khurana** | Chairman | Independent/Non-Executive Director |

No meeting of the committee was held during the year.

*appointed as Chairman in the Committee w.e.f 24.03.2021.

**ceased to be Chairman & Member of Committee w.e.f 24.03.2021.

### II. Terms of Reference

The terms of the Risk Management Committee are as under:

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

## E. Compensation committee

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

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

### I. Constitution of the Committee

The Compensation Committee presently comprises three members as per details in the following table: -

| Name | Designation | Executive/ Non-Executive/ Independent |
|---|---|---|
| Dr. Ashwani Vig* | Chairman | Independent/Non-Executive Director |
| Mr. N.R Munjal | Member | Executive Director |
| Mr. S P Sharma | Member | Independent/Non-Executive Director |
| Mr. Prabhat Khurana** | Chairman | Independent/Non-Executive Director |

*appointed as chairman in the Committee w.e.f 24.03.2021.

**ceased to be chairman of Committee w.e.f 24.03.2021.

### II. Terms of Reference

The Compensation Committee formulates the detailed 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.

## F. Sub-committee of board

The Sub Committee of Board was constituted in the year 2009 to consider and approve the matters related To Banks/ FIs/ Term Loans/ Corporate Debt Restructuring and matter of general nature.

The constitution of the Sub-Committee of Board and the attendance of each member of the committee is given below.

| Name | Desig-nation | Executive/ Non-Executive/ Independent | No. of Comm-ittee Meeting held during their Tenure | No. of Comm-ittee Meeting attended |
|---|---|---|---|---|
| Mr. N.R Munjal | Chairman/ Member | Executive Director | 8 | 8 |
| Mr. Himanshu Jain | Member | Executive Director | 8 | 8 |
| Mr. S P Sharma | Member | Independent/ Non-Executive Director | 8 | 8 |
| Dr. Ashwani Vig* | Member | Independent/ Non-Executive Director | - | - |
| Mr. Prabhat Khurana** | Member | Independent/ Non-Executive Director | 8 | 8 |

*appointed as member w.e.f. 24.03.2021
**ceased to be the member w.e.f 24.03.2021

**G. Corporate social responsibility committee**

In compliance to the provisions of Section 135 of the Companies Act, 2013, with respect to Corporate Social Responsibility, the Company has constituted a Corporate Social Responsibility Committee to monitor and review the CSR Policy of the Company from time to time and other function, as defined by the Board or as may be stipulated under any law, rule or regulation including listing regulations and Companies Act, 2013 or under any applicable law, as may be prescribed from time to time. The composition of the Committee is as follows:

| Name | Designation | Executive/ Non-Executive/ Independent |
|---|---|---|
| Mr. N.R Munjal | Chairman | Executive Director |
| Mr. Himanshu Jain | Member | Executive Director |
| Mr. S P Sharma* | Member | Independent/Non-Executive Director |
| Mr. Prabhat Khurana** | Member | Independent/Non-Executive Director |

The committee met once during the year .
* appointed as member w.e.f. 24.03.2021
** Ceased to be the member w.e.f 24.03.2021

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

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

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

**Exclusive email ID for investors:** The Company has designated the email id investor@indswiftlabs.com exclusively for investor servicing, and the same is prominently displayed on the Company`s website: www.indswiftlabs.com.

**General body meetings for last three years**

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

| Date | Financial Year | Category | Venue | Time | Special Resolutions |
|---|---|---|---|---|---|
| 29th September, 2020 | 2020-21 | 25th AGM | Video Conferencing or other Audio Visual Means | 11:30 A.M. | Seven Special Resolution w.r.t. Appointment of Dr. Ashwani Kumar Vig (DIN: 07080817) as Independent Director of the Company, Re-Appointment of Mr. S. P. Sharma (DIN: 00475413) as an Independent Director of the Company, Appointment of Mr. Sahil Munjal (DIN: 00015407) as Whole time Director designated as President & C.E.O, Approve the Managerial Remuneration of Sh. Sahil Munjal, Executive Director (DIN: 00015407) of the Company for a period of three years, Approval the Managerial remuneration of Executive Directors i.e. Mr. N.R. Munjal, Mr. Himanshu Jain and Mr. Rishav Mehta for a further period of two years |

| Date | Financial Year | Category | Venue | Time | Special Resolutions |
|---|---|---|---|---|---|
| 30th September, 2019 | 2019-20 | 24th AGM | PHD Chamber of commerce & Industry, Sector-31 A, Chandigarh | 10:30 A.M. | Two Special Resolution w.r.t. Approval of maximum limits for making/ granting Loans or Guarantees as per Section 185 of Companies Act, 2013 and Approval of Limits for making Loans/Investments or Guarantees as per Section 186 of Companies Act, 2013. |
| 11th February, 2019 | 2018-19 | EGM | PHD Chamber of Commerce & Industry, Sector-31-A, Chandigarh | 09:30 A.M. | Six Special Resolution w.r.t. to waiver of excess remuneration paid to executive directors i.e. Mr. N.R. Munjal, Mr. Himanshu Jain and Mr. Rishav Mehta for the period 23rd March, 2015 to 22nd March, 2018 and approval of payment of remuneration to executive directors for the period 23rd March, 2018 to up to 22nd March, 2021 |
| 28th September, 2018 | 2018-19 | 23rd AGM | PHD Chamber of Commerce & Industry, Sector-31-A, Chandigarh | 10:30 AM | Five Special Resolutions w.r.t re-appointment of independent directors Dr. J K Kakkar, ratification of beneficial owner details of Allottees of Optionally Convertible Debentures(OCDs) and approval of payment of Remuneration to Executive Directors i.e Mr. N.R. Munjal, Mr. Himanshu Jain and Mr. Rishav Mehta for period of five years up to 22nd March, 2023 |
| 9th June, 2018 | 2018-19 | EGM | PHD Chamber of Commerce & Industry, Sector-31-A, Chandigarh | 10.30 AM | - Issuance of equity shares on preferential basis for restructuring of existing loan.<br>- Issuance of optionally convertible debentures on preferential basis. |

**EGM**- Extra Ordinary General Meeting **AGM** – Annual General Meeting

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

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

**Postal ballot**

No postal Ballots were used for voting at the meeting held during the year under review.

**Means of communication**

a) All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.

b) The Company intimates un-audited quarterly, half-yearly and audited quarterly and annual financial results to the Stock Exchanges immediately after these are approved and taken on record by the Board. These financial results are normally published in the Financial Express (English) and Jansatta (Hindi).

c) The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website www.indswiftlabs.com.

d) Presentations made to Institutional Investors and Financial Analysts on Financial results of the Company are disclosed to both Stock Exchanges i.e. BSE and NSE.

**General shareholder information**

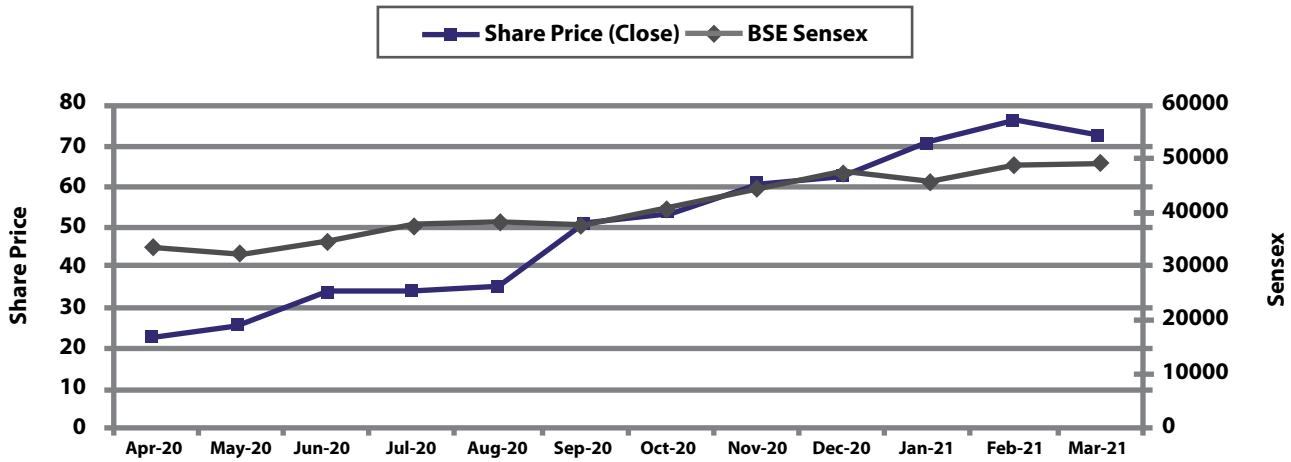
| | |
|---|---|
| **AGM: Day, date and Time** | AGM will be held on Thursday, 30.09.2021 through Video Conferencing or other Audio Visual Means at 11:30 A.M. |
| **Financial year of the Company** | April, 2021 to March, 2022 |
| **Quarterly Results Calendar** | (i) First Quarter Results- on 12th August, 2021 |
| | (ii) Half-yearly Results- By 14th November, 2021 |
| | (iii) Third Quarter Results- By 14th February, 2022 |
| | (iv) Results for the year ending 31st March, 2022- By 30th May, 2022 |
| **Date of Book Closure** | 26th September, 2021 to 30th September, 2021 (both days inclusive). |
| **Dividend Payment** | The Board has not proposed any dividend for the Year ended 31st March, 2021. |
| **Listing on Stock Exchanges** | The Company's shares are listed at The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Limited (NSE). The Annual Listing Fee of both the exchanges has been paid up to date. |
| **Stock Code/Symbol** | 532305 on The Stock Exchange, Mumbai (BSE)<br>INDSWFTLAB on National Stock Exchange (NSE) |
| **Demat ISIN No. for NSDL and CDSL** | INE915B01019 |

**Monthly Share Price Movement during 2020-21 at BSE & NSE**

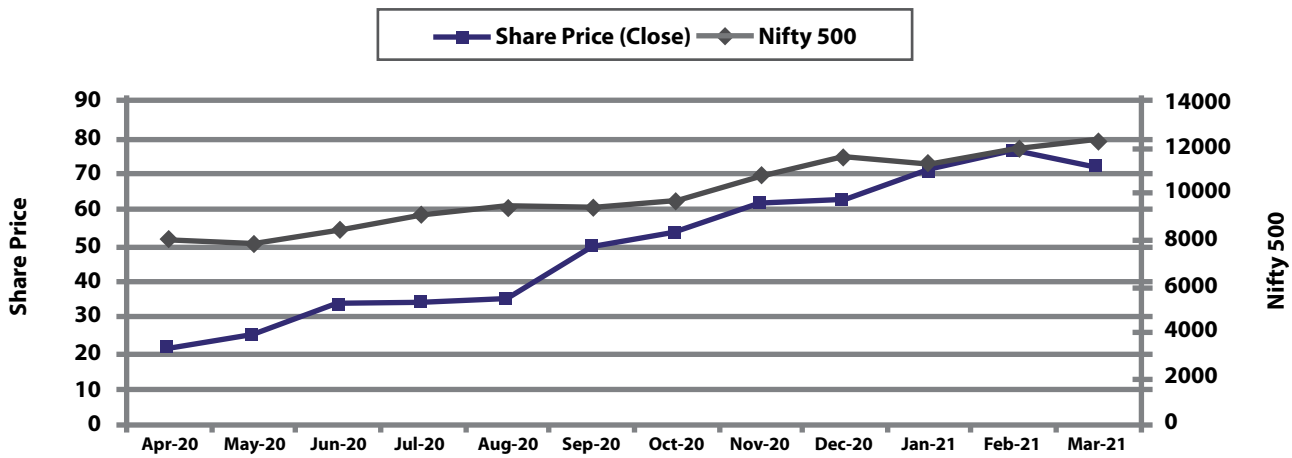
| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Volume | High (₹) | Low (₹) | Volume |
| April-20 | 27.00 | 20.80 | 88,337 | 26.95 | 20.10 | 3,82,452 |
| May-20 | 26.95 | 19.75 | 47,486 | 27.35 | 19.25 | 3,55,423 |
| June-20 | 42.05 | 24.50 | 2,80,131 | 42.2 | 24.45 | 16,16,474 |
| July-20 | 37.60 | 32.35 | 1,38,675 | 37.85 | 31.85 | 7,81,980 |
| August-20 | 42.00 | 34.45 | 1,68,422 | 41.90 | 34.10 | 10,91,370 |
| September-20 | 51.95 | 32.60 | 2,36,179 | 52.10 | 32.55 | 17,49,600 |
| October-20 | 61.45 | 43.80 | 3,52,095 | 60.00 | 44.00 | 19,42,489 |
| November-20 | 71.85 | 47.35 | 4,65,752 | 72.90 | 47.75 | 23,86,552 |
| December-20 | 67.30 | 55.35 | 2,76,911 | 67.45 | 55.30 | 18,93,414 |
| January-21 | 89.00 | 62.25 | 4,95,265 | 87.45 | 61.05 | 39,80,138 |
| February-21 | 82.50 | 68.90 | 4,94,112 | 82.25 | 67.60 | 29,52,277 |
| March-21 | 90.40 | 71.00 | 6,89,836 | 90.00 | 71.10 | 23,39,048 |

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

STOCK PRICE MOVEMENT IN COMPARISON WITH BSE SENSEX




STOCK PRICE MOVEMENT IN COMPARISON WITH NSE NIFTY




## Registrar and transfer agent

**Transfer Agent for physical transfer and Demat of Shares:**

M/s Alankit Assignments Ltd.
205-208 Anarkali Market
Jhandewalan Extension,
New Delhi-110 055
Tel:- +91-11-42541965, 42541953
Fax:- +91-11-41540064
E-mail: info@alankit.com
Website: www.alankit.com

## Share transfer system

- The Share Transfer/shareholders Grievance Committee approves the transfer and transmission of shares, issue of duplicate share certificates and related matters. The transfers received are processed within 15 days of the receipt of the same subject to the transfer document being complete and valid in all respects. The Committee also monitors the redressal of Investor's grievances. As on 31st March, 2021, there were no shares pending for transfer.
- M/s Alankit Assignments Ltd., Registrar and Transfer Agent appointed by the Company have adequate infrastructure to carry out the share transfer, transmission and other related assignments.
- During the year 2020-21, the Company has received few Complaints from its FD holders/Shareholders which has been resolved timely..

## Secretarial audit

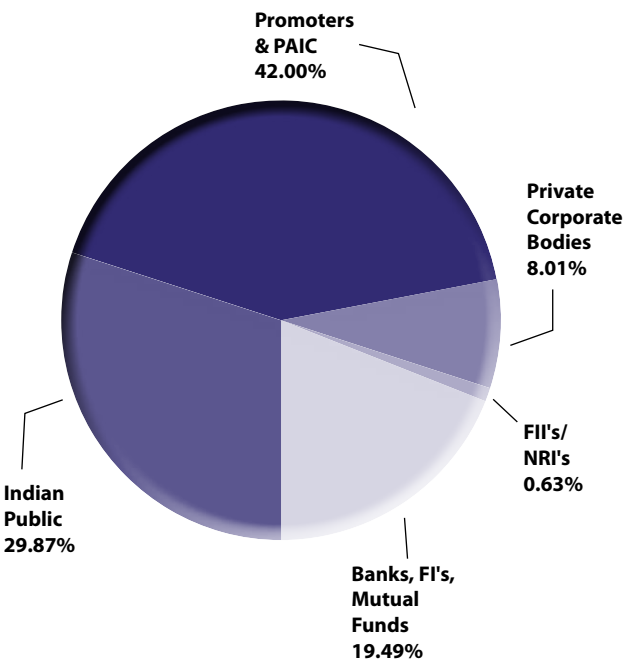
Mr. Vishal Arora, Practicing Company Secretary, has conducted the Secretarial Audit of the Company for financial year 2020-21. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under,

its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

## Distribution of equity shareholding as on 31st March, 2021

| Category | No. of Shares Held | %age of Shareholding |
|---|---|---|
| Promoters & PAIC | 2,48,14,017 | 42.00 |
| Banks, FI's, Mutual Funds, AIF | 1,15,17,670 | 19.49 |
| FII's , NRI's & FPI | 3,73,095 | 0.63 |
| Private Corporate Bodies | 47,39,988 | 8.01 |
| Indian Public & Others | 1,76,47,090 | 29.87 |
| **Total** | **5,90,86,860** | **100.00** |

## Shareholding pattern as on 31st March, 2021



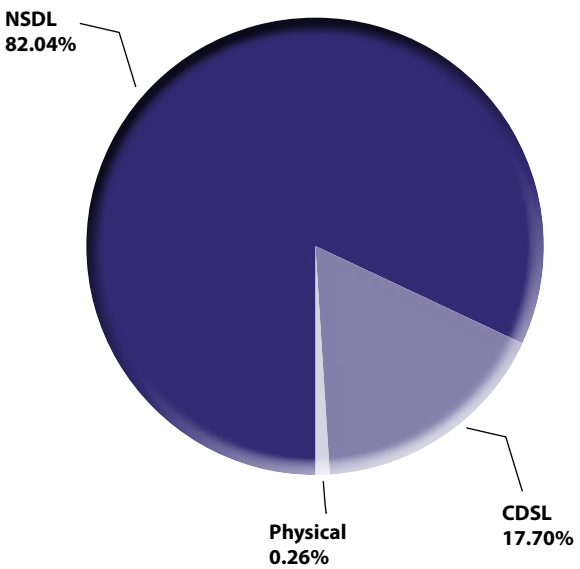

## Distribution schedule as on 31st March, 2021

| No. of shares held | No. of Share Holders | % age of Total Holders | No. of Shares | % age of Total Equity |
|---|---|---|---|---|
| 1 to 100 | 7916 | 49.91 | 4,44,668 | 0.75 |
| 101 to 500 | 5137 | 32.39 | 14,59,621 | 2.47 |
| 501 to 1000 | 1300 | 8.20 | 10,83,521 | 1.83 |
| 1001 to 5000 | 1088 | 6.86 | 25,21,035 | 4.27 |
| 5001 to 10000 | 157 | 0.99 | 11,98,308 | 2.03 |
| 10001 to 20000 | 106 | 0.67 | 15,26,071 | 2.58 |
| 20001 to 30000 | 44 | 0.28 | 10,91,777 | 1.85 |
| 30001 to 40000 | 14 | 0.09 | 4,90,918 | 0.83 |
| 40001 to 50000 | 16 | 0.10 | 7,38,491 | 1.25 |
| 50001 to 100000 | 36 | 0.23 | 25,86,981 | 4.38 |
| 100001 to 500000 | 35 | 0.22 | 73,69,099 | 12.47 |
| 500001 to above | 10 | 0.06 | 3,85,76,370 | 65.29 |
| **TOTAL** | **15,859** | **100.00** | **5,90,86,860** | **100.00** |

## 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.

| Mode of Shares | Number of Shares | % |
|---|---|---|
| NSDL | 4,84,75,514 | 82.04 |
| CDSL | 1,04,58,062 | 17.70 |
| Physical | 1,53,284 | 0.26 |
| Others | Nil | Nil |
| **Total** | **5,90,86,860** | **100.00** |



## Outstanding GDRS/ADRS/WARRANTS or any convertible instruments

The Company had 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 31/03/2021 there were no GDR outstanding.

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

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

The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2020-21.

## Optionally Convertible Warrants

There are no outstanding Optionally Covertible Warrants for Conversion.

## Reconciliation of share capital audit

Pursuant to the provisions of SEBI (Depositories & Participant) Regulations, 2018 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 from tally with the issued and paid-up capital of the Company, the Registrar of Members is duly updated and demat requests are confirmed within stipulated time etc.

## Registered office

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

## Plant locations

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

## Research and development facility

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

## Compliance officer

Pardeep Verma
AVP-Corp. Affairs & Company Secretary
Ind-Swift Laboratories Limited
Corporate Office
SCO 850, Shivalik Enclave,
NAC, Manimajra
Chandigarh 160101
Tel: - +91-172-2730920
Fax: - + 91-172-2730504
Email: pardeep.verma@indswiftlabs.com

## Nomination facility

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

## List of credit ratings obtained/revision

During the Financial Year, 2020-21, the credit rating of the Company was revised from 'CARE C' to 'CARE B' by CARE which denotes-Stable Ranking.

## Other disclosures

**(a) Related Party Transactions**

The Board of Directors have approved a policy for related party transactions and has been uploaded on the Company website http://www.indswiftlabs.com/pages/Related_Party_Transactions_Policy_Procedures.pdf. There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries, or relatives, etc. that may have potential conflict with the interests of the Company at large. All transactions entered with related parties during the year ended 31st March, 2021 as mentioned under Companies Act, 2013 and Regulation 23 and 27(2)(b) of the Listing Obligations & Disclosures Regulations (LODR) were in the ordinary course of business and on arm's length pricing basis. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with related parties are disclosed in Note No. XXXI of Notes to the accounts in the Financial Statements for the year.

**(b) Statutory Compliance, Strictures and Penalties**

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

**(c) Non Convertible Debentures (NCDs) issue**

The Company had issued 4245 Secured listed rated Redeemable, Non-Convertible Debentures (NCDs) of a face value of ₹ 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of up to ₹ 424,50,00,000/- (Rupee Four Hundred Twenty Five Crores and Fifty Thousand only) to Edelweiss Asset Reconstruction Company Limited ("EARC") to settle/discharge the secured debt through infusion of fresh funds for meeting the cash flow requirement of Company. These NCDs are redeemable in 2024.

**(d) Whistle-Blower Policy / Vigil Mechanism**

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

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

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

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

**(e) Compliance of Corporate Governance Provisions**

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

**(f) Utilisation of Proceeds of the NCD/OCD Issue**

The funds raised from the NCD & OCD issue in the past has been utilized for the purposes for which it were raised which is for the settlement of the dues of the State Bank of India , Bank of Baroda, Phoenix ARC, Edelweiss, Canara Bank, IDBI, SBI (Halcyon Life Sciences) & SC Lowy.

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

The detail of payment of total fees to the Statutory Auditor during the Financial Year 2020-21 is as under:-

| Sr. No. | Particulars of Expenses | Fee Paid (in ₹ Lakhs) |
|---|---|---|
| 1. | Statutory Audit | 4.00 |
| 2. | Certifications | 1.00 |
| 3. | Out of Pocket Exp. | 0.67 |
| | **Total** | **5.67** |

**(h) Certificate from Practising Company Secretary (PCS)**

The Company has obtained a certificate from Mr. Vishal Arora, Company Secretary in Practice regarding qualification/ disqualification of Directors to act as Director of the Company which is attached as Annexure-1 to the Corporate Governance Report.

**(i) Policy on Prevention of Sexual Harassment at Workplace**

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

During the year, no complaint pertaining to sexual harassment was received by the Company.

**(j) Disclosure of non-acceptance of Committee recommendation by the Board**

During the Financial Year 2020-21, the Board has accepted all the recommendation/submission of its' Committees.

## Debenture trustee

**Vistra ITCL (India Limited)**

The IL&FS Financial Centre, Plot C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051

**IND-AS**

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

**Subsidiary Companies**

The Company monitors performance of its subsidiary companies, inter-alia, by the following means:

i. The Audit Committee reviews financial statements of the subsidiary companies, along with investments made by them.

ii. The Board of Directors reviews all the significant transactions and arrangements, if any, of subsidiary companies. The Company has formulated a policy for determining its 'Material' Subsidiaries.

(A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per Audited Balance Sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year)

Ind-Swift Laboratories Limited does not have a material non-listed Indian subsidiary. As per Regulation 24 of SEBI (LODR) Regulations, 2015 a "material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Company has formulated a policy regarding determination of 'Material' Subsidiaries and the same is available on the website of the Company www.indswiftlabs.com. The weblink for the same is given below:
https://www.indswiftlabs.com/wp-content/uploads/2018/07/Policy_for_determining_Material_Subsidiaries.pdf

**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.

**Non-Mandatory Requirements**

**A. The Board**

The Chairman of the Board does not maintain a Chairman's office at the Company's expense.

**B. Shareholders Right**

The quarterly and half yearly results are published in widely circulating dailies such as Financial Express, in English and Jansatta in Hindi. These are not sent individually to the shareholders but hosted on the website of the Company.

**C. Audit Qualification**

There are no qualifications contained in the Audit Report.

**D. Reporting of Internal Auditors**

The Internal Auditor of the Company reports to the Audit Committee, their reports are reviewed by the Audit Committee.

**Market Capitalisation and Price-Earnings Ratio:**

| | | As on 31.03.2021 | As on 31.03.2020 |
|---|---|---|---|
| a. | Closing Price (BSE) (₹). | 72.05 | 21.70 |
| b. | Market Capitalization (₹ In Lakhs) | 42,572.08 | 12,821.85 |
| c. | Price-Earnings Ratio | (97.36) | (5.17) |

**Unclaimed Shares**

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports that there are no unclaimed shares as on 31st March, 2021.

Place: Chandigarh
Date: 12th August, 2021

**N.R. Munjal**
Chairman and Managing Director

# ANNEXURE-I

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
**IND SWIFT LABORATORIES LIMITED**
SCO 850, Shivalik Enclave, NAC,
Manimajra Chandigarh

As required by item 10(i) of part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 we certify that none of the directors on the Board of IND SWIFT LABORATORIES LIMITED have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority for Financial Year ending 31st March 2021.

**Vishal Arora**
Company Secretary
FCS No. 4566
CP No. 3645
UDIN; F004566C000787315

Place: Chandigarh
Date: 12. August, 2021

# INDEPENDENT AUDITOR'S REPORT

## To The Members Of Ind-Swift Laboratories Limited

### Report on the Audit of The Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of IND-SWIFT LABORATORIES LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement for Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013, as amended ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| Key Audit Matters | How our audit assessed Key audit matters |
|---|---|
| **Evaluation of Uncertain tax Positions** | |
| The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.<br>Refer Notes to accounts No. XXVI to the Financial statements | • Obtained the details of completed tax assessments and demands as on 31st March, 2021 from Management.<br>• We involved our expertise to challenge the management's underlying assumptions in estimating tax provision and the possible outcome of the disputes.<br>• We have also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |

## Emphasis of Matters

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

a) We draw attention to Note No. XXXVII of the accompanying standalone financial results, which describes the management's evaluation of uncertainties related to COVID 19 and its consequential effects on the operations of the Company.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2020-21 but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended 31st March, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit;

   (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;

   (e) On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197(16) read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note XXVI to the Financial Statements;

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd No.:017362N)

**Avishkar Singhal**
Partner
Membership No.: 098689
UDIN:21098689AAAAFQ4665

Place of Signature: Chandigarh
Date: 29th June, 2021

# "ANNEXURE-A"

**Referred to in paragraphs under the heading "Report on other Legal and regulatory requirements "of our Report of even date**

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

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

(b) According to information and explanations given by the management, the Company has a system of physical verification of all its fixed assets over a period of four years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company. Except in case of the following immovable properties where the title deeds are not in the name of the Company:

| No. of cases | Freehold/ Office Building | Gross Block as at 31st March, 2021 | Net Block as at 31st March, 2021 | Remarks |
|---|---|---|---|---|
| 1. | Office Building | 3.34 Crores | 2.76 Crores | Flats Located in Mumbai held as investment [Refer Note No. I (ii)] |
| 2 | Flats (Investment Property) | 14.58 Crores | 12.01 Crores | Flats Located held as investment. .[Refer Note no .I (iii)] |

As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.

(iii) According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence reporting under Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and the directives issued by The Reserve Bank of India with regards to the deposits accepted from the public .

(vi) The maintenance of cost records has been specified by the Central Government Under sub section (1) of section 148 of the act. We have broadly reviewed the cost records maintained by the Company pursuant to the companies( Cost records and audit) Rules 2014, as amended , prescribed by the Central Government under sub-section (1) of section 148 of the act and are of the opinion that, prima facie the prescribed cost records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or not.

(vii) According to information and explanations given to us in respect of Statutory Dues;

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there have been slight delays in few cases.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise,

value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) The dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise ,value added tax and cess on account of any dispute, are as follows:

| Name of the Statute | Natuire of Dues | Amount (In ₹ Lakhs ) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Punjab Vat Act,2005 | Sale tax, Penalty & Interest | 31.94 | 2006-07 | VAT Tribunal |
| The Punjab Vat Act,2005 | Sale tax, Penalty & I1nterest | 238.35 | 2010-11 | DETC (Appeal) |
| The Custom Act ,1962 | Differential Duty | 23.06 | 2012-2013 | CESTAT, CHANDIGARH |
| The Custom Act, 1962 | Custom Duty | 277.00 | 2011-12 to 2013-14 | Hon'ble High Court (Writ Petition) |
| Service Tax Finance Act 1994 | Service Tax | 82.19 | 2012-2013 | CESTAT, CHANDIGARH |
| Service Tax Finance Act 1994 | Service Tax | 29.03 | 2013-2014 | CESTAT, CHANDIGARH |
| Service Tax Finance Act 1994 | Service Tax | 69.89 | 2014-2015 | CESTAT, CHANDIGARH |
| The Central Excise Act, 1944 | Excise Duty | 113.42 | 2009-10 & 2010-2011 | COMMISSIONER APPEAL, LUDHIANA |

In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or Government and dues to the debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us by the management, the managerial remuneration for the year ended 31st March, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd No.:017362N)

**Avishkar Singhal**
Partner
Membership No.: 098689
UDIN:21098689AAAAFQ4665

Place of Signature: Chandigarh
Date: 29th June, 2021

# "ANNEXURE-B"

**Report of even date on the Financial Statements of Ind-Swift Laboratories Limited**

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

## To the Members of Ind-Swift Laboratories Limited

We have audited the internal financial controls over financial reporting of Ind-Swift Laboratories Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone Financial Statements.

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

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone Financial Statements

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Financial Statements and such internal financial controls over financial reporting with reference to these standalone Financial Statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd No.:017362N)

**Avishkar Singhal**
Partner
Membership No.: 098689
UDIN:21098689AAAAFQ4665

Place of Signature: Chandigarh
Date: 29th June, 2021

# STANDALONE BALANCE SHEET

As on 31st March, 2021

(₹ in Lakhs)

| PARTICULARS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets :** | | | |
| Property, Plant and Equipment | I | 73,468.04 | 79,277.14 |
| Right of Use - Land | | 189.68 | 191.99 |
| Capital work-in progress | | 1,070.21 | 379.96 |
| Investment property | I | 1,476.87 | 1,505.10 |
| Other Intangible assets | I | 106.05 | 3,318.56 |
| Intangible assets under development | | 814.08 | 765.47 |
| **Financial Assets** | | | |
| a) Investments | II | | |
| - In subsidiaries and associates | | 4,964.44 | 1,835.66 |
| - In Others | | 568.80 | 800.06 |
| b) Other Non-current Financial Assets | III | 244.19 | 190.62 |
| Deferred tax assets (net) | IV | 5,884.26 | 7,797.64 |
| Other non-current assets | V | 6,352.82 | 5,501.82 |
| **TOTAL NON-CURRENT ASSETS** | | **95,139.43** | **1,01,564.02** |
| **Current Assets** | | | |
| Inventories | VI | 35,441.15 | 34,281.83 |
| **Financial Assets** | | | |
| (a) Trade receivables | VII | 40,014.65 | 38,466.32 |
| (b) Cash and cash equivalents | VIII | 995.24 | 883.93 |
| (c) Other current financial Assets | IX | 5,414.29 | 3,395.99 |
| Other current assets | X | 4,485.55 | 7,222.26 |
| Assets held-for-sale | | 229.59 | 205.81 |
| **TOTAL CURRENT ASSETS** | | **86,580.47** | **84,456.15** |
| **GRAND TOTAL** | | **1,81,719.89** | **1,86,020.16** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | XI | 5,980.58 | 5,980.58 |
| (b) Other Equity | XII | 57,888.52 | 58,480.25 |
| **TOTAL EQUITY** | | **63,869.10** | **64,460.83** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| **Financial Liabilities** | XIII | | |
| (a) Borrowings | | 87,541.03 | 89,088.54 |
| (b) Other Non Current Financial Liabilities | | 48.21 | 46.08 |
| Non- Current Provisions | | 1,572.66 | 1,475.65 |
| Other Non current Liabilities | | 17.41 | 19.94 |
| **TOTAL NON- CURRENT LIABILITIES** | | **89,179.30** | **90,630.21** |
| **Current liabilities** | | | |
| **Financial Liabilities** | **XIV** | | |
| (a) Borrowings | | 12,055.81 | 13,995.09 |
| (b) Trade payables | XV | | |
| MSME | | 88.96 | 29.69 |
| Others | | 12,306.60 | 12,682.34 |
| (c) Other Financial Liabilities | XVI | 832.94 | 1,129.71 |
| Current Provisions | | 69.28 | - |
| Other current liabilities | XVII | 3,317.90 | 3,092.29 |
| **TOTAL CURRENT LIABILITIES** | | **28,671.49** | **30,929.12** |
| **GRAND TOTAL** | | **1,81,719.89** | **1,86,020.16** |
| Significant Accounting Policies | XLII | | |

The accompanying notes form an integral part of the standalone financial statements.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# STANDALONE STATEMENT OF PROFIT & LOSS

For the year ended 31st March, 2021

(₹ in Lakhs)

| | Note No. | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|---|
| Revenue from Operation | XVIII | 85,657.84 | 75,183.74 |
| Other Income | XIX | 2,312.78 | 3,601.98 |
| **Total Revenue** | | **87,970.62** | **78,785.72** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | XX | 42,747.16 | 39,128.55 |
| Change in Inventories of FG/WIP/Stock in trade | XXI | (247.65) | (1,244.06) |
| Employee benefits expense | XXII | 10,416.71 | 10,037.70 |
| Financial Cost | XXIII | 10,021.57 | 10,748.15 |
| Depreciation & amortisation expenses | XXIV | 8,729.17 | 9,005.93 |
| Other Expenses | XXV | 14,691.93 | 13,065.50 |
| **Total-B** | | **86,358.91** | **80,741.77** |
| **Profit / (Loss) before exceptional items & Tax** | | **1,611.71** | **(1,956.05)** |
| **Exceptional items** | | | |
| Exceptional Item Loss (Profit) | | - | - |
| **Profit /(Loss) before Tax** | | **1,611.71** | **(1,956.05)** |
| **TAX EXPENSE:** | | | |
| Current Tax | | 69.28 | - |
| Mat Credit Entitlement | IV | (69.28) | - |
| Mat credit Utilisation | | 1,103.94 | - |
| Deferred Tax (iability/(Assets) | IV | 947.60 | 82.18 |
| Income Tax Adjustment of Previous Years | | - | 40.49 |
| **Total Tax expense** | | **2,051.55** | **122.68** |
| **Profit/ (Loss) for the period from continuing Operation** | | **(439.83)** | **(2,078.73)** |
| **Other Comprehensive Income** | | | |
| A) Items that will be reclassified to P&L A/c | | - | - |
| B) items that will not be reclassified into P&L A/c | | | |
| (Gain)/loss on remeasurements of Investments carried at FVTOCI | | 231.26 | - |
| Tax on (Gain)/loss on remeasurements of Investments carried at FVTOCI | | (72.15) | - |
| Actuarial (Gain)/loss on remeasurements of Post employee benefits | | (10.48) | (7.56) |
| Tax on Actuarial (Gain) /loss on remeasurements of employee benefits | | 3.27 | 2.34 |
| **Other Comprehensive (Income) / Loss for the period, net of Tax** | | **151.90** | **(5.22)** |
| **Total Comprehensive Income/(Loss) for the Period** | | **(591.73)** | **(2,073.51)** |
| **Earning per equity share:** | | | |
| (1)Basic | | (0.74) | (4.20) |
| (2)Diluted | | (0.74) | (4.20) |

Significant Accounting Policies

The accompanying notes form an integral part of the standalone financial statements.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# STANDALONE CASH FLOW STATEMENT

For the year ended 31st March, 2021

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net Profit before tax and Extra-Ordinary Items | 1,611.71 | (1,956.05) |
| **ADJUSTMENTS FOR:** | | |
| i) Depreciation | 8,729.17 | 9,005.93 |
| ii)Exchange (profit)/loss | 182.62 | (575.44) |
| iii) Interest on Term loans, NCDS & FD | 9,076.70 | 9,247.34 |
| iv) Interest received | (51.28) | (58.73) |
| v) Loss/(Profit) on sale of fixed assets | - | (6.50) |
| vi) Income tax adj of previous years | - | (40.49) |
| vii) Amortisation of Subsidy | (2.53) | (2.53) |
| viii) Provision for Interest on CC | - | 32.58 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **19,546.39** | **15,646.11** |
| **ADJUSTMENTS FOR:** | | |
| i) Trade & Other Receivables | (1,799.45) | (4,399.06) |
| ii) Inventories | (1,159.32) | (2,620.88) |
| iii) Other assets | (2,983.16) | 2,361.84 |
| iv) Current Liabilities | 85.14 | 1,525.30 |
| v) Working Capital Borrowing | (186.43) | (196.90) |
| vi) Income taxes (Including Advance Tax/TDS) | - | - |
| | **(6,043.22)** | **(3,329.69)** |
| **Net Cash flow from operating Activities** | **13,503.17** | **12,316.41** |
| **B. CASH FLOW FROM INVESTING ACTIVITES** | | |
| i) Purchase of fixed Assets Tangible | (391.04) | (1,074.31) |
| ii) Purchase of fixed Assets Intangible | (48.62) | (42.25) |
| iii) Sale of fixed assets | - | 37.10 |
| iv) (Purchase)/ Sale of Investments | (628.78) | 5.50 |
| v) Interest Received | 51.28 | 58.73 |
| **Net Cash from investing activities** | **(1,017.16)** | **(1,015.24)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| i) Repayment of Term Loans to Banks & Financial Institutions & FD | (3,985.29) | (6,574.22) |
| ii) Interest paid on Term Loans & FD | (8,389.40) | (6,751.67) |
| iii) Proceeds from Term Loans From Banks & Financial Institutions | - | - |
| **Net Cash flow from Financing Activities** | **(12,374.69)** | **(13,325.90)** |
| **Net increase in Cash or Cash Equivalents** | **111.32** | **(2,024.72)** |
| Opening Cash & Cash Equivalents | 883.93 | 2,908.65 |
| Closing Cash & Cash Equivalents | 995.24 | 883.93 |
| Add; unrealised Gain/(loss) in FCTR | | |
| **Closing Cash & Cash Equivalents after FCTR** | | |

Significant Accounting Policies
The accompanying notes form an integral part of the standalone financial statements.
The Company is following Indirect Method of cash flow.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

## A Equity Share Capital {Refer Note No. XI}

(₹ in Lakhs)

| | No of Equity Shares | Amount of Equity issued | Shares Forfieted | Total Equity |
|---|---|---|---|---|
| **Balance as on 31.03.2019** | **4,75,69,195** | **4,756.92** | **71.90** | **4,828.82** |
| Issued in FY 19-20 | 1,15,17,670 | 1,151.77 | - | 1,151.77 |
| **Balance as on 31.03.2020** | **5,90,86,865** | **5,908.69** | **71.90** | **5,980.58** |
| Issued in FY 20-21 | 0 | - | - | - |
| **Balance as on 31.03.2021** | **5,90,86,865** | **5,908.69** | **71.90** | **5,980.58** |

## B. Other Equity [Refer note XII]

| Particulars | Reserves and Surplus | | | | | | Items of Other Comprehensive Income | ₹ in Lakhs |
|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Securities Premium | Employee Stock options Outstanding | Revaluation reserve | General Reserve | Profit & Loss | Remeasurement of the defined benefit-liabilities / (assets) | Total other Equity |
| **Balance as at 01.04.2019** | **0.02** | **24,338.71** | **-** | **23,979.78** | **10,892.83** | **(4,926.43)** | **(84.75)** | **54,200.16** |
| Profit (Loss) for the Year | - | - | - | - | - | (2,078.73) | - | (2,078.73) |
| Other comprehensive income for the year (net of tax) | - | - | - | - | - | - | 5.22 | 5.22 |
| **Total comprehensive income for FY 19-20** | **-** | **-** | **-** | **-** | **-** | **(2,078.73)** | **5.22** | **(2,073.51)** |
| Issue Share for OCD | - | 6,392.31 | - | - | - | - | - | 6,392.31 |
| Revaluation reserve decrease on account of Assets trasnfered held for disposal | - | - | - | (38.71) | - | - | - | (38.71) |
| Depreciation on revalued assets | - | - | - | (1,433.95) | 1,433.95 | - | - | - |
| **Balance as at 31.03.2020** | **0.02** | **30,731.01** | **-** | **22,507.12** | **12,326.78** | **(7,005.16)** | **(79.52)** | **58,480.25** |
| Profit (Loss) for the Year | | | | | | -439.83 | | (439.83) |
| Other comprehensive income for the year (net of tax) | | | | | | | -151.90 | (151.90) |
| **Total comprehensive income for FY 20-21** | **-** | **-** | **-** | **-** | **-** | **(439.83)** | **(151.90)** | **(591.73)** |
| Issue Share for OCD | | | | | | | | - |
| Depreciation on revalued assets | | | | (1,432.00) | 1,432.00 | | | - |
| **Balance as at 31.03.2021** | **0.02** | **30,731.01** | **-** | **21,075.12** | **13,758.78** | **(7,444.99)** | **(231.42)** | **57,888.52** |

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. I : FIXED ASSETS

(₹ in Lakhs)

| Particulars | GROSS BLOCK | | | | | | | DEPRECIATION / AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 1st April, 2020 | Addition | Exchange Fluctuation | Sale/ Transfer | Classified As Asset Held For Sale / Amortisation | Reclassified | As on 31st March, 2021 | As on 1st April, 2020 | During The Period | Write Back/ Classified As Asset Held For Sale | Reclassified On Account of Ind-AS 116 | As on 31st March, 2021 | As on 31st March, 2021 | As on 31st March, 2020 |
| **Tangible Assets :** | | | | | | | | | | | | | | |
| Land Free Hold | 6,368.93 | - | - | - | - | (975.00) | 5,393.93 | - | - | - | - | - | 5,393.93 | 6,368.93 |
| Factory Buildings | 23,808.91 | 44.67 | - | - | - | - | 23,853.57 | 6,514.81 | 746.05 | - | - | 7,260.86 | 16,592.71 | 17,294.10 |
| Office Buildings | 282.99 | - | - | - | - | - | 282.99 | 80.46 | 4.43 | - | - | 84.89 | 198.10 | 202.53 |
| R&D Buildings | 2,391.47 | - | - | - | - | - | 2,391.47 | 847.55 | 75.42 | - | - | 922.96 | 1,468.51 | 1,543.93 |
| Building - Pilot Plant | 170.22 | - | - | - | - | - | 170.22 | 80.11 | 5.26 | - | - | 85.37 | 84.85 | 90.11 |
| Plant&Machinery | 82,575.60 | 235.84 | - | - | - | - | 82,811.43 | 34,872.62 | 3,716.12 | - | - | 38,588.74 | 44,222.70 | 47,702.98 |
| R&D Machinery | 7,391.68 | 233.34 | - | - | - | - | 7,625.02 | 3,753.56 | 335.62 | - | - | 4,089.18 | 3,535.84 | 3,638.12 |
| Plant & Machinery - Pilot Plant | 392.34 | - | - | - | - | - | 392.34 | 278.69 | 17.20 | - | - | 295.90 | 96.44 | 113.64 |
| Electric Instalations | 4,557.77 | 34.61 | - | - | - | - | 4,592.39 | 2,696.96 | 467.72 | - | - | 3,164.68 | 1,427.70 | 1,860.81 |
| Furniture & Fixtures | 541.90 | 11.96 | - | - | - | - | 553.85 | 424.78 | 20.05 | - | - | 444.83 | 109.02 | 117.12 |
| Office Equipments | 355.00 | 26.83 | - | - | - | - | 381.83 | 301.52 | 16.04 | - | - | 317.56 | 64.27 | 53.48 |
| Computer & Peripherals | 389.06 | 31.85 | - | - | - | - | 420.91 | 285.32 | 53.60 | - | - | 338.93 | 81.99 | 103.74 |
| Vehicles | 1,062.02 | 56.71 | - | - | (475.87) | - | 642.85 | 874.36 | 28.60 | (452.08) | - | 450.88 | 191.97 | 187.66 |
| **Total (A)** | **1,30,287.88** | **675.80** | **-** | **-** | **(475.87)** | **(975.00)** | **1,29,512.81** | **51,010.74** | **5,486.12** | **(452.08)** | **-** | **56,044.77** | **73,468.04** | **79,277.14** |
| **Investment Property** | | | | | | | | | | | | | | |
| Flats & Office | 1,791.84 | - | - | - | - | - | 1,791.84 | 286.75 | 28.23 | - | - | 314.98 | 1,476.87 | 1,505.10 |
| **Total (B)** | **1,791.84** | **-** | **-** | **-** | **-** | **-** | **1,791.84** | **286.75** | **28.23** | **-** | **-** | **314.98** | **1,476.87** | **1,505.10** |
| Intangible Assets | | | | | | | | | | | | | | |
| R&D Technology | 3,318.56 | (0.00) | - | - | (3,212.51) | - | 106.05 | - | 3,212.51 | (3,212.51) | - | - | 106.05 | 3,318.56 |
| **Total (C)** | **3,318.56** | **(0.00)** | **-** | **-** | **(3,212.51)** | **-** | **106.05** | **-** | **3,212.51** | **(3,212.51)** | **-** | **-** | **106.05** | **3,318.56** |
| **Total (A+B+C)** | **1,35,398.28** | **675.80** | **-** | **-** | **(4,663.39)** | **-** | **1,31,410.70** | **51,297.48** | **8,726.85** | **(3,664.59)** | **-** | **56,359.75** | **75,050.95** | **84,100.80** |
| **Previous Year** | **1,39,332.06** | **1,989.31** | **51.58** | **(119.19)** | **(5,683.59)** | **(171.89)** | **1,35,398.28** | **47,986.13** | **9,003.62** | **(5,668.29)** | **(23.98)** | **51,297.48** | **84,100.80** | **91,345.93** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

i) Depreciation on revalued assets amounting to ₹ 1,432.00 Lakhs {P.Y. ₹ 1,433.95} has been provided during the year from the Profit and Loss Account as per the Schedule II of Companies Act 2013 & the same is transferred from Revaluation Reserve to General Reserves.

ii) Investment property includes Mumbai Office Buildings ₹ 333.74 Lakhs which was purchased in the name of the Managing Director of the Company. 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.

iii) Investment Property includes Flats ₹ 1,458.10 Lakhs for which agreement to sell and GPA in favour of the Company has been executed and the same have been put to use. The Investment property (Flats) are yet to be registered /transferred in the name of the Company.

iv) During the year Company has cancelled the agreement to sell & GPA executed for purchase of land amounting to ₹ 975 Lakhs as due to ongoing litigation the seller could not get the title of the land registered in the name of the Company . Hence the sum paid towards purchase of the land has been reclassified into 'advances recoverable'.

v) During the year Company has classifed assets amounting to ₹ 23.79 Lakhs to 'Assets held for Sale' in accordance with Ind-AS 105 as the useful life of assets as defined under schedule II of Companies Act was over and the assets were no longer in use.

vi) There is no income or expenses directly related to Investment property during the year apart from depreciation disclosed above.

vii) During the year Company has revised its estimate of useful life of Intangible assets from 8 years to 5 years in accordance with Ind-as 38 and Ind-as 8. Additional depreciation in current year due to this change in estimate amounts to ₹ 827.72 Lakhs.

viii) All borrowing cost is recognised in the statement of Profit & Loss account as they are not directly attributable to acquisition, construction or production of qualifying asset as defended in IND-AS 23 " Borrowing Costs".

**(ix) Capital Work In Process ( Tangible)** (₹ in Lakhs)

| Description | Opening Balance | Addition | Capitalised | Closing Balance |
|---|---|---|---|---|
| Plant & Machinery | 299.27 | 824.34 | 229.10 | 894.50 |
| Electric Instalations | 40.27 | 50.34 | 28.62 | 61.99 |
| Factory Buildings | 40.38 | 115.60 | 44.67 | 111.32 |
| Freight | 0.03 | 3.47 | 1.11 | 2.40 |
| **Total** | **379.96** | **993.75** | **303.50** | **1,070.21** |

**(x) Capital Work In Process ( Intangible)** (₹ in Lakhs)

| Description | Opening Balance | Addition | Capitalised | Closing Balance |
|---|---|---|---|---|
| Software in Progress | 765.47 | 48.62 | 0.00 | 814.08 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : II

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **a) Non-Current investment: ( Unquoted Investments )** | | |
| **Investment in Equity shares of Subsidiaries: (Carried at Cost)** | | |
| i) Investment in Ind Swift Laboratories Inc., USA | | |
| Common Stock (1,204 Share , No par Value) | 544.10 | 544.10 |
| ii) Investment in Meteoric Life Science Pte. Ltd. Singapore | | |
| 10,00,000 Ordinary Share | 367.88 | 367.88 |
| iii) Investment in Ind Swift Middle East FZ-LLC,UAE | | |
| Share Capital | 441.68 | 441.68 |
| iv) Investment in Fortune (India) Construction Ltd* | | |
| 1,01,00,000 Equity Share of ₹10/- each fully paid up. | 904.40 | 482.00 |
| v) Investment in Halcyon Life Sciences Pvt Ltd* | | |
| 4,56,38,260 Equity Share of ₹10/- each fully paid up. | 2,706.38 | - |
| **Total** | **4964.44** | **1835.66** |
| **b) Other Investments : (Carried at FVTOCI)** | | |
| i) Investment in Essix Biosciences Limited | | |
| 12,35,000 Equity Share of ₹10/- each fully paid up.) | 536.24 | 767.50 |
| ii) Investment in Nimbua Green Field (Punjab) Ltd | | |
| 1,40,625 Equity Share of ₹ 10/- each fully paid | 14.06 | 14.06 |
| iii) Investment in Mohali green investment Pvt. ltd | | |
| 1,85,000 shares of ₹ 10/- each | 18.50 | 18.50 |
| **Total** | **568.80** | **800.06** |
| **Grand Total** | **5,533.24** | **2,635.72** |

### Business Combination (Acquisition of controlling interests)

*During the year Company acquired additional 52.28% equity share capital of Fortune (India) constructions ltd (a group Company/related party ) at an investment of ₹ 4.22 Crores. Consequent to such acquisition/investment Fortune India Construction limited has become the wholly owned subsidiary of the Company.

*The Company also acquired 98.16% shares of Halcyon Life Science Pvt Ltd (a group Company/related party) at an investment of ₹ 27.06 Crores. Consequent to such acquisition/investment Halcyon Lifesciences also became a subsidiary of the Company. Apart from the said investment , Company was also issued equity shares at the face value of ₹10/- each against the funds of ₹ 25.00 Crores infused by Ind Swift Laboratories Ltd. in Halcyon Life Sciences Pvt Ltd. earlier.

## Note No. : III

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Non-Current Financial Assets** | | |
| (a) Security Deposits | 244.19 | 190.62 |
| | 244.19 | 190.62 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : IV

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Deferred Tax:** | | |
| The Break Up of Deferred Tax Liabilities/(Assets) | | |
| as at 31st March, 2021 is as under: | | |
| **Deferred Tax Liabilities** | | |
| Taxable Temporary Difference on account of : | | |
| Depreciation | 7,342.38 | 8,714.77 |
| **Total** | **7,342.38** | **8,714.77** |
| **Deferred Tax Assets** | | |
| **Taxable Temporary Difference on account of :** | | |
| Provision for Gratuity/EL Encashment/commission | 603.07 | 561.10 |
| Carried Forward Losses as per Income Tax Act | - | 1,158.01 |
| Interest disallowed under section 43B | - | 17.42 |
| Investment at FVTOCI | 72.15 | - |
| NCD valuation difference as per IND AS | 7,501.71 | 8,691.51 |
| **Total Deferred Tax Assets** | **8,176.93** | **10,428.04** |
| MAT Credit entitlement | 5,049.71 | 6,084.37 |
| **Deferred Tax Assets /(Liability) net** | **5,884.26** | **7,797.64** |
| **Deferred Tax Assets /(Liabilities) Charged to OCI** | **68.88** | **(2.34)** |
| **Deferred Tax Assets /(Liabilities) Charged to P&L A/c** | **947.60** | **(82.18)** |

MAT liability of ₹ 69.28 Lakhs arises for AY 21-22 in view of Section 115JB of Income Tax act, 1961.

## Note No. : V

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Non - Current Assets** | | |
| **(Unsecured but Considered Good)** | | |
| Capital Advances | | |
| - Related Party | 6,352.82 | 5,461.82 |
| - Others | - | 40.00 |
| **Total** | **6,352.82** | **5,501.82** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : VI

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **(a) INVENTORIES** | | |
| (As per inventories taken, valued & certified by the Management) | | |
| Raw Materials | 8,151.09 | 6,782.90 |
| Work in Process | 16,565.42 | 17,118.65 |
| Finished Goods* | 8,894.93 | 8,094.06 |
| Goods-in-Transit ( Raw material ) | 914.32 | 1,465.52 |
| Stores & Consumables | 915.39 | 820.70 |
| **Total** | **35,441.15** | **34,281.83** |

*Finished Goods inventory includes material lying at port

## Note No. : VII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Trade Receivables** | | |
| - Unsecured Considered good* | 40,014.65 | 38,466.32 |
| **Total** | **40,014.65** | **38,466.32** |
| *Includes Amounts due from Related Parties | 25,893.54 | 24,376.64 |

## Note No. : VIII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Cash and Cash equivalents** | | |
| Cash balance in hand | 33.67 | 29.92 |
| **Bank balances with Scheduled Banks :** | | |
| Fixed Deposits With Banks* | 911.70 | 799.11 |
| Interest accrued | 17.05 | 14.22 |
| Current Accounts | 32.83 | 40.69 |
| **Total** | **995.24** | **883.93** |

*Fixed Deposits With banks include margin monies against LC and margin monies against liquid funds for public deposits.

## Note No. : IX

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other current Financial assets** | | |
| (a) Advance Custom Duty Paid /Export Incentive Scheme | 618.58 | 420.26 |
| (b) GST refund receivable | 3,965.48 | 1,848.49 |
| (c ) Financial Guarantee to related party | 830.22 | 1,127.24 |
| **Total** | **5,414.29** | **3,395.99** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : X

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Current Assets** | | |
| **(a) Loans and advances (Unsecured but considered good)** | | |
| -Related Parties* | 2,704.06 | 5,545.28 |
| -Others Advances to Creditors | 349.36 | 407.30 |
| **(b) Others** | | |
| - Indirect Taxes Recoverable - Cenvat/Vat /GST | 619.51 | 558.75 |
| - Advance Tax/TDS | 406.19 | 394.48 |
| - Prepaid Expenses | 218.16 | 132.54 |
| - Advances recoverable in cash or in kind or value to be received | 188.27 | 183.92 |
| **Total** | **4,485.55** | **7,222.26** |

* Loans/advances represents advances to related parties for business purpose only.

## Note No. : XI

(₹ in Lakhs)

## SHARE CAPITAL

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **a) Authorised** | | |
| Balance as per Last Balance Sheet: | 6,000.00 | 6,000.00 |
| Addition during the year | | |
| Nil (Previous Year NIL) Equity share of ₹ 10/- Each | | |
| 6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹10/- Each | 6,000.00 | 6,000.00 |
| **b) Issued, Subscribed & Paid Up** | | |
| Balance as per Last Balance Sheet: | 5,908.69 | 4,756.92 |
| Addition during the year :- | | |
| NIL ( P.Y 1,15,17,670 ) Equity share of ₹ 10.00 each* | - | 1,151.77 |
| 5,908,69,18 (Previous Year 5,908,69,18) Equity Shares of ₹10/-each fully called up and paid up. | 5,908.69 | 5,908.69 |
| **c) Share Forfeited** | | |
| Share Warrants Forfeited Account | 63.23 | 63.23 |
| Equity Share Forfeited Account (1,75,900 shares ) | 8.67 | 8.67 |
| | **71.90** | **71.90** |
| **Total** | **5,980.58** | **5,980.58** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

### d) List of Shareholders holding more than 5 % shares

| Name | No. of shares As on 31st March, 2021 | No. of shares As on 31st March, 2020 |
|---|---|---|
| Ind Swift Ltd | 94,99,720 | 94,99,720 |
| | 16% | 16% |
| Essix Biosciences Ltd | 1,28,27,787 | 1,28,27,787 |
| | 22% | 22% |
| EC Special Situations Fund | 40,31,184 | 40,31,184 |
| | 7% | 7% |
| Edelweiss India Special Situations Fund II | 61,60,802 | 61,60,802 |
| | 10% | 10% |

### e) Share based Payments

There are no outstanding options available under any ESOP scheme as on 31st-March,-2021.

## Note No. : XII

(₹ in Lakhs)

### Other Equity

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **(A) Reserves & surplus** | | |
| **(a) Capital Redemption Reserve** | 0.02 | 0.02 |
| **(b) Securities Premium** | | |
| Opening Balance | 30,731.01 | 24,338.71 |
| Addition during the year | - | 6,392.31 |
| | **30,731.01** | **30,731.01** |
| **(c) Revaluation Reserve** | | |
| Opening balance | 22,507.12 | 23,979.78 |
| Addition (decrease) during the year | - | (38.71) |
| Less: Depreciation charges on revalued assets trf to General reserve | 1,432.00 | 1,433.95 |
| | **21,075.12** | **22,507.12** |
| **(d) General Reserve** | | |
| As per Last Balance Sheet | 12,326.78 | 10,892.83 |
| Add: Trf from ESOP | - | - |
| Add: Dep on revalued assets Deducted from Revaluation Reserves | 1,432.00 | 1,433.95 |
| | **13,758.78** | **12,326.78** |
| **(e) Retained Earnings** | | |
| As per Last Balance Sheet | (7,005.16) | (4,926.43) |
| Add: Profit(Loss) for the year closing | (439.83) | (2,078.73) |
| Closing | (7,444.99) | (7,005.16) |
| **Total (A)** | **58,119.94** | **58,559.77** |
| **(B) Items of other Comprehensive Income** | | |
| **a) Remeasurement of the defined benefits liabilities /(assets)** | | |
| Opening balance | (79.52) | (84.75) |
| Add/(Less): Movement during the year(net of Tax) | (151.90) | 5.22 |
| **Closing Balance** | **(231.42)** | **(79.52)** |
| **Total (B)** | **(231.42)** | **(79.52)** |
| **Total Other Equity (A+B)** | **57,888.52** | **58,480.25** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

### Nature and purpose of each reserve

**Securities premium -** The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Revaluation reserves -** This reserve has been created at the time of re-valuation of Fixed assets of the Company. The same is getting utilised in accordance with provisions of Ind-AS.

**General reserve -** The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

**Retained Earnings -** Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distribution paid to its equity shareholders general reserve is not required under the Companies Act, 2013.

**Remeasurement of the defined benefit liabilities / (asset) -** The cumulative balances of actuarial gain or loss arising arising on remeasurements of defined benefit plan is accumulated and recognised with in this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

## Note No. : XIII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Non-current liabilities** | | |
| **Financial Liabilities** | | |
| (a) Borrowings | | |
| Secured Loans | | |
| a) Debentures | | |
| (i) Non Convertible debenture * | 79,356.40 | 77,572.02 |
| b) Term Loans | | |
| (i) From Banks | - | - |
| (ii) From ARCs | 8,184.63 | 11,024.00 |
| Unsecured Loans:- | | |
| (i) Public Deposits | - | 492.52 |
| **Total** | **87,541.03** | **89,088.54** |
| *NCDs of ₹ 793.56 Crores is depiciting the fair value of debentures in accordance with accounting standards whereas the actual liability payable as on 31st March, 2021 is ₹ 631.96 Crores. | | |
| (b) Other Non Current Financial Liabilities | | |
| (i) Land Lease liability | 48.21 | 46.08 |
| | **48.21** | **46.08** |
| Provisions | | |
| (i) Gratuity Payable | 1,254.72 | 1,085.06 |
| (ii) Compensated absences | 317.94 | 390.59 |
| **Total** | **1,572.66** | **1,475.65** |
| Other Non current Liabilities | | |
| (i) Deferred Income - Capital Subsidy | 17.41 | 19.94 |
| **Total** | **17.41** | **19.94** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XIV

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Current Liabilities** | | |
| **(a) Financial Liabilities** | | |
| Borrowings | | |
| Secured Loan | | |
| (i) Borrowings for working capital. | 6,080.76 | 6,234.61 |
| (ii) Current Maturity of Term Loans from Banks/FI | 2,728.96 | 2,502.31 |
| Unsecured Loan & others | | |
| (i) Public Deposits | 468.38 | 630.53 |
| (ii) Others - IFCI | 708.66 | 1,428.94 |
| (iii) Interest accrued on bank borrowing & Others | 2,069.05 | 3,198.71 |
| **Total** | **12,055.81** | **13,995.09** |

**(a) Maturity profile of term Loans:-**

Secured loan from Banks /ARC outstanding as on 31st March, 2021 (₹ in Lakhs)

| Particulars & Interest Rate | Amount (in Lakhs) | Instalment Due F.Y 2021-22 | After F.Y 2021-22 |
|---|---|---|---|
| NCD (Edelweiss) | 79,356.40 | - | 79,356.40 |
| Asset Reconstruction Company (India ) Ltd | 914.59 | 228.96 | 685.63 |
| Edelweiss Asset Reconstruction Company Ltd (Trustee) | 9,999.00 | 2,500.00 | 7,499.00 |
| **Total** | **90,269.99** | **2,728.96** | **87,541.03** |

(b) The NCDS amounting to ₹ 424.50 Crores raised through private placement of 10 % Secured Listed Rated Redeemable. It consists of 4,245 Numbers of Non-Convertible Debentures @ ₹ 10 Lakhs each redeemable at premium at the end of 6 years so that the total IRR on the amount so raised shall be 20%.

(c) Edelweiss Assets Reconstruction Company Limited (EARCL) Term loan of ₹ 132 Crores @ 9% p.a payable in 23 quarterly instalments starting from 30.09.18. The current outstanding amount is ₹ 99.99 Crores.

**(d) Public Deposit Restructuring**

Under the provisions of the Companies Act, 2013, the Company has got its Public Deposit Scheme restructured vide its order No. C.P 27/01/2013 of Company law board. Dated 30.09.2013 through Hon'ble Company Law Board. The Company has been granted extension of time in repayment of these deposits. During the current year the Company has made repayment of fixed deposits amounting to ₹ 6.55 Crores.

**(e) Detail Of Charges On Assets**

(1) The Non Convertible Debenture (NCD) of ₹ 424.50 Crores; Asset Reconstruction Company India limited (ARCIL) debt of ₹ 9.15 Crores (P.Y ₹ 11.44 Crores) ; Edelweiss Assets Reconstruction Company limited debt of ₹ 99.99 Crores (P.Y ₹ 123.83 Crores) is secured as under:

(i)) a first ranking pari passu charge over the entire fixed assets ( both present and future ) of the borrower by way of an equitable mortgage, in favour of " Security trustee 1 " for the benefit of the respective lenders and

(ii) a second ranking pari passu charge over the entire current assets on the borrower in favour of "Security trustee 2" for the benefit of the respective lenders and

(iii) unconditional and irrevocable on demand personal guarantee from each promoter to the extent of their respective net worth in the form acceptable to the lenders and the security Trustee 1 in the favour of the "Security Trustee 1" for benefit of the respective lenders and

(iv) unconditional and irrevocable on the demand corporate guarantee from each of the affiliate companies in the form acceptable to the lenders and the "Security Trustee 1" in the favour of the "Security Trustee 1" for the benefit of the respective lenders and

(v) Pledge of Promoters Group Shareholding in the borrower (2,15,56,851 no of shares out of the fully diluted equity share capital of the borrower as on the effective date), free of all encumbrances.

Note: The Company has appointed M/s Vistra ( ITCL) Limited as Debenture Trustee for the benefit of the NCDs & M/s IDBI Trusteeship Services limited as the Security Trustee to hold the Security on behalf of all the lenders including the NCD holders.

2) Bank borrowings for working capital ₹ 60.81 Crores (P.Y. ₹ 62.35 Crores) from Bank of India & I.D.B.I., are secured by :-

(i) a first ranking pari passu charge over the entire current assets on the borrower in favour of " Security trustee " for the benefit of the respective lenders and

(ii) a second ranking pari passu charge over the entire fixed assets (both present and future) of the borrower by way of an equitable mortgage, in favour of " Security trustee " for the benefit of the respective lenders and

(iii) unconditional and irrevocable on demand personal guarantee from each promoter to the extent of their respective net worth in the form acceptable to the lenders and the security Trustee in the favour of the "Security Trustee" for benefit of the respective lenders and

(iv) unconditional and irrevocable on the demand corporate guarantee from each of the affiliate companies in the form acceptable to the lenders and the "Security Trustee" in the favour of the "Security Trustee" for the benefit of the respective lenders and

(v) Pledge of Promoters Group Shareholding in the borrower (2,15,56,851 no of shares out of the fully diluted equity share capital of the borrower as on the effective date), free of all encumbrances.

## Note No. : XV

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Trade Payable:** | | |
| (i) MSME | 88.96 | 29.69 |
| (ii) Other Creditors | 12,306.60 | 12,682.34 |
| **Total** | **12,395.55** | **12,712.03** |

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year | | |
| - Principal amount due to micro and small enterprises | 88.96 | 29.69 |
| - Interest due on the above | - | - |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | - | - |
| (iv) The amount of interest accrued and remaining un-paid at the end of each accounting year | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006 | - | - |
| The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers. | | |
| All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note no 51. | | |

## Note No. : XVI

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Financial Liabilities** | | |
| (i) Land Lease | 2.72 | 2.48 |
| (ii)Financial Guarantee to Related party | 830.22 | 1,127.24 |
| **Total** | **832.94** | **1130** |

## Note No. : XVII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Current Liabilities:** | | |
| (i) Advances from Customers | 1,145.13 | 934.62 |
| (ii) Advance from Related Party | 207.56 | 255.80 |
| (iii) Statutory Liabilities | 525.17 | 542.51 |
| (iv) Expenses Payable | 1,437.50 | 1,356.83 |
| (vii) Current Maturity of Government Grants | 2.53 | 2.53 |
| **Total** | **3,317.90** | **3,092.29** |
| i)Statutory Liabilities include TDS/TCS payable, ESI Payable, PF payable, Labour welfare Payable, GST Payable, professional tax etc. | | |
| ii)Expenses payable include Salary, wages, Bonus, Short term compensated absences and gratuity payable, Audit Fees, Electricity Exp payable etc. | | |
| **Current Provisions** | | |
| (i) Income Tax | 69.28 | - |
| **Total** | **69.28** | **-** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XVIII

### REVENUE FROM OPERATIONS

**1) Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| | Year Ended 31st March, 2021 (₹) | Year Ended 31st March, 2020 (₹) |
|---|---|---|
| **Type of goods or service** | | |
| **Sales of APIs** | | |
| Sale of manufactured Products | 85,601.82 | 74,928.29 |
| Sale of Services | 56.01 | 255.45 |
| Sale of traded Products | - | - |
| **Total** | **85,657.84** | **75,183.74** |
| Revenue within India | 21,885.79 | 20,101.08 |
| Revenue Outside India | 63,772.05 | 55,082.65 |
| **Total** | **85,657.84** | **75,183.74** |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 85,657.84 | 75,183.74 |
| **Total** | **85,657.84** | **75,183.74** |

**2) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

| | Year Ended 31st March, 2021 (₹) | Year Ended 31st March, 2020 (₹) |
|---|---|---|
| **Contract Assets** | | |
| Trade receivables | 40,014.65 | 38,466.32 |
| **Contract liabilities** | | |
| Advances from customers | 1,145.13 | 934.62 |

**3) Reconciling the amount of revenue recognised in the statement of P&L with the contracted price**

| | Year Ended 31st March, 2021 (₹) | Year Ended 31st March, 2020 (₹) |
|---|---|---|
| Revenue as per contracted price | 86,339.13 | 75,546.16 |
| **Adjustments** | | |
| Sales return | 681.29 | 362.42 |
| Net Total | 85,657.84 | 75,183.74 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31st March, 2021 are, as follows:**

| | Year Ended 31st March, 2021 (₹) | Year Ended 31st March, 2020 (₹) |
|---|---|---|
| Advances from customers | 1,145.13 | 934.62 |
| **Total** | **1,145.13** | **934.62** |

## Note No. : XIX

**Other Income**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Export Incentive & other Operating Income | 1,543.18 | 1,970.38 |
| Forex Fluctuations-Gain (Expenses) | 327.24 | 1,375.77 |
| Interest Income | 51.28 | 53.00 |
| Other Non operating Income | 391.08 | 202.83 |
| **Total** | **2,312.78** | **3,601.98** |

## Note No. : XX

**Expenses**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **Cost Of Material Consumed/Sold** | | |
| Opening Stock | 7,525.33 | 6,426.63 |
| Add :- | | |
| Purchases | 43,842.91 | 40,227.24 |
| | **51,368.23** | **46,653.87** |
| Less: Closing Stock | 8,621.07 | 7,525.33 |
| **Total** | **42,747.16** | **39,128.55** |

## Note No. : XXI

**Increase /Decrease In Inventory**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **Opening Stock** | | |
| Work in Process | 17,118.65 | 14,245.65 |
| Finished Goods | 8,094.06 | 9,722.99 |
| **Total** | **25,212.70** | **23,968.65** |
| **Closing Stock** | | |
| Work in Process | 16,565.42 | 17,118.65 |
| Finished Goods/Stock in Trade | 8,894.93 | 8,094.06 |
| **Total** | **25,460.35** | **25,212.70** |
| **Total (Increase/Decrease in inventory)** | **(247.65)** | **(1,244.06)** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXII

**Employee Benefits Expenses**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **Directors' Remuneration** | | |
| --Salary & Allowances | 868.47 | 679.02 |
| --Contribution to P.F. | 0.86 | 0.67 |
| Salary & Allowance | 2,138.19 | 2,046.32 |
| Salary & Wages | 6,754.57 | 6,641.01 |
| P.F. & Other Funds | 344.74 | 367.73 |
| Staff Welfare Expenses | 107.36 | 99.85 |
| Recruitment Expenses | 2.12 | 2.78 |
| Gratuity Premium | 198.76 | 194.01 |
| Training & Development Expenses | 1.64 | 6.32 |
| **Total** | **10,416.71** | **10,037.70** |

## Note No. : XXIII

**Finance Cost**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Interest on Term Loans | 1,171.39 | 1,353.22 |
| Interest on Debentures | 7,874.90 | 8,262.21 |
| Interest on Working Capital | 289.03 | 630.73 |
| Bank Charges & Others | 686.25 | 501.98 |
| **Total** | **10,021.57** | **10,748.15** |

## Note No. : XXIV

**Depreciation & Amortisation Expenses**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Depreciation | 8,729.17 | 9,005.93 |
| **Total** | **8,729.17** | **9,005.93** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXV

**Other Expenses**

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Job Work Charges | 437.84 | 462.14 |
| Power, Fuel & Water Charges | 3,731.36 | 3,464.70 |
| Stores & Spares | 1,441.81 | 1,209.84 |
| Repair & Maint. : | | |
| Plant & Machinery | 328.96 | 349.46 |
| Buildings | 267.76 | 176.70 |
| Electrical | 152.97 | 175.58 |
| Other Manufacturing Expenses | 118.45 | 115.67 |
| **Total** | **6,479.17** | **5,954.09** |
| | | |
| **Administrative & Other Expenses** | | |
| Travelling & Conveyance | 22.45 | 165.90 |
| Auditors Remuneration : | | |
| --Audit Fees | 4.00 | 4.00 |
| --Certification Fees | 1.00 | 1.00 |
| --Out of Pocket Exp. | 0.67 | 0.86 |
| Lease Rent - Short term | 53.71 | 62.03 |
| Rate fee & Taxes | 86.17 | 69.88 |
| Insurance Charges | 427.17 | 525.98 |
| Legal & Professional Charges | 189.32 | 217.22 |
| Printing & Stationary | 95.72 | 96.83 |
| Vehicle Running & Maint. | 193.12 | 196.34 |
| Telephone & Postage | 38.05 | 37.13 |
| Office Expenses | 59.18 | 69.23 |
| Charity & Donation | 32.72 | 3.59 |
| Listing Fees | 6.01 | 5.70 |
| Books & Periodicals | 0.86 | 0.94 |
| Meeting, Membership & Subscription Fees | 42.21 | 27.74 |
| Security Expenses | 107.40 | 109.61 |
| Repair & Maintenance-General | 128.00 | 83.13 |
| Corporate Social Responsibility Expenses , (Refer note no XXXVI) | 129.67 | 28.11 |
| Other Expenses | 23.67 | 25.56 |
| **Total** | **1,641.10** | **1,730.77** |

*Contd.*

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **Selling & Distribution Expenses** | | |
| Advertisement & Publicity | 0.65 | 1.33 |
| Business Promotion | 75.93 | 86.85 |
| Commission on Sales | 1,577.04 | 1,359.96 |
| Packing Material | 342.67 | 322.26 |
| Freight Outward | 1,211.39 | 557.95 |
| Insurance Charges | 53.75 | 19.45 |
| ECGC Premium | 8.22 | 6.16 |
| Other expenses | 0.72 | 11.67 |
| **Total** | **3,270.34** | **2,365.61** |
| | | |
| **Research & Development Expenses(Db)** | | |
| Salary & Wages (R&D) | 199.47 | 183.62 |
| Consumables , Chemicals & Regents | 437.65 | 368.67 |
| Technical Study & Consultancy & Product registration | 10.88 | 17.63 |
| **Total** | **647.99** | **569.92** |
| | | |
| **Research & Development Expenses (Mohali)** | | |
| Raw Material ,Consumables, Lab Chemicals & Regents | 1,401.15 | 1,344.31 |
| Salary & Wages | 998.02 | 912.33 |
| Utility & Running/Maint Expenses | 93.63 | 95.74 |
| Analytical Fees & Study | 18.19 | 14.74 |
| Finance & Interest Charges | (1.65) | (83.38) |
| Patent Filling | 2.83 | 6.93 |
| Corporate Social Responsibility Expenses , (Refer note no XXXVI) | 14.89 | 7.86 |
| Administrative Expenses | 126.27 | 153.06 |
| **Total** | **2,653.34** | **2,451.60** |
| | | |
| Loss/(Profit) on Sale of Fixed Assets | - | (6.50) |
| Provision for Doubtful Debts | - | - |
| **Total** | **-** | **(6.50)** |
| | | |
| **Grand Total-Note No XXV** | **14,691.93** | **13,065.50** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXVI

**Contingent liabilities not provided for:**

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| a. Letter of Credit against purchase of raw material: | | |
| -Domestic | 1004.43 | 404.26 |
| -Import | 2702.62 | 1520.61 |
| b. Bank Guarantees | | |
| -Inland | 20.00 | 30.00 |
| c. Export obligation in respect of custom duty : | 281.55 | 328.50 |
| d. Contingent Liabilities in respect of unassessed/ assessed ( Pending in Appeal ) cases of Income Tax, Excise Duty, Sales Tax, Service Tax and Bonus Act. | Unascertained | Unascertained |

## Note No. : XXVII

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ 582.43 Lakhs (P.Y. ₹ 325.52 Lakhs)

## Note No. : XXVIII

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. : XXIX

Other expenses under head administrative expenses includes ₹ 3,42,500.00 (Previous Year ₹ 2,77,500.00) paid to directors as sitting fee.

## Note No. : XXX

Earning per share is calculated as shown below:-

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| Profit available for Basic EPS (A) | (439.83) | (2,078.73) |
| Interest on OCDs (net of Tax) (B) | 0.00 | 423.92 |
| Profit available for Diluted EPS (A+B) | (439.83) | (1,654.81) |
| **For Basic Earning** | | |
| No of weighted average equity shares | 5,90,86,860 | 4,94,62,506 |
| **For Diluted Earning** | | |
| No of weighted average of Diluted Equity Shares | 5,90,86,860 | 5,90,86,860 |
| Nominal Value of Equity Share | 10.00 | 10.00 |
| **Earning Per Share (₹)** | | |
| Basic | (0.74) | (4.20) |
| Diluted | (0.74) | (4.20) |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021



## Note No. : XXXI

In accordance with IND-AS 24, '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**

| | |
|---|---|
| **Subsidiary Companies** | Ind Swift Laboratories Inc. USA |
| | Ind-Swift Middle East FZ-LLC (UAE) |
| | Meteoric Life Science Pte Ltd. ,Singapore |
| | Halcyon Life Sciences Pvt Ltd. w.e.f. 30th March, 2021 |
| | Fortune(India) Constructions Ltd. w.e.f. 30th March, 2021 |
| **Key Management personnel/Directors** | Sh. N.R. Munjal, Chairman cum Managing Director |
| | Sh. Himanshu Jain, Jt. Managing Director |
| | Sh. Rishav Mehta, Director |
| | Sh. Sahil Munjal, Director |
| | Sh. Sunil Deshmukh, CEO w.e.f 1st April, 2021 |
| | Sh. Gagan Aggarwal, Chief Financial Officer |
| | Sh. Pardeep Verma, AVP- Compliance & CS |
| **Others (Entities in which KMP or their relative is a Director; or KMP or their relative exercises control** | Dashmesh Medicare Private Limited |
| | Essix Biosciences Limited |
| | Ind Swift Limited |
| | Nimbua Green Field (Punjab) Limited |
| | Mohali Green Environment Private Limited |
| | Punjab Renewable Energy Pvt Ltd. |
| | Saidpura Envirotech Private Limited |
| | Swift Fundamental Research & Education Society |
| | Sislax Pharma Pvt. Ltd. |
| | Vibrant Agro Industries Limited |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Others (Entities in which KMP or their relative is a Director; or KMP or their relative exercises control | | Subsidiary | |
|---|---|---|---|---|
| **Nature of Transactions** | **2020-21** | **2019-20** | **2020-21** | **2019-20** |
| **1) Transactions during the year** | | | | |
| Purchase | 6,204.96 | 6,395.31 | | |
| Sales | 6,259.63 | 6,859.00 | 5,785.57 | 4,167.01 |
| Salary | 930.62 | 742.26 | | |
| Expenses | 491.50 | 214.90 | | |
| Service taken/Capital Exp. | | 34.79 | | 9.22 |
| **2) Outstanding Balances** | | | | |
| Investment | 568.80 | 800.06 | 4,964.44 | 1,835.66 |
| Loan & Advances Given | 227.95 | 392.39 | 2,476.11 | 5,152.89 |
| Debtors | 24,589.05 | 23,743.25 | 1,304.49 | 633.40 |
| Advances Received | | | (207.56) | (255.80) |
| Capital Advances | | | 6,352.82 | 5,461.82 |

* Related party balances of similar nature are grouped in accordance with para 24 of Ind-AS 24 " Related Party Disclosures"

* Related Party Transaction during the year are considered without taxes.

## Note No. : XXXII

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 not ascertained.

## Note No. : XXXIII

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

| Particulars | As At 31st March, 2021 (₹) | As At 31st March, 2020 (₹) |
|---|---|---|
| Statutory Audit Fees | 4,00,000 | 4,00,000 |
| Certification Fees | 1,00,000 | 1,00,000 |
| **Total** | **5,00,000** | **5,00,000** |

## Note No. : XXXIV

**Other Current Assets include due from**

(₹ in Lakhs)

| | Year Ended | Year Ended | Maximum amount due during the year | |
|---|---|---|---|---|
| | **2020-21** | **2019-20** | **2020-21** | **2019-20** |
| CFO | 12.76 | 12.76 | 12.76 | 12.76 |
| CS | 8.21 | 8.21 | 8.21 | 12.67 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXXV

**Foreign Currency Expenditure & Income :**

(₹ in Lakhs)

| | | 2020-21 | 2019-20 |
|---|---|---|---|
| 1 | **Expenditure in Foreign Currency :** | | |
| | Interest | 0.00 | 90.64 |
| | Commission on Sales | 1,054.12 | 1,263.36 |
| | Others | 105.21 | 294.32 |
| | **Total** | **1,159.33** | **1,648.31** |
| 2 | **Earnings in Foreign Currency** | | |
| | Sale of Goods | 63,772.05 | 55,055.21 |
| | Sale of Services | 0.00 | 27.44 |

## Note No. : XXXVI

**Expenditure on corporate Responsibility :**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to activities which are specified in Schedule VII of the Companies Act, 2013.

| Particulars | ₹ in Lakhs |
|---|---|
| (a) Gross amount required to be spent during the year | 56.96 |
| (b) Amount Spent During the year | 144.56 |
| (i) Construction /acquisition of any asset | - |
| (ii) on Purpose other than (i) above | 144.56 |
| **Balance carried forward to Next Year** | **87.60** |

## Note No. : XXXVII

**Impact of COVID-19**

The Company believes strongly that it has a rich portfolio of goods to partner with the customers, yet the future revenue streams could be impacted given the current crisis situation resulting in erratic supply of imported Raw Material from the foreign suppliers, particularly from China.

The Company has considered such impact to the extent known and available to us currently. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration.

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXXVIII

### Lease Liability in accordance with Ind-AS 116

The incremental borrowing rate applied to lease liabilities is 10%.

The movement in ROU - Asset during the year ended 31st March, 2021 is as follows :- (₹ in Lakhs)

| Particulars | ROU Assets -Land |
|---|---|
| Balance as at April, 2020 | 191.99 |
| Addition | 0.00 |
| Depreciation | 2.31 |
| **Balance as at 31st March, 2021** | **189.68** |

The aggregate depreciation expenses on ROU assets is included under depreciation and amortisation expenses in statement of profit & loss account.

The break up of current & non current lease liabilities as at 31st March,, 2021 is as under. (₹ in Lakhs)

| Particulars | As at 31st March, 2021 |
|---|---|
| Non Current Liability | 48.21 |
| Current Liability | 2.72 |
| **Total** | **50.93** |

The movement in lease liabilities during the year ended 31st March, 2021 (₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 |
|---|---|
| Balance at the begining | 48.55 |
| Finance cost accrued during the period | 4.86 |
| Payments of Lease Liabilities | 2.48 |
| **Balance at the end** | **50.93** |

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

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis are as follows :

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 |
|---|---|
| Less than one year | 2.72 |
| One to five years | 12.01 |
| More than five years | 2,641.62 |

Rental Expenses recorded for short term lease was ₹ 53.71 Lakhs for the year ended 31st March, 2021.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021



## Note No. : XXXIX

## 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.

(₹ in Lakhs)

| | In India | Outside India | Total |
|---|---|---|---|
| Revenue | 21,886 | 63,772 | 85,658 |
| | (20,101) | (55,083) | (75,184) |
| Results | 8,061 | 25,351 | 33,412 |
| | (6,928) | (21,907) | (28,835) |
| Less: Financial Expenses | | | 10,022 |
| | | | (10,748) |
| Less: Unallocated Expenses | | | 24,091 |
| | | | (23,686) |
| Add: Operating Income | | | 2,313 |
| | | | (3,602) |
| Add Exceptional Items | | | - |
| | | | - |
| Less: Income Tax Provision | | | 69 |
| Add: Mat Credit Entitlement | | | (69) |
| Add: Deferred Tax | | | 948 |
| | | | (82) |
| Add : Mat Utilisation | | | 1,104 |
| | | | 0 |
| Profit\(Loss) After Tax | | | (440) |
| | | | (2079) |
| Other Information | | | |
| Segment Assets | 36,495 | 9,872 | 46,367 |
| | (35,193) | (8,775) | (43,968) |
| Unallocated Assets | | | 1,35,352 |
| | | | (1,42,052) |
| Total Assets | | | 1,81,720 |
| | | | (1,86,020) |
| Segment Liabilities | 9,571 | 2,824.60 | 12,396 |
| | (7,210) | (5,502) | (12,712) |
| Unallocated Liabilities | | | 1,69,324 |
| | | | (1,73,308) |
| Total Liabilities | | | 1,81,720 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

| | In India | Outside India | Total |
|---|---|---|---|
| | | | (1,86,020) |
| Capital Expenditure | | | 391 |
| | | | (1,074) |
| Depreciation | | | 8,729 |
| | | | (9,006) |
| Non Cash Expenses Other Than Depreciation | | | 0.00 |
| | | | (6.50) |

**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 , other non-current assets and the segment liabilities consists of creditors.

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

## Note No. : XL

## Post employment Benefits

**i) Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

**ii) Defined Benefit Plan:**

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

a) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

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

B) The said benefit plan is exposed to actuarial risks such as longevity risk, salary risk, Interest rate risk, liquidity risk, demographic risk, regulatory risk, Investment risk and asset/liability mismatching risk.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**Amount of Expenses Recognized is as follows**

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| In Income Statement | 1,98,75,975 | 1,94,00,901 |
| In Other Comprehensive Income | (10,48,281) | (7,55,695) |
| **Total Expenses Recognized during the period** | **1,88,27,694** | **1,86,45,206** |

**Movements in the present value of the defined benefit obligation are as follows:**

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Present Value of Obligation as at the beginning | 13,20,50,379 | 11,48,23,017 |
| Current Service Cost | 1,20,81,040 | 1,17,86,025 |
| Interest Expense or Cost | 83,79,281 | 83,42,368 |
| Re-measurement (or Actuarial) (gain) / loss arising from : | | |
| - change in demographic assumptions | 0 | 1,080 |
| - change in financial assumptions | 12,43,157 | (35,57,003) |
| experience variance (i.e. Actual experience vs. assumptions) | (30,43,877) | 21,27,748 |
| - others | | |
| Past Service Cost | | |
| Effect of change in foreign exchange rates | | |
| Benefits Paid | (47,06,432) | (14,72,856) |
| Acquisition Adjustment | | |
| Effect of business combinations or disposals | | |
| Present Value of Obligation as at the end | 14,60,03,548 | 13,20,50,379 |

**Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

| Particulars | As on | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Current Liability (Short term) | 2,05,31,368 | 2,35,44,451 |
| Non-Current Liability (Long term) | 1,25,47,2180 | 10,85,05,928 |
| Present Value of Obligation | 14,60,03,548 | 13,20,50,379 |

**Movements in the fair value of the plan assets are as follows:**

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Fair Value of Plan Assets as at the beginning | 92,08,800 | 10013094 |
| Investment Income | 5,84,346 | 7,27,492 |
| Employer's Contribution | 6,17,013 | 6,13,550 |
| Employee's Contribution | | |
| Benefits Paid | (47,06,432) | (14,72,856) |
| Return on plan assets , excluding amount recognised in net interest expense | (7,52,439) | (6,72,480) |
| Acquisition Adjustment | | |
| Fair Value of Plan Assets as at the end | 49,51,288 | 92,08,800 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**Expenses Recognised in the Income Statement is as follows**

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Current Service Cost | 1,20,81,040 | 1,17,86,025 |
| Past Service Cost | | |
| Loss / (Gain) on settlement | | |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 77,94,935 | 76,14,876 |
| Expenses Recognised in the Income Statement | 1,98,75,975 | 1,94,00,901 |

**Expenses Recognised in the Other comprehensive income is as follows**

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| **Actuarial (gains) / losses** | | |
| - change in demographic assumptions | 0 | 1,080 |
| - change in financial assumptions | 12,43,157 | (35,57,003) |
| -experience variance (i.e. Actual experience vs. assumptions) | (30,43,877) | 21,27,748 |
| - others | | |
| Return on plan assets, excluding amount recognised assumptions) | 7,52,439 | 6,72,480 |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | | |
| Components of defined benefit costs recognised in because of change in effect of asset ceiling | (10,48,281) | (7,55,695) |

The principal financial assumptions used in the valuation are shown in the table below:

| Particulars | As on | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Discount rate (per annum) | 6.20% | 6.35% |
| Salary growth rate (per annum) | 7.00% | 7.00% |
| Retirement age | 58 years | 58 years |
| Mortality rate | 100% of IALM 2012-14 | 100% of IALM 2012-14 |

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

| Particulars | As on | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Present Value of Obligation | 13,20,50,379 | 14,60,03,548 |
| Fair Value of Plan Assets | 92,08,800 | 49,51,288 |
| **Surplus / (Deficit)** | **(12,28,41,579)** | **(14,10,52,260)** |
| **Effects of Asset Ceiling, if any** | | |
| **Net Asset / (Liability)** | **(12,28,41,579)** | **(14,10,52,260)** |

**iii) Compensatory absences**

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 40.85 Lakhs (Previous Year -4.71 Lakhs ) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

## Note No. : XLI

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

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors
**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XLII

## SIGNIFICANT ACCOUNTING POLICIES :

**1 Background**

Headquartered in chandigarh, india, ind-swift laboratories ltd is a public limited company incorporated on 4th january, 1995 under the provision of companies act, 2013. Company is global manufacturer of apis, intermediates and formulations (through group collaboration). Having commenced operations in 1997 as an api manufacturer, the Company continued to focus on this business domain as its key business driver.

**2.0 Statement of compliance**

The standalone financial statements have been prepared in accordance with indian accounting standards ("ind as") notified under the companies (indian accounting standards) rules, 2015 and companies (indian accounting standards) amendment rules, 2016, as applicable. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the then applicable accounting standards in india ('previous gaap').

**2.1 Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for: - certain financial assets and liabilities.

**2.2 Property plant & equipment**

**2.2.1 Cost of property plant & equipment**

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are valued at cost/revalued cost net of tax credit wherever eligible. Cost includes all expenses and borrowing cost attributable to the project till the date of commercial production / ready to use. Any asset transferred to assets held for sale is value at cost or nrv whichever is lower.

**2.2.2 Depreciation /amortization**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is provided on straight line method at the rates specified in schedule ii of the companies act 2013 on pro rata basis and the assets having the value up to ₹ 5000 Have been depreciated at the rate of 100%. The policy of Company is to provide depreciation on the buildings , plant & machinery and other fixed assets from the date of commercial production/ ready to use.

**2.2.3 Investment property**

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives.

On transition to ind as, the group has elected to continue with the carrying value of its investment property recognised as at 1st April, 2016 measured as per the previous gaap and use that carrying value as the deemed cost of investment properties.

**2.2.4 Intangible assets (other assets)**

Intangible assets with definite useful lives are subject to amortization and are reviewed to determine whether there is any indication that carrying value of these assets may not be recoverable . Management judgment is required in the area of intangible assets loss particularly in assessing :

Whether an event has occurred that may indicate that the related assets values may not be recoverable or

Whether the carrying value of an intangible assets can be supported by the recoverable amount , being the fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the group.

**Useful lives of intangible assets:**

Intangible assets related to r&d are amortised over the period of 5 years on straight line method.

**2.2.5 Leases**

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

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

The rou assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Rou assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Rou assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

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

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

**2.3 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production 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.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**2.4 Inventories**

Inventories are valued at lower of cost and net realisable value, cost includes all charges in bringing the goods to point of sale. Cost is determined as follows.

2.4.1 Raw materials and stores and spares are valued on weighted average basis.

2.4.2 Work in process is valued at estimated cost basis and an appropriate share of production overheads or net realisable value whichever is less.

2.4.3 Finished goods are valued at cost and an appropriate share of production overheads or net realisable value whichever is less.

2.4.4 Stock in trade are valued at weighted average basis.

**2.5 Revenue recognition**

The Company derives revenues primarily from sale of api business.

Ind as 115 "revenue from contracts with customers" provides a control-based revenue recognition model and provides a

Five step application approach to be followed for revenue recognition.

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

"Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer. Revenue excludes amounts collected on behalf of third parties. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note xv and disclosures of transition approach along with impact of adoption of ind as 115 on financial statements are provided in note 2.18"

**2.5.1 Sale of goods**

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

**2.5.2 Contract balances**

**Trade receivables**

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

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the

customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**2.5.3 Cost to obtain a contract**

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

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

**2.5.4 Other revenue streams**

**Export & other incentives**

In case of sale made by the Company as manufacturer, export benefits arising from duty entitlement pass book (depb), merchandise export incentive scheme, and focus market scheme are recognised on accrual basis on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/ benefits from special import licenses and benefits under specified schemes as applicable.

In case of sale made by the Company as manufacturer, export benefits arising from duty drawback scheme, rebate of state levies (rosl), and rebate of state and central taxes and levies (rosctl), are recognised on sale of such goods in accordance with the agreed terms and conditions with customers.

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

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

**Rendering of services**

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

**Dividend**

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

**2.6 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 recognised in the year in which the contract has been cancelled/ matured. Monetary assets & current liabilities are translated at year end exchange rates. The resulting gain or loss on translation or settlement is recognised in the profit& loss account except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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.

**2.7 Retirement benefits**

The retirement benefits of the employees include gratuity ,provident fund & compensated absences.

"Defined benefit plans for defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement. Of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans which include contribution to the provident fund are recognised as expense when employees have rendered services entitling them to such benefits.

The compensated absences are provided on the basis of actuarial valuation of employees entitlement in accordance with Company's rules.

**2.8 Share based payment arrangements**

Share-based payment transactions of the Company equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**2.9 Taxation**

**2.9.1 Current tax**

Current tax is the tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**2.9.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial

statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include minimum alternate tax (mat) paid in accordance with the tax laws in india, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, mat is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**2.9.3 Current and deferred tax for the year**

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.10 Provision, contingent liabilities and contingent assets**

A provision is recognized when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is discounted to its present value wherever required and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are disclosed in notes when there is a possible obligation that rises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

**2.11 Government grants**

Government grants are initially recognised as income at fair value if there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in statement of profit and loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the group for expenses incurred are recognised in consolidated statement of profit and loss on a systematic basis in the periods in which the expenses are recognised.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**2.12 Financial instruments**

**2.12.1 Investment in subsidiaries, associates and joint ventures**

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment.

**2.12.2 Other financial assets and financial liabilities**

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

Initial recognition and measurement: other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

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

**Financial assets at fair value through other comprehensive income**

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

**Financial assets at fair value through profit & loss account**

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

**Financial liabilities**

**Recognition of financial liabilities**

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

**De-recognition of financial liabilities**

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

**2.12.3 Equity instruments**

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

**2.13 Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

**2.14 Trade receivables & advances**

Sundry debtors outstanding for more than three years at the end of balance sheet date will be written off from the books of accounts except disputed debtors having matters pending under different courts. Other advances and related party balances outstanding for more than 3 years are reviewed by the management at the end of every financial year and are written off as per the judgment of the management.

**2.15 Operating cycle**

Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2.16 Key sources of estimation uncertainty**

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2.16.1 Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

**2.16.2 Employee benefits**

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**2.16.3 Litigations**

As explained in note 39.1, The Company is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

**2.17 Other accounting policies**

Accounting policies not specifically referred to are in accordance with generally accepted accounting principles including the indian accounting standards (ind as) prescribed under section 133 of the act.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# INDEPENDENT AUDITOR'S REPORT

## To The Members Of Ind-Swift Laboratories Limited

### Report on the Audit of The Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of IND-SWIFT LABORATORIES LIMITED (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding company and its Subsidiaries together referred to as "the group") comprising of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement for Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated IND AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated IND AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act 2013, as amended ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended 31st March, 2021. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matter described below to be the key audit matter to be communicated in our report

| Key Audit Matters | How our audit assessed Key audit matters |
|---|---|
| **Evaluation of Uncertain tax Positions** | |
| The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.<br><br>Refer Notes to accounts No. XXVI to the Financial statements | • Obtained the details of completed tax assessments and demands as on 31/03/2021 from Management.<br>• We involved our expertise to challenge the management's underlying assumptions in estimating tax provision and the possible outcome of the disputes.<br>• We have also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions |

## Emphasis of Matters

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

a) We draw attention to Note No. XXXVII of the accompanying consolidated financial results, which describes the management's evaluation of uncertainties related to COVID 19 and its consequential effects on the operations of the Company.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2020-21 but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind As) specified under section 133 of the Act read with the companies (Indian Accounting Standards) Rules,2015,as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of presentation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Company included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended 31st March, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We have not audited the financial statements and other financial information of five subsidiaries, whose financial statements reflect total assets of ₹ 1,7591.88 Lakhs (before Consolidated adjustments) as at 31st March, 2021, total revenues of ₹9,358.43 Lakhs (before Consolidated adjustments) and total net profit/(loss) of ₹123.58 Lakhs (before Consolidated adjustments)and total comprehensive income/(loss) of ₹123.58 Lakhs (before Consolidated adjustments) for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries , is based solely on the reports of such other auditors.

The Financial Statements and other financial information of all subsidiaries which are located outside India whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, the USA subsidiary has been audited and other subsidiaries are not audited by other auditors under generally accepted auditing standards applicable in their

respective countries .The holding company's management has converted the financial statements of such subsidiaries located outside India from accounting Principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the holding company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors/ management and the conversion adjustments prepared by the management of the Company and audited by us.

The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries whose financial statements and other financial information reflect total assets of subsidiaries of ₹13,820.04 Lakhs (before Consolidated adjustments) as at 31st March, 2021, and total revenues of ₹96.25 Lakhs (before Consolidated adjustments) and total net profit/ (loss) of ₹(108.72) Lakhs (before Consolidated adjustments) and total comprehensive income / (loss) of ₹ (108.72) Lakhs (before Consolidated adjustments) for the year ended on that date. The Post acquisition profit and loss of 2 subsidiaries (i.e Halcyon Life Science Pvt. Ltd. And Fortune India Constructions Ltd.) has not been adjusted since the acquisition is at the date of balance sheet. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure A" to this report;

   (g) In our opinion, the managerial remuneration for the year ended 31st March, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11

of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

(a) The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note XXVI to the consolidated Ind AS financial statements.

(b) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March, 2021;

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2021.

For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd No.:017362N)

**Avishkar Singhal**
Partner
Membership No.: 098689
UDIN:21098689AAAAFR4996

Place of Signature: Chandigarh
Date: 29th June, 2021

# "ANNEXURE-A"

**to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Ind-Swift Laboratories Limited**

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

In conjunction with our audit of the consolidated financial statements of Ind Swift Laboratories Limited as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of Ind Swift Laboratories Limited (hereinafter referred to as the "Holding Company"),as of that date. Internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable on the subsidiary companies which are part of the Group and are incorporated outside India. The IFC are applicable on the Indian subsidiaries, which is the responsibility of the management of subsidiary companies and are audited by their respective auditors. We do not form opinion on the same because of lack of audited financial statement of subsidiaries.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

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

## Opinion

In our opinion, the Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd No.:017362N)

**Avishkar Singhal**
Partner
Membership No.: 098689
UDIN:21098689AAAAFR4996

Place of Signature: Chandigarh
Date: 29th June, 2021

# CONSOLIDATED BALANCE SHEET

As on 31st March, 2021

(₹ in Lakhs)

| PARTICULARS | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets :** | | | |
| Property, Plant and Equipment | I | 73,548.64 | 79,277.14 |
| Right of Use - Land | | 189.68 | 191.99 |
| Capital work-in progress | | 1,070.21 | 379.96 |
| Investment property | I | 1,476.87 | 1,505.10 |
| Other Intangible assets | I | 127.17 | 3,339.68 |
| Intangible assets under development | | 814.08 | 765.47 |
| **Financial Assets** | | | |
| a) Investments | II | | |
| - In subsidiaries and associates | | - | 389.07 |
| - In Others | | 3,552.84 | 1,356.37 |
| b) Other Non-current Financial Assets | III | 611.43 | 193.50 |
| Deferred tax assets (net) | IV | 6,035.87 | 7,797.64 |
| Other non-current assets | V | - | 5,501.82 |
| **TOTAL NON- CURRENT ASSETS** | | **87,426.79** | **1,00,697.74** |
| **Current Assets** | | | |
| Inventories | VI | 37,566.66 | 34,281.83 |
| **Financial Assets** | | | |
| (a) Trade receivables | VII | 43,238.79 | 39,644.52 |
| (b) Cash and cash equivalents | VIII | 1,160.06 | 1,058.23 |
| (c) Other current financial Assets | IX | 5,414.29 | 3,395.99 |
| Other current assets | X | 6,808.69 | 7,716.50 |
| Assets held-for-sale | | 229.59 | 205.81 |
| **TOTAL CURRENT ASSETS** | | **94,418.08** | **86,302.88** |
| **GRAND TOTAL** | | **1,81,844.88** | **1,87,000.62** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | XI | 5,980.58 | 5,980.58 |
| (b) Other Equity | XII | 54,370.03 | 58,082.97 |
| Equity attributable to equity holders of the Company | | 60,350.61 | 64,063.56 |
| (c) Non-Controlling interest | XII | (8.97) | - |
| **TOTAL EQUITY** | | **60,341.64** | **64,063.56** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| **Financial Liabilities** | XIII | | |
| (a) Borrowings | | 88,412.65 | 89,088.54 |
| (b) Other Non Current Financial Liabilities | | 48.21 | 46.08 |
| Non- Current Provisions | | 1,572.66 | 1,475.65 |
| Other Non current Liabilities | | 17.41 | 19.94 |
| **TOTAL NON-CURRENT LIABILITIES** | | **90,050.93** | **90,630.21** |
| **Current liabilities** | | | |
| **Financial Liabilities** | XIV | | |
| (a) Borrowings | | 12,071.81 | 13,995.09 |
| (b) Trade payables | XV | | |
| MSME | | 88.96 | 29.44 |
| Others | | 13,793.12 | 13,493.13 |
| (c) Other Financial Liabilities | XVI | 832.94 | 1,129.71 |
| Other current liabilities | XVII | 3,820.37 | 2,913.42 |
| Current Provisions | | 98.01 | - |
| Foreign Currency Translation | | 747.09 | 746.06 |
| **TOTAL CURRENT LIABILITIES** | | **31,452.31** | **32,306.85** |
| **GRAND TOTAL** | | **1,81,844.88** | **1,87,000.61** |
| Significant Accounting Policies | XLII | | |

The accompanying notes form an integral part of the consolidated financial statements.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

For the year ended 31st March, 2021

(₹ in Lakhs)

| | Note No. | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|---|
| Revenue from Operation | XVIII | 89,134.45 | 77,964.31 |
| Other Income | XIX | 2,269.74 | 3,339.55 |
| **Total Revenue** | | **91,404.19** | **81,303.86** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | XX | 45,392.49 | 40,910.37 |
| Change in Inventories of FG/WIP/Stock in trade | XXI | (247.65) | (1,244.06) |
| Employee benefits expense | XXII | 10,655.03 | 10,271.67 |
| Financial Cost | XXIII | 10,021.69 | 10,748.75 |
| Depreciation & amortisation expenses | XXIV | 8,729.17 | 9,005.93 |
| Other Expenses | XXV | 15,052.60 | 13,588.31 |
| **Total-B** | | 89,603.34 | 83,280.98 |
| **Profit / (Loss) before exceptional items & Tax** | | **1,800.85** | **(1,977.12)** |
| **Exceptional items** | | | |
| Exceptional Item Loss (Profit) | | | |
| **Profit /(Loss) before Tax** | | **1,800.85** | **(1,977.12)** |
| **TAX EXPENSE:** | | | |
| Current Tax | | 133.31 | 19.04 |
| Mat Credit Entitlement | IV | (69.28) | - |
| Mat credit Utilisation | | 1,103.94 | - |
| Deferred Tax (iability/(Assets) | IV | 947.60 | 82.18 |
| Income Tax Adjustment of Previous Years | | - | 40.49 |
| **Total Tax expense** | | **2,115.57** | **141.72** |
| **Profit/ (Loss) for the period from continuing Operation** | | **(314.72)** | **(2,118.83)** |
| **Other Comprehensive Income** | | | |
| A) Items that will be reclassified to P&L A/c | | - | - |
| B) items that will not be reclassified into P&L A/c | | | |
| (Gain)/loss on remeasurements of Investments carried at FVTOCI" | | 231.26 | |
| Tax on (Gain)/loss on remeasurements of Investments carried at FVTOCI" | | (72.15) | |
| Actuarial (Gain)/loss on remeasurements of Post employee benefits | | (10.48) | (7.56) |
| Tax on Actuarial (Gain) /loss on remeasurements of employee benefits | | 3.27 | 2.34 |
| **Other Comprehensive (Income) / Loss for the period , net of Tax** | | **151.90** | **(5.22)** |
| **Total Comprehensive Income/(Loss) for the Period** | | **(466.62)** | **(2,113.61)** |
| **Earning per equity share:** | | | |
| (1) Basic | | (0.53) | (4.28) |
| (2) Diluted | | (0.53) | (4.28) |

Significant Accounting Policies

The accompanying notes form an integral part of the consolidated financial statements.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2021

(₹ in Lakhs)

| | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net Profit before tax and Extra-Ordinary Items | 1800.85 | (1,977.12) |
| **ADJUSTMENTS FOR:** | | |
| i) Depreciation | 8,729.17 | 9,005.93 |
| ii)Exchange (profit)/loss | 182.62 | (575.44) |
| iii) Interest on Term loans, NCDS, OCDs & FD | 9,076.70 | 9,247.34 |
| iv) Interest received | (51.28) | (58.73) |
| v) Loss/(Profit) on sale of fixed assets | - | (6.50) |
| vi) Income tax adj of previous years | - | (40.49) |
| vii) Amortisation of Subsidy | (2.53) | (2.53) |
| viii) Provision for Interest on CC | - | 32.58 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **19,735.53** | **15,625.04** |
| **ADJUSTMENTS FOR:** | | |
| i) Trade & Other Receivables | (3,845.41) | (3,839.52) |
| ii) Inventories | (3284.84) | (2,620.88) |
| iii) Other assets | (420.16) | 1,920.89 |
| iv) Current Liabilities | 1,431.99 | 1,635.16 |
| v)Working Capital Borrowing | (186.43) | (196.90) |
| vi)Income taxes (Including Advance Tax/TDS) | 64.02 | - |
| | **(6240.82)** | **(3101.24)** |
| **Net Cash flow from operating Activities** | **13494.71** | **12523.80** |
| **B.CASH FLOW FROM INVESTING ACTIVITES** | | |
| i)Purchase of fixed Assets Tangible | (391.04) | (1,074.31) |
| ii)Purchase of fixed Assets Intangible | (48.62) | (42.25) |
| iii) Sale of fixed assets | 0.00 | 37.10 |
| iv) (Purchase)/ Sale of Investments | (628.78) | 110.89 |
| v) Interest Received | 51.28 | 58.73 |
| **Net Cash from investing activities** | **(1017.16)** | **(909.85)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| i) Repayment of Term Loans to Banks & Financial Institutions & FD | (3985.29) | (6,574.22) |
| ii) Interest paid on Term Loans & FD | (8389.40) | (6,751.67) |
| iii) Proceeds from Term Loans From Banks & Financial Institutions | 0.00 | - |
| **Net Cash flow from Financing Activities** | **(12,374.69)** | **(13,325.90)** |
| **Net increase in Cash or Cash Equivalents** | **102.86** | **(1,711.95)** |
| Opening Cash & Cash Equivalents | 1058.23 | 2,996.80 |
| Closing Cash & Cash Equivalents | 1160.06 | 1,058.23 |
| Add; unrealised Gain/(loss) in FCTR | 1.03 | 226.62 |
| **Closing Cash & Cash Equivalents after FCTR** | **1,161.10** | **1,284.85** |

Significant Accounting Policies

The accompanying notes form an integral part of the consolidated financial statements.

The Company is following Indirect Method of cash flow.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

## A Equity Share Capital {Refer Note No. XI}

(₹ in Lakhs)

| | No of Equity Shares | Amount of Equity issued | Shares Forfieted | Total Equity |
|---|---|---|---|---|
| **Balance as on 31.03.2019** | **4,75,69,195** | **4,756.92** | **71.90** | **4,828.82** |
| Issued in FY 19-20 | 11517670 | 1,151.77 | - | 1,151.77 |
| **Balance as on 31.03.2020** | **5,90,86,865** | **5,908.69** | **71.90** | **5,980.58** |
| Issued in FY 20-21 | 0 | - | - | - |
| **Balance as on 31.03.2021** | **5,90,86,865** | **5,908.69** | **71.90** | **5,980.58** |

## B. Other Equity [Refer note XII]

| Particulars | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Redem-ption Reserve | Securities Premium | Employee Stock options Outstanding | Revalu-ation reserve | General Reserve | Profit & Loss | Capital reserves | Remeasure-ment of the defined benefit-liabilities /(assets) | Total other Equity | Non-Contro-lling Interest | Non-Contro-lling Interest |
| **Balance as at 01.04.2019** | **0.02** | **24,338.71** | **-** | **23,979.78** | **10,892.83** | **(5,174.02)** | **-** | **(84.75)** | **53,952.56** | **-** | **53,952.56** |
| Profit (Loss) for the Year | - | - | - | - | - | (2,228.41) | - | - | (2,228.41) | - | (2,228.41) |
| Other comprehensive income for the year (net of tax) | - | - | - | - | - | - | - | 5.22 | 5.22 | - | 5.22 |
| **Total comprehensive income for FY 19-20** | **-** | **-** | **-** | **-** | **-** | **(2,228.41)** | **-** | **5.22** | **(2,223.19)** | **-** | **(2,223.19)** |
| Issue Share for OCD | - | 6,392.31 | - | - | - | - | - | - | 6,392.31 | - | 6,392.31 |
| Revaluation reserve decrease on account of Assets trasnfered held for disposal | - | - | - | (38.71) | - | - | - | - | (38.71) | - | (38.71) |
| Depreciation on revalued assets | - | - | - | (1,433.95) | 1,433.95 | - | - | - | - | - | - |
| **Balance as at 31.03.2020** | **0.02** | **30,731.01** | **-** | **22,507.12** | **12,326.78** | **(7,402.43)** | **-** | **(79.52)** | **58,082.97** | **-** | **58,082.97** |
| Profit (Loss) for the Year | | | | | | (314.72) | - | | -314.72 | - | (314.72) |
| Other comprehensive income for the year (net of tax) | | | | | | | | -151.90 | -151.90 | - | (151.90) |
| Total comprehensive income for FY 20-21 | - | - | - | - | - | (314.72) | - | (151.90) | (466.62) | - | (466.62) |
| Pursuant to acquisition of controlling interest in subsidiary | | | | | | 92.93 | (3,339.26) | | (3,246.33) | (8.97) | (3,255.30) |
| Depreciation on revalued assets | | | | (1,432.00) | 1,432.00 | | | | - | - | - |
| **Balance as at 31.03.2021** | **0.02** | **30,731.01** | **-** | **21,075.12** | **13,758.78** | **(7,624.22)** | **(3,339.26)** | **(231.42)** | **54,370.02** | **(8.97)** | **54,361.06** |

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors
**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**CA L.K. Mahajan**
Chief Accounts Officer

**Pardeep Verma**
AVP - Compliance & CS

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**Gagan Aggarwal**
Chief Financial Officer

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. I : FIXED ASSETS

(₹ in Lakhs)

| Particulars | Gross block | | | | | | | Depreciation / amortisation | | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 1st April, 2020 | Addition | Ex-change fluc-tuation | Sale/ transfer | Classified as asset held for sale / amorti-sation | Reclassi-fied | As on 31st March, 2021 | As on 1st April, 2020 | During the period | Write back/ classified as asset held for sale | Reclassi-fied on account of ind-as 116 | As on 31st March, 2021 | As on 31st March, 2021 | As on 31st March, 2020 |
| Tangible assets : | | | | | | | | | | | | | | |
| Land free hold | 6,389.90 | - | - | - | - | (975.00) | 5,414.90 | - | - | - | - | - | 5,414.90 | 6,368.93 |
| Factory buildings | 23,858.00 | 44.67 | - | - | - | - | 23,902.66 | 6,547.97 | 747.37 | - | - | 7,295.33 | 16,607.33 | 17,294.10 |
| Office buildings | 282.99 | - | - | - | - | - | 282.99 | 80.46 | 4.43 | - | - | 84.89 | 198.10 | 202.53 |
| R&d buildings | 2,391.47 | - | - | - | - | - | 2,391.47 | 847.55 | 75.42 | - | - | 922.96 | 1,468.51 | 1,543.93 |
| Building - pilot plant | 170.22 | - | - | - | - | - | 170.22 | 80.11 | 5.26 | - | - | 85.37 | 84.85 | 90.11 |
| Plant & machinery | 82,840.72 | 235.84 | - | 45.00 | - | - | 83,031.56 | 35,080.26 | 3,723.21 | (35.64) | - | 38,767.84 | 44,263.72 | 47,702.98 |
| R&d machinery | 7,391.68 | 233.34 | - | - | - | - | 7,625.02 | 3,753.56 | 335.62 | - | - | 4,089.18 | 3,535.84 | 3,638.12 |
| Plant & machinery - pilot plant | 392.34 | - | - | - | - | - | 392.34 | 278.69 | 17.20 | - | - | 295.90 | 96.44 | 113.64 |
| Electric instalations | 4,558.28 | 34.61 | - | - | - | - | 4,592.90 | 2,697.45 | 467.72 | - | - | 3,165.17 | 1,427.72 | 1,860.81 |
| Furniture & fixtures | 557.65 | 11.96 | - | - | - | - | 569.61 | 439.74 | 20.07 | - | - | 459.81 | 109.80 | 117.12 |
| Office equipments | 365.67 | 26.83 | - | - | - | - | 392.49 | 311.80 | 16.07 | - | - | 327.87 | 64.62 | 53.48 |
| Computer & peripherals | 393.82 | 31.85 | - | - | - | - | 425.67 | 289.84 | 53.60 | - | - | 343.45 | 82.23 | 103.74 |
| Vehicles | 1,114.22 | 56.71 | - | - | (475.87) | - | 695.06 | 923.96 | 28.60 | (452.08) | - | 500.48 | 194.58 | 187.66 |
| **Total (a)** | **1,30,706.96** | **675.80** | **-** | **45.00** | **(475.87)** | **(975.00)** | **1,29,886.88** | **51,331.39** | **5,494.58** | **(487.72)** | **-** | **56,338.25** | **73,548.64** | **79,277.14** |
| Investment property | | | | | | | | | | | | | | |
| Flats & office | 1,791.84 | - | - | - | - | - | 1,791.84 | 286.75 | 28.23 | - | - | 314.98 | 1,476.87 | 1,505.10 |
| **Total (b)** | **1,791.84** | **-** | **-** | **-** | **-** | **-** | **1,791.84** | **286.75** | **28.23** | **-** | **-** | **314.98** | **1,476.87** | **1,505.10** |
| Intangible assets | | | | | | | | | | | | | | |
| R&d technology | 3,318.56 | (0.00) | - | - | (3,212.51) | - | 106.05 | - | 3,212.51 | (3,212.51) | - | - | 106.05 | 3,318.56 |
| Good will | 21.13 | | | | | | 21.13 | | | | | | 21.13 | 21.13 |
| **Total (c)** | **3,339.69** | **(0.00)** | **-** | **-** | **(3,212.51)** | **-** | **127.18** | **-** | **3,212.51** | **(3,212.51)** | **-** | **-** | **127.18** | **3,339.69** |
| **Total (a+b+c)** | **1,35,838.49** | **675.80** | **-** | **45.00** | **(3,688.39)** | **(975.00)** | **1,31,805.90** | **51,618.14** | **8,735.32** | **(3,700.23)** | **-** | **56,653.22** | **75,152.68** | **84,121.93** |
| Previous year | 1,39,332.06 | 1,989.31 | 51.58 | (119.19) | (5,683.59) | (171.89) | 1,35,398.28 | 47,986.13 | 9,003.62 | (5,668.29) | (23.98) | 51,297.48 | 84,100.80 | 91,345.93 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

ii) Investment property includes Mumbai Office Buildings ₹ 333.74 Lakhs which was purchased in the name of the Managing Director of the Company.

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.

iii) Investment Property includes Flats ₹ 1,458.10 Lakhs for which agreement to sell and GPA in favour of the Company has been executed and the same have been put to use. The Investment property (Flats) are yet to be registered /transferred in the name of the Company.

iv) During the year company has cancelled the agreement to sell & GPA executed for purchase of land amounting to ₹ 975 Lakhs as due to ongoing litigation the seller could not get the title of the land registered in the name of the Company. Hence the sum paid towards purchase of the land has been reclassified as 'advances recoverable' .

v) During the year company has classifed assets amounting to ₹ 11.84 Lakhs to 'Assets held for Sale' in accordance with Ind-AS 105 as the useful life of assets as defined under schedule II of Companies Act was over and the assets were no longer in use.

vi) There is no income or expenses directly related to Investment property during the year apart from depreciation disclosed above.

vii) During the year company has revised its estimate of useful life of Intangible assets from 8 years to 5 years in accordance with Ind-as 38 and Ind-as 8. Additional depericiation in current year due to this change in estimate amounts to ₹ 827.72 Lakhs.

viii) All borrowing cost is recognised in the statement of Profit &Loss account as they are not directly attributable to acquisition, construction or production of qualifying asset as defended in IND-AS 23 " Borrowing Costs".

**(ix) Capital Work In Process ( Tangible)** (₹ in Lakhs)

| Description | Opening Balance | Addition | Capitalised | Closing Balance |
|---|---|---|---|---|
| Plant & Machinery | 299.27 | 824.34 | 229.10 | 894.50 |
| Electric Instalations | 40.27 | 50.34 | 28.62 | 61.99 |
| Factory Buildings | 40.38 | 115.60 | 44.67 | 111.32 |
| Freight | 0.03 | 3.47 | 1.11 | 2.40 |
| **Total** | **379.96** | **993.75** | **303.50** | **1070.21** |

**(x) Capital Work In Process ( Intangible)** (₹ in Lakhs)

| Description | Opening Balance | Addition | Capitalised | Closing Balance |
|---|---|---|---|---|
| Software in Progress | 765.47 | 48.62 | 0.00 | 814.08 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : II

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **a) Non-Current investment: ( Unquoted Investments )** | | |
| Investment in Equity shares of Subsidiaries: (Carried at Cost) | | |
| i) Investment in Fortune (India) Construction Ltd | | |
| 1,01,00,000 Equity Share of ₹10/- each fully paid up. | - | 389.07 |
| **Total** | **-** | **389.07** |
| **b) Other Investments : (Carried at FVTOCI)** | | |
| i) Investment in Essix Biosciences Limited | | |
| 12,35,000 Equity Share of ₹10/- each fully paid up.) | 536.24 | 767.50 |
| ii) Investment in Nimbua Green Field (Punjab) Ltd | | |
| 1,40,625 Equity Share of ₹ 10/- each fully paid | 14.06 | 14.06 |
| iii) Investment in Mohali green investment Pvt. ltd | | |
| 1,85,000 shares of ₹ 10 each | 18.50 | 18.50 |
| iv) Investment in Hackim Fariyand Chemi Company | 586.57 | 556.31 |
| **c) Investments by Domestic subsidiaries: (Carried at Cost)** | | |
| in Shares | 580.55 | - |
| in 0% Debentures | 1,816.93 | - |
| **Total** | **3,552.84** | **1,356.37** |
| **Grand Total** | **3,552.84** | **1,745.44** |

### Business Combination (Acquisition of controlling interests)

*During the year company acquired additional 52.28% equity share capital of Fortune (India) constructions ltd (a group Company/ related party) at an investment of ₹ 4.22 Crores. Consequent to such acquisition/investment Fortune India Construction limited has become the wholly owned subsidiary of the Company.

*The Company also acquired 98.16% shares of Halcyon Life Science Pvt Ltd ( a group Company/related party ) at an investment of ₹ 27.06 Crores. Consequent to such acquisition/investment Halcyon Lifesciences also became a subsidiary of the Company. Apart from the said investment, company was also issued equity shares at the face value of ₹10/- each against the funds of ₹ 25.00 Crores infused by ISLL IN HALCYON earlier.

### Calcultion of capital reserves on acquisition

| Particulars | Halcyon Life Sciences Pvt Ltd. | Fortune (india) cosntructions Ltd |
|---|---|---|
| Investment | 2,706.38 | 904.40 |
| Less: Fair value of identifiable net assets/ (net liabilities) acquired | (486.46) | 757.98 |
| Capital reseve arising on acquisition | 3,192.84 | 146.42 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021



## Note No. : III

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Non-Current Financial Assets** | | |
| (a) Security Deposits | 611.43 | 193.50 |
| | **611.43** | **193.50** |

## Note No. : IV

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Deferred Tax:** | | |
| The Break Up of Deferred Tax Liabilities/(Assets) | | |
| as at 31st March, 2021 is as under: | | |
| Deferred Tax Liabilities | | |
| Taxable Temporary Difference on account of : | | |
| Depreciation | 7,340.35 | 8,714.77 |
| **Total** | **7,340.35** | **8,714.77** |
| **Deferred Tax Assets** | | |
| Taxable Temporary Difference on account of : | | |
| Provision for Gratuity/Bonus/EL Encashment/commission | 603.07 | 561.10 |
| Carried Forward Losses as per Income Tax Act | - | 1,158.01 |
| Interest disallowed under section 43B | - | 17.42 |
| Investment at FVTOCI | 72.15 | - |
| NCD valuation diffrence as per IND AS | 7,501.71 | 8,691.51 |
| **Total Deferred Tax Assets** | **8,176.93** | **10,428.04** |
| MAT Credit entitlement | 5,199.29 | 6,084.37 |
| **Deferred Tax Assets /(Liability) net** | **6,035.87** | **7,797.64** |
| **Deferred Tax Assets /(Liabilities) Charged to OCI** | **68.88** | **(2.34)** |
| **Deferred Tax Assets /(Liabilities) Charged to P&L A/c** | **947.60** | **(82.18)** |
| During the year no MAT liability arise in view of clause (iii) of Explanation 1 of sub section 2 of Section 115JB of Income Tax act, 1961. | | |

## Note No. : V

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Non - Current Assets** | | |
| **(Unsecured but Considered Good)** | | |
| **Capital Advances** | | |
| Related Party | - | 5,461.82 |
| Others | - | 40.00 |
| **Total** | **-** | **5,501.82** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : VI

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **(a) Inventories** | | |
| (As per inventories taken, valued & certified by the Management) | | |
| Raw Materials | 8,504.33 | 6,782.90 |
| Work in Process | 16,566.80 | 17,118.65 |
| Finished Goods* | 10,663.63 | 8,094.06 |
| Goods-in-Transit (Raw material) | 914.32 | 1,465.52 |
| Stores & Consumables | 917.59 | 820.70 |
| **Total** | **37,566.66** | **34,281.83** |

*Finished Goods inventory includes material lying at port

## Note No. : VII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Trade Receivables** | | |
| - Unsecured Considered good* | 43,238.79 | 39,644.52 |
| | 43,238.79 | 39,644.52 |
| **Total** | **43,238.79** | **39,644.52** |
| *Includes Amounts due from Related Parties | 25,281.44 | 23,743.25 |

## Note No. : VIII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Cash and Cash equivalents** | | |
| Cash balance in hand | 52.21 | 30.03 |
| **Bank balances with Scheduled Banks :** | | |
| Fixed Deposits With Banks* | 994.76 | 799.11 |
| Interest accrued | 17.05 | 14.22 |
| Current Accounts | 96.05 | 214.88 |
| **Total** | **1,160.06** | **1,058.23** |

*Fixed Deposits With Banks include Margin monies against LC and margin monies against liquid funds for public deposits.

## Note No. : IX

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| Other current Financial assets | | |
| (a) Advance Custom Duty Paid /Export Incentive Scheme | 618.58 | 420.26 |
| (b) GST refund receivable | 3,965.48 | 1,848.49 |
| (c ) Financial Guarantee to related party | 830.22 | 1,127.24 |
| **Total** | **5,414.29** | **3,395.99** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021



## Note No. : X

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Current Assets** | | |
| **(a) Loans and advances (Unsecured but considered good)** | | |
| -Related Parties* | 227.95 | 5,545.28 |
| -Others Advances to Creditors | 5,112.77 | 898.51 |
| **(b) Others** | | |
| -Indirect Taxes Recoverable - Cenvat/Vat /GST | 619.51 | 558.75 |
| -Advance Tax/TDS | 406.19 | 397.50 |
| -Prepaid Expenses | 218.16 | 132.54 |
| -Advances recoverable in cash or in kind or value to be received | 224.11 | 183.92 |
| **Total** | **6,808.69** | **7,716.50** |

* Loans/advances represents advances to Related parties for Business purpose only.

## Note No. : XI

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Share Capital** | | |
| **a) Authorised** | | |
| Balance as per Last Balance Sheet: | 6,000.00 | 6,000.00 |
| Addition during the year | | - |
| Nil (Previous Year NIL) Equity share of ₹ 10/- Each | | - |
| 6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹10/- Each | 6,000.00 | 6,000.00 |
| **b) Issued, Subscribed & Paid Up** | | |
| Balance as per Last Balance Sheet: | 5,908.69 | 4,756.92 |
| Addition during the year :- | - | |
| NIL (P.Y 1,15,17,670) Equity share of ₹ 10.00 each* | - | 1,151.77 |
| 5,908,69,18 (Previous Year 5,908,69,18) Equity Shares of ₹10/-each fully called up and paid up. | 5,908.69 | 5,908.69 |
| **c) Share Forfeited** | | |
| Share Warrants Forfeited Account | 63.23 | 63.23 |
| Equity Share Forfeited Account (1,75,900 shares ) | 8.67 | 8.67 |
| | **71.90** | **71.90** |
| **Total** | **5,980.58** | **5,980.58** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**d) List of Shareholders holding more than 5 % shares**

| Name | No. of shares As on 31st March, 2021 | No. of shares As on 31st March, 2020 |
|---|---|---|
| Ind Swift Ltd | 94,99,720 | 94,99,720 |
| | 16% | 16% |
| Essix Biosciences Ltd | 1,28,27,787 | 1,28,27,787 |
| | 22% | 22% |
| EC Special Situations Fund | 40,31,184 | 40,31,184 |
| | 7% | 7% |
| Edelweiss India Special Situations Fund II | 61,60,802 | 61,60,802 |
| | 10% | 10% |

**e) Share based Payments**

There are no outstanding options available under any ESOP scheme as on 31st March, 2021.

## Note No. : XII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Equity** | | |
| **(A) Reserves & surplus** | | |
| (a) Capital Redemption Reserve | 0.02 | 0.02 |
| (b) Securities Premium | | |
| Opening Balance | 30,731.01 | 24,338.71 |
| Addition during the year | | 6,392.31 |
| | **30,731.01** | **30,731.01** |
| (c) Revaluation Reserve | | |
| Opening balance | 22,507.12 | 23,979.78 |
| Addition (decrease) during the year | - | (38.71) |
| Less: Depreciation charges on revalued assets trf to General reserve | 1,432.00 | 1,433.95 |
| | **21,075.12** | **22,507.12** |
| (d) General Reserve | | |
| As per Last Balance Sheet | 12,326.78 | 10,892.83 |
| Add: Trf from ESOP | - | - |
| Add: Dep on revalued assets Deducted from Revaluation Reserves | 1,432.00 | 1,433.95 |
| | **13,758.78** | **12,326.78** |
| (e) Retained Earnings | | |
| As per Last Balance Sheet | (7,402.43) | (5,174.02) |
| Profit/(loss) of Associates | - | (109.58) |
| Profit/(loss) adjustemt in pursuance of purchse of controlling interest in associate | 92.93 | |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| Add: Profit(Loss) for the year closing | (314.72) | (2,118.83) |
| **Closing** | **(7,624.22)** | **(7,402.43)** |
| (f) Capital reserve | | |
| As per Last Balance Sheet | - | - |
| Add: Pursuant to acquisition of controlling interest | (3,339.26) | - |
| **Closing** | **(3,339.26)** | **-** |
| **Total (A)** | **54,601.45** | **58,162.50** |
| **(B) Items of other Comprehensive Income** | | |
| a) Remeasurement of the defined benefits liabilities /(assets) | | |
| Opening balance | (79.52) | (84.75) |
| Add/(Less): Movement during the year(net of Tax) | (151.90) | 5.22 |
| **Closing Balance** | **(231.42)** | **(79.52)** |
| **Total (B)** | **(231.42)** | **(79.52)** |
| **Other Equity Attributable to equity holders of the Company (A+B)** | **54,370.03** | **58,082.97** |
| **(C) Non-Controlling interest** | | |
| As per Last Balance Sheet | | |
| Add: Pursuant to acquisition of controlling interest | (8.97) | - |
| **Closing** | **(8.97)** | **-** |

### Nature and purpose of each reserve

**Securities premium -** The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Revaluation reserves -** This reserve has been created at the time of re-valuation of Fixed assets of the Company. The same is getting utilised in accordance with provisions of Ind-AS.

**General reserve -** The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

**Retained Earnings** - Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distribution paid to its equity shareholders general reserve is not required under the Companies Act, 2013.

**Remeasurement of the defined benefit liabilities / (asset) -** The cumulative balances of actuarial gain or loss arising arising on remeasurements of defined benefit plan is accumulated and recognised with in this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XIII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Non-current liabilities** | | |
| **Financial Liabilities** | | |
| (a) Borrowings | | |
| Secured Loans | | |
| a) Debentures | | |
| (i) Non Convertible debenture * | 79,356.40 | 77,572.02 |
| (ii) 0% Optionally Convertible Reedemable Debentures | 871.62 | |
| b) Term Loans | | |
| (i) From Banks | - | - |
| (ii) From ARCs | 8,184.63 | 11,024.00 |
| Unsecured Loans:- | | |
| (i) Public Deposits | - | 492.52 |
| **Total** | **88,412.65** | **89,088.54** |
| *NCDs of ₹ 793.56 crore is depiciting the fair value of debentures in accordance with accounting standards whereas the actual liability payable as on 31st March, 2021 is ₹ 631.96 Crores | | |
| (b) Lease Liability:- | | - |
| (i) Land Lease | 48.21 | 46.08 |
| | **48.21** | **46.08** |
| **Provisions** | | - |
| (i) Gratuity Payable | 1,254.72 | 1,085.06 |
| (ii) Compensated absences | 317.94 | 390.59 |
| **Total** | **1,572.66** | **1,475.65** |
| **Other Non current Liabilities** | | |
| (i) Deferred Income - Capital Subsidy | 17.41 | 19.94 |
| **Total** | **17.41** | **19.94** |

## Note No. : XIV

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Current Liabilities** | | |
| **(a) Financial Liabilities** | | |
| Borrowings | | |
| Secured Loan | | |
| (i) Borrowings for working capital. | 6,080.76 | 6,234.61 |
| (ii) Current Maturity of Term Loans from Banks/FI | 2,728.96 | 2,502.31 |
| Unsecured Loan & others | | |
| (i) Public Deposits | 468.38 | 630.53 |
| (ii) Others -IFCI | 724.66 | 1,428.94 |
| (iii) Interest accrued on bank borrowing & Others | 2,069.05 | 3,198.71 |
| **Total** | **12,071.81** | **13,995.09** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**(a) Maturity profile of term Loans:-**

**Secured loan from Banks /ARC outstanding as on 31st March, 2021**

| Particulars & Interest Rate | Amount (in Lakhs) | Instalment Due F.Y 2021-22 | After F.Y 2021-22 |
|---|---|---|---|
| NCD (Edelweiss) | 79,356.40 | - | 79,356.40 |
| Asset Reconstruction Company (India ) Ltd | 914.59 | 228.96 | 685.63 |
| Edelweiss Asset Reconstruction Company Ltd (Trustee) | 9,999.00 | 2,500.00 | 7,499.00 |
| **Total** | **90,269.99** | **2,728.96** | **87,541.03** |

(b) The NCDS amounting to ₹ 424.50 Crores raised through private placement of 10 % Secured Listed Rated Redeemable. It consists of 4245 Numbers of Non- Convertible Debentures @ ₹ 10 Lakhs each redeemable at premium at the end of 6 years so that the total IRR on the amount so raised shall be 20%.

(c) Edelweiss Assets Reconstruction Company Limited (EARCL) Term loan of ₹ 132 Crores @ 9% p.a payable in 23 quarterly instalments starting from 30th September, 2018. The current outstanding amount is ₹ 99.99 Crores.

**(d) Public Deposit Restructuring**

Under the provisions of the Companies Act, 2013, the Company has got its Public Deposit Scheme restructured vide its order No. C.P 27/01/2013 of company law board. Dated 30th September, 2013 through Hon'ble Company Law Board. The Company has been granted extension of time in repayment of these deposits. During the current year the Company has made repayment of fixed deposits amounting to ₹ 6.55 Crores.

**e ) Detail Of Charges On Assets**

(1) The Non Convertible Debenture (NCD) of ₹ 424.50 Crores; Asset Reconstruction Company India limited (ARCIL) debt of ₹ 9.15 Crores (P.Y ₹ 11.44 Crores); Edelweiss Assets Reconstruction Company limited debt of ₹ 99.99 Crores (P.Y ₹ 123.83 Crores) is secured as under:

(i) a first ranking pari passu charge over the entire fixed assets (both present and future) of the borrower by way of an equitable mortgage, in favour of "Security trustee 1" for the benefit of the respective lenders and

(ii) a second ranking pari passu charge over the entire current assets on the borrower in favour of "Security trustee 2" for the benefit of the respective lenders and

(iii) unconditional and irrevocable on demand personal guarantee from each promoter to the extent of their respective net worth in the form acceptable to the lenders and the security Trustee 1 in the favour of the "Security Trustee 1" for benefit of the respective lenders and

(iv) unconditional and irrevocable on the demand corporate guarantee from each of the affiliate companies in the form acceptable to the lenders and the "Security Trustee 1" in the favour of the "Security Trustee 1" for the benefit of the respective lenders and

(v) Pledge of Promoters Group Shareholding in the borrower (2,15,56,851 no of shares out of the fully diluted equity share capital of the borrower as on the effective date), free of all encumbrances.

Note: The Company has appointed M/s Vistra ( ITCL) Limited as Debenture Trustee for the benefit of the NCDs & M/s IDBI Trusteeship Services limited as the Security Trustee to hold the Security on behalf of all the lenders including the NCD holders.

2) Bank borrowings for working capital ₹ 60.81 Crores (P.Y. ₹ 62.35 Crores) from Bank of India & I.D.B.I., are secured by:-

(i) a first ranking pari passu charge over the entire current assets on the borrower in favour of "Security trustee" for the benefit of the respective lenders and

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

(ii) a second ranking pari passu charge over the entire fixed assets (both present and future) of the borrower by way of an equitable mortgage, in favour of" Security trustee " for the benefit of the respective lenders and

(iii) unconditional and irrevocable on demand personal guarantee from each promoter to the extent of their respective net worth in the form acceptable to the lenders and the security Trustee in the favour of the "Security Trustee" for benefit of the respective lenders and

(iv) unconditional and irrevocable on the demand corporate guarantee from each of the affiliate companies in the form acceptable to the lenders and the "Security Trustee" in the favour of the "Security Trustee " for the benefit of the respective lenders and

(v) Pledge of Promoters Group Shareholding in the borrower (2,15,56,851 no of shares out of the fully diluted equity share capital of the borrower as on the effective date), free of all encumbrances.

## Note No. : XV

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Trade Payable:** | | |
| (i) MSME | 88.96 | 29.44 |
| (ii) Other Creditors | 13,793.12 | 13,493.13 |
| **Total** | **13,882.08** | **13,522.57** |

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year | | |
| - Principal amount due to micro and small enterprises | 88.96 | 29.44 |
| - Interest due on the above | - | - |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| (iv) The amount of interest accrued and remaining un-paid at the end of each accounting year | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006 | - | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers. | | |
| All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note no 51. | | |

## Note No. : XVI

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Financial Liabilities** | | |
| (i) Land Lease | 2.72 | 2.48 |
| (i) Financial Guarantee to Related party | 830.22 | 1,127.24 |
| **Total** | **832.94** | **1,129.71** |

## Note No. : XVII

(₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Other Current Liabilities:** | | |
| (i) Advances from Customers | 1,782.27 | 934.62 |
| (ii) Advance from Related Party | - | - |
| (iii) Statutory Liabilities | 525.17 | 542.51 |
| (iv) Expenses Payable | 1,510.39 | 1,433.76 |
| (vii) Current Maturity of Government Grants | 2.53 | 2.53 |
| **Total** | **3,820.37** | **2,913.42** |
| i)Statutory Liabilities include TDS/TCS payable, ESI Payable, PF payable, Labour welfare Payable, GST Payable, professional tax etc. | | |
| ii)Expenses payable include Salary, wages, Bonus, Short term compensated absences and gratuity payable, Audit Fees, Electricity Exp payable etc. | | |
| **Current Provisions** | | |
| (i) Income Tax | 98.01 | - |
| **Total** | **98.01** | **-** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XVIII

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Revenue From Operations** | | |
| **1) Disaggregated revenue information** | | |
| Set out below is the disaggregation of the Company's revenue from contracts with customers: | | |
| Type of goods or service | | |
| Sales of APIs | | |
| Sale of manufactures Products | 89,078.44 | 77,708.87 |
| Sale of Services | 56.01 | 255.45 |
| Sale of traded Products | - | - |
| **Total** | **89,134.45** | **77,964.31** |
| Revenue within India | 21,885.79 | 20,101.08 |
| Revenue Outside India | 67,248.66 | 57,863.23 |
| **Total** | **89,134.45** | **77,964.31** |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 89,134.45 | 77,964.31 |
| **Total** | **89,134.45** | **77,964.31** |
| **2) Contract balances** | | |
| The following table provides information about receivables, contract assets and contract liabilities from contracts with customers | | |
| Contract Assets | | |
| Trade receivables | 43,238.79 | 39,644.52 |
| Contract liabilities | | |
| Advances from customers | 1,782.27 | 934.62 |
| **3) Reconciling the amount of revenue recognised in the statement of P&L with the contracted price** | | |
| Revenue as per contracted price | 89,815.74 | 78,326.74 |
| Adjustments | | |
| Sales return | 681.29 | 362.42 |
| | **89,134.45** | **77,964.31** |
| | | |
| **4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31st March, 2021 are, as follows** | ₹ | ₹ |
| Advances from customers | 1,782.27 | 934.62 |
| | **1,782.27** | **934.62** |

## Note No. : XIX

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Other Income** | | |
| Export Incentive & other Operating Income | 1,543.18 | 1,970.38 |
| Forex Fluctuations-gain (Expenses) | 327.24 | 1,375.77 |
| Interest Income | 51.28 | 53.00 |
| Other Non operating Income | 348.04 | (59.60) |
| **Total** | **2,269.74** | **3,339.55** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021



## Note No. : XX

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Expenses** | | |
| **Cost of material consumed/sold** | | |
| Opening Stock | 7,525.33 | 6,426.63 |
| Add :- | | |
| Purchases | 46,488.23 | 42,009.06 |
| | **54,013.56** | **48,435.69** |
| Less: Closing Stock | 8,621.07 | 7,525.33 |
| **Total** | **45,392.49** | **40,910.37** |

## Note No. : XXI

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Increase /Decrease In Inventory** | | |
| **Opening Stock** | | |
| Work in Process | 17,118.65 | 14,245.65 |
| Finished Goods | 8,094.06 | 9,722.99 |
| **Total** | **25,212.70** | **23,968.65** |
| **Closing Stock** | | |
| Work in Process | 16,565.42 | 17,118.65 |
| Finished Goods/Stock in Trade | 8,894.93 | 8,094.06 |
| **Total** | **25,460.35** | **25,212.70** |
| **Total (Increase/Decrease in Inventory)** | **(247.65)** | **(1,244.06)** |

## Note No. : XXII

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Employee Benefits Expenses** | | |
| **Directors Remuneration** | | |
| --Salary & Allowances | 868.47 | 679.02 |
| --Contribution to P.F. | 0.86 | 0.67 |
| Salary & Allowance | 2,376.50 | 2,280.29 |
| Salary & Wages | 6,754.57 | 6,641.01 |
| P.F. & Other Funds | 344.74 | 367.73 |
| Staff Welfare Expenses | 107.36 | 99.85 |
| Recruitment Expenses | 2.12 | 2.78 |
| Gratuity Premium | 198.76 | 194.01 |
| Training & Development Expenses | 1.64 | 6.32 |
| **Total** | **10,655.03** | **10,271.67** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXIII

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Finance Cost** | | |
| Interest on Term Loans | 1,171.39 | 1,353.22 |
| Interest on Debentures | 7,874.90 | 8,262.21 |
| Interest on Working Capital | 289.03 | 630.73 |
| Bank Charges & Others | 686.37 | 502.59 |
| **Total** | **10,021.69** | **10,748.75** |

## Note No. : XXIV

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Depreciation & Amortisation Expenses** | | |
| Depreciation | 8,729.17 | 9,005.93 |
| **Total** | **8,729.17** | **9,005.93** |

## Note No. : XXV

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Other Expenses** | | |
| **Manufacturing Expenses** | | |
| Job Work Charges | 437.84 | 462.14 |
| Power, Fuel & Water Charges | 3,731.36 | 3,464.70 |
| Stores & Spares | 1,441.81 | 1,209.84 |
| Repair & Maint. : | | |
| Plant & Machinery | 328.96 | 349.46 |
| Buildings | 267.76 | 176.70 |
| Electrical | 152.97 | 175.58 |
| Other Manufacturing Expenses | 118.45 | 115.67 |
| **Total** | **6,479.17** | **5,954.09** |
| **Administrative & Other Expenses** | | |
| Travelling & Conveyance | 22.45 | 269.14 |
| **Auditors Remuneration :** | | |
| --Audit Fees | 4.00 | 4.00 |
| --Certification Fees | 1.00 | 1.00 |
| --Out Of Pocket Exp. | 0.67 | 0.86 |
| Lease Rent - Short Term | 53.71 | 83.55 |
| Rate Fee & Taxes | 86.17 | 190.19 |
| Insurance Charges | 427.17 | 525.98 |
| Legal & Professional Charges | 189.32 | 301.49 |
| Printing & Stationary | 95.72 | 96.83 |
| Vehicle Running & Maint. | 193.12 | 196.34 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Telephone & Postage | 38.05 | 48.53 |
| Office Expenses | 419.86 | 94.79 |
| Charity & Donation | 32.72 | 3.59 |
| Listing Fees | 6.01 | 5.70 |
| Books & Periodicals | 0.86 | 0.94 |
| Meeting, Membership & Subscription Fees | 42.21 | 43.23 |
| Security Expenses | 107.40 | 109.61 |
| Repair & Maintenance-General | 128.00 | 83.13 |
| Corporate Social Responsibility Expenses , (Refer Note No Xxxvi) | 129.67 | 28.11 |
| Other Expenses | 23.67 | 25.56 |
| **Total** | **2,001.77** | **2,112.57** |
| **Selling & Distribution Expenses** | | |
| Advertisement & Publicity | 0.65 | 1.33 |
| Business Promotion | 75.93 | 227.85 |
| Commission On Sales | 1,577.04 | 1,359.96 |
| Packing Material | 342.67 | 322.26 |
| Freight Outward | 1,211.39 | 557.95 |
| Insurance Charges | 53.75 | 19.45 |
| Ecgc Premium | 8.22 | 6.16 |
| Other Expenses | 0.72 | 11.67 |
| **Total** | **3,270.34** | **2,506.62** |
| **Research & Development Expenses (Db)** | | |
| Salary & Wages (R&D) | 199.47 | 183.62 |
| Consumables , Chemicals & Regents | 437.65 | 368.67 |
| Technical Study & Consultancy & Product Registration | 10.88 | 17.63 |
| **Total** | **647.99** | **569.92** |
| **Research & Development Expenses (Mohali)** | | |
| Raw Material ,Consumables, Lab Chemicals & Regents | 1,401.15 | 1,344.31 |
| Salary & Wages | 998.02 | 912.33 |
| Utility & Running/Maint Expenses | 93.63 | 95.74 |
| Analytical Fees & Study | 18.19 | 14.74 |
| Finance & Interest Charges | (1.65) | (83.38) |
| Patent Filling | 2.83 | 6.93 |
| Corporate Social Responsibility Expenses , (Refer Note No Xxxvi) | 14.89 | 7.86 |
| Administrative Expenses | 126.27 | 153.06 |
| **Total** | **2,653.34** | **2,451.60** |
| Loss/(Profit) On Sale Of Fixed Assets | - | (6.50) |
| Provision For Doubtful Debts | - | - |
| **Total** | **-** | **(6.50)** |
| Grand Total-Note No Xxv | 15,052.60 | 13,588.31 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXVI

**Contingent liabilities not provided for:** (₹ in Lakhs)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **a. Letter of Credit against purchase of raw material:** | | |
| Domestic | 1,004.43 | 404.26 |
| Import | 2,702.62 | 1,520.61 |
| **b. Bank Guarantees** | | |
| Inland | 20.00 | 30.00 |
| **c. Export obligation in respect of custom duty :** | 281.55 | 328.50 |
| d. Contingent Liabilities in respect of unassessed/ assessed (Pending in Appeal) cases of Income Tax, Excise Duty, Sales Tax, Service Tax and Bonus Act. | Unascertained | Unascertained |

## Note No. : XXVII

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ 582.43 Lakhs (P.Y. ₹ 325.52 Lakhs)

## Note No. : XXVIII

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. : XXIX

Other expenses under head administrative expenses includes ₹ 3,42,500.00 (Previous Year ₹ 2,77,500.00) paid to directors as sitting fee.

## Note No. : XXX

Earning per share is calculated as shown below:-

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| **Profit available for Basic EPS (A)** | **(314.72)** | **(2118.83)** |
| Interest on OCDs (net of Tax) (B) | 0.00 | 423.92 |
| **Profit available for Diluted EPS (A+B)** | **(314.72)** | **(1,694.92)** |
| For Basic Earning | | |
| No of weighted average equity shares | 5,90,86,860 | 4,94,62,506 |
| For Diluted Earning | | |
| No of weighted average of Diluted Equity Shares | 5,90,86,860 | 5,90,86,860 |
| Nominal Value of Equity Share | 10.00 | 10.00 |
| **Earning Per Share (₹)** | | |
| Basic | (0.53) | (4.28) |
| Diluted | (0.53) | (4.28) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021



## Note No. : XXXI

In accordance with IND-AS 24, '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**

| | |
|---|---|
| **Key Management personnel/Directors** | Sh. N.R. Munjal, Chairman cum Managing Director |
| | Sh. Himanshu Jain, Jt. Managing Director |
| | Sh. Rishav Mehta, Director |
| | Sh. Sahil Munja , Director |
| | Sh. Sunil Deshmukh, CEO w.e.f 1st April, 2021 |
| | Sh. Gagan Aggarwal, Chief Financial Officer |
| | Sh. Pardeep Verma, AVP- Compliance & CS |
| **Others (Entities in which KMP or their relative is a Director; or KMP or their relative exercises control** | Dashmesh Medicare Private Limited |
| | Essix Biosciences Limited |
| | Ind Swift Limited |
| | Nimbua Green Field (Punjab) Limited |
| | Mohali Green Environment Private Limited |
| | Punjab Renewable Energy Pvt Ltd. |
| | Saidpura Envirotech Private Limited |
| | Swift Fundamental Research & Education Society |
| | Sislax Pharma Pvt. Ltd. |
| | Vibrant Agro Industries Limited |

(₹ in Lakhs)

| Particulars | Others (Entities in which KMP or their relative is a Director;or KMP or their relative exercises control | | Associates | |
|---|---|---|---|---|
| **Nature of Transactions** | **2020-21** | **2019-20** | **2020-21** | **2019-20** |
| **1) Transactions during the year** | | | | |
| Purchase | 6,204.96 | 6,395.31 | - | - |
| Sales | 6,259.63 | 6,859.00 | - | - |
| Salary | 930.62 | 742.26 | - | - |
| Expenses | 491.50 | 214.90 | - | - |
| Service taken/Capital Exp. | | 34.79 | - | - |
| **2) Outstanding Balances** | | | | |
| Investment | 568.80 | 800.06 | - | 482.00 |
| Loan & Advances Given | 227.95 | 5,545.28 | - | - |
| Debtors | 25,281.44 | 23,743.25 | - | - |
| Advances Received | - | - | - | - |
| Capital Advances | - | - | - | 5,461.82 |

* Related party balances of similar nature are grouped in accordance with para 24 of Ind-AS 24 "Related Party Disclosures"
* Related Party Transaction during the year are considered without taxes.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXXII

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 not ascertained.

## Note No. : XXXIII

**Detail of Auditor's Remuneration(i.e. payment to Auditors):** (Amount in ₹)

| Particulars | Year Ended 2020-21 | Year Ended 2019-20 |
|---|---|---|
| Statutory Audit Fees | 4,00,000 | 4,00,000 |
| Certification Fees | 1,00,000 | 1,00,000 |
| | **5,00,000** | **5,00,000** |

## Note No. : XXXIV

**Other Current Assets include due from** (₹ in Lakhs)

| | Year Ended | Year Ended | Maximum amount due during the year | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| CFO | 12.76 | 12.76 | 12.76 | 12.76 |
| CS | 8.21 | 8.21 | 8.21 | 12.67 |

## Note No. : XXXV

**Foreign Currency Expenditure & Income :-** (₹ in Lakhs)

| | 2020-21 | 2019-20 |
|---|---|---|
| **1 Expenditure in Foreign Currency :** | | |
| Interest | 0.00 | 90.64 |
| Commission on Sales | 1,054.12 | 1,263.36 |
| Others | 105.21 | 294.32 |
| **Total** | **1,159.33** | **1,648.31** |
| **2 Earnings in Foreign Currency** | | |
| Sale of Goods | 63,772.05 | 55,055.21 |
| Sale of Services | 0.00 | 27.44 |

## Note No. : XXXVI

**Expenditure on corporate Responsibility :**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to activities which are specified in Schedule VII of the Companies Act, 2013.

| Particulars | (₹ in Lakhs) |
|---|---|
| (a) Gross amount required to be spent during the year | 56.96 |
| (b) Amount Spent During the year | 144.56 |
| (i) Construction /acquisition of any asset | - |
| (ii) on Purpose other than (i) above | 144.56 |
| Balance carried forward to Next Year | 87.60 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XXXVII

### Impact of COVID-19

The Company believes strongly that it has a rich portfolio of goods to partner with the customers, yet the future revenue streams could be impacted given the current crisis situation resulting in erratic supply of imported Raw Material from the foreign suppliers, particularly from China.

The Company has considered such impact to the extent known and available to us currently. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration.

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

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

## Note No. : XXXVIII

### Lease Liability in accordance with Ind-AS 116

The incremental borrowing rate applied to lease liabilities is 10%.

The movement in ROU - Asset during the year ended 31st March, 2021 is as follows :- (₹ in Lakhs)

| Particulars | ROU Assets -Land |
|---|---|
| Balance as at April, 2020 | 191.99 |
| Addition | 0.00 |
| Depreciation | 2.31 |
| **Balance as at 31st March, 2021** | **189.68** |

The aggregate depreciation expenses on ROU assets is included under depreciation and amortisation expenses in statement of profit & loss account.

The break up of current & non current lease liabilities as at 31st March, 2021 is as under. (₹ in Lakhs)

| Particulars | As at 31st March, 2021 |
|---|---|
| Non Current Liability | 48.21 |
| Current Liability | 2.72 |
| **Total** | **50.93** |

The movement in lease liabilities during the year ended 31st March, 2021 (₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 |
|---|---|
| Balance at the begining | 48.55 |
| Finance cost accrued during the period | 4.86 |
| Payments of Lease Liabilities | 2.48 |
| Balance at the end | 50.93 |

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis are as follows :

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2021 |
|---|---|
| Less than one year | 2.72 |
| One to five years | 12.01 |
| More than five years | 2,641.62 |

Rental Expenses recorded for short term lease was ₹ 53.71 Lakhs for the year ended 31st March, 2021.

## Note No. : XXXIX

## 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.

(₹ in Lakhs)

| | In India | Outside India | Total |
|---|---|---|---|
| Revenue | 21,886 | 67,249 | 89,134 |
| | (20,101) | (57,863) | (77,964) |
| Results | 8,061 | 25,351 | 33,412 |
| | (6,928) | (21,907) | (28,835) |
| Less: Financial Expenses | | | 10,022 |
| | | | (8,333) |
| Less: Unallocated Expenses | | | 23,859 |
| | | | (26,570) |
| Add: Operating Income | | | 2,270 |
| | | | (2,738) |
| Add: Exceptional Items | | | |
| | | | (8,294) |
| Less: Income Tax Provision | | | 133.31 |
| | | | - |
| Add: Mat Credit Entitlement | | | (69.28) |
| | | | - |
| Add: Mat Utiliastion | | | 1,104 |
| Add: Deferred Tax | | | 948 |
| | | | (1,699) |
| Profit\(Loss) After Tax | | | (315) |
| | | | (3,844) |
| Other Information | | | |
| Segment Assets | 36,495 | 13,632 | 50,127 |
| | (35,193) | (8,775) | (43,968) |
| Unallocated Assets | | | 1,31,718 |
| | | | (1,50,689) |
| Total Assets | | | 1,81,845 |
| | | | (1,94,657) |
| Segment Liabilities | 9,571 | 4,309 | 13,880 |
| | (7,210) | (5,502) | (12,712) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

| | In India | Outside India | Total |
|---|---|---|---|
| Unallocated Liabilities | | | 1,67,965 |
| | | | (1,78,801) |
| Total Liabilities | | | 1,81,845 |
| | | | (1,91,513) |
| Capital Expenditure | | | 391 |
| | | | (1,074) |
| Depreciation | | | 8,729 |
| | | | (9,006) |
| | | | |
| Non Cash Expenses Other Than Depreciation | | | (6.50) |
| | | | (3.49) |

**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 , other non-current assets and the segment liabilities consists of creditors.

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

## Note No. : XL

**Statement containing salient features of the financial statement of Subsidiaries.** (₹ in Lakhs)

| Particulars | Year | Ind Swift Laboratories Inc | Meteoric Life Science PTE. Ltd. | Ind Swift Middle East FZ-LLP | Fortune India Construction | Halcyon Life Science |
|---|---|---|---|---|---|---|
| | | 31st March, 2021 | 31st March, 2021 | 31st March, 2021 | 31st March, 2021 | 31st March, 2021 |
| Capital | 2020-21 | 629 | 140 | 384 | 1010 | 4,648 |
| | 2019-20 | 461 | 183 | 384 | 1010 | 2,148 |
| Reserves | 2020-21 | 310 | 235 | 203 | (252) | (5,143) |
| | 2019-20 | 328 | 246 | 172 | (221) | (5,108) |
| Total Liabilities | 2020-21 | 2,833 | 0 | 0 | 10,043 | 2,553 |
| | 2019-20 | 1,367 | 96 | 0 | 10,562 | 5,040 |
| Total Assets | 2020-21 | 3,772 | 375 | 587 | 10,800 | 2,058 |
| | 2019-20 | 2,156 | 525 | 556 | 11,351 | 2,079 |
| Turnover Net | 2020-21 | 9,262 | NIL | NIL | 95 | 2 |
| | 2019-20 | 6,948 | NIL | NIL | 119 | 26 |
| Provision For Tax | 2020-21 | 64 | NIL | NIL | NIL | NIL |
| | 2019-20 | 19 | NIL | NIL | NIL | NIL |
| Profit /(Loss before Tax) | 2020-21 | 232 | (43) | (0.12) | (31) | (35) |
| | 2019-20 | 242 | 0 | (263) | (5) | (11) |
| Proposed dividend | 2020-21 | NIL | NIL | NIL | NIL | NIL |
| | 2019-20 | NIL | NIL | NIL | NIL | NIL |
| **Reporting Currency:-** | | | | | | |
| **Currency** | | $ | $ | $ | | |
| Exchange Rate as on 31st March, 2021 | | 73.06 | 73.06 | 73.06 | | |
| Exchange Rate as on 31st March, 2020 | | 75.39 | 75.39 | 75.39 | | |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Notes:-

1) In Compliance with provisions of SEBI (LODR) regulations 2015, audited consolidated financial statements form part of this Annual reports.
2) The Company has consolidated the Audited results of its 100 % subsidiary Ind Swift Laboratories Inc for the financial Year Ended December, 2020 and adjusted for 3 months of the Subsidiary company .
3) The Company has consolidated the Unaudited results of its 100 % subsidiary Ind Swift Middle East FZE for the financial Year April, 2020 to March, 2021 of the Subsidiary company .
4) The Company has consolidated the Unaudited results of its 100 % subsidiary Meteoric Lifesciences Pte Ltd for the financial Year April, 2020 to March, 2021 of the Subsidiary company .
5) The Company has consolidated the unaudited results of 100 % subsidiary "Fortune (India) Constructions Ltd for the financial year 30th March, 21 to 31st March, 2021.
5) The Company has consolidated the unaudited results of subsidiary "Halcyon Life Sciences Pvt Ltd for the financial year 30th March, 2021 to 31st March, 2021.
6) 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 free of cost.

**Additional information pursuant to para 2 of general instructions for the preparations of Consolidated financial statements.**

| Name of the entity | Net Assets (Total Assets minus total Liability) | | Share in profit or Loss | | Share in Other comprehensive Income | | Share in Total comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| **Parent Subsidiaries Indian** | **% of consolidated assets** | **Amount (In Lakhs)** | **% of consolidated Profit & Loss** | **Amount (In Lakhs)** | **% of consolidated OCI** | **Amount (In Lakhs)** | **% of consolidated CCI** | **Amount (In Lakhs)** |
| Ind Swift Laboratories Ltd | 98.81% | 1,79,584 | 139.75% | (439.83) | 100.00% | 151.90 | 126.81% | (591.73) |
| **Foreign** | | | | | | | | |
| IndSwiftLaboratoriesInc.USA | 0.52% | 939 | (53.47)% | 168.27 | 0.00% | - | (36.06)% | 168.27 |
| Meteoric Life Science Pte Ltd. ,Singapore | 0.21% | 375 | 13.68% | (43.04) | 0.00% | - | 9.22% | (43.04) |
| Ind-Swift Middle East FZE (UAE) | 0.32% | 587 | 0.04% | (0.12) | 0.00% | - | 0.03% | (0.12) |
| **Indian** | | | | | | | | |
| Fortune(India) Constructions Ltd. w.e.f. 30th March, 2021 | 0.42% | 758 | 0.00% | - | 0.00% | - | 0.00% | - |
| Halcyon Life Sciences Pvt Ltd. w.e.f. 30th March, 2021 | (0.27)% | (495) | 0.00% | - | 0.00% | - | 0.00% | - |
| **Sub Total** | **100.00%** | **1,81,747** | **100.00%** | **(314.72)** | **100.00%** | **151.90** | **100.00%** | **(466.62)** |

## Note No. : XLI

## Post employment Benefits

**(i) Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**(ii) Defined Benefit Plan:**

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

a) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

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

B) The said benefit plan is exposed to actuarial risks such as longevity risk, salary risk, Interest rate risk, liquidity risk, demographic risk, regulatory risk, Investment risk and asset/liability mismatching risk.

**Amount of Expenses Recognized is as follows:** (Amount in ₹)

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| In Income Statement | 1,98,75,975 | 1,94,00,901 |
| In Other Comprehensive Income | (10,48,281) | (7,55,695) |
| **Total Expenses Recognized during the period** | **1,88,27,694** | **1,86,45,206** |

**Movements in the present value of the defined benefit obligation are as follows:** (Amount in ₹)

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Present Value of Obligation as at the beginning | 13,20,50,379 | 11,48,23,017 |
| Current Service Cost | 1,20,81,040 | 1,17,86,025 |
| Interest Expense or Cost | 83,79,281 | 83,42,368 |
| **Re-measurement (or Actuarial) (gain) / loss arising from :** | | |
| - change in demographic assumptions | 0 | 1,080 |
| - change in financial assumptions | 12,43,157 | (35,57,003) |
| experience variance (i.e. Actual experience vs. assumptions) | (30,43,877) | 21,27,748 |
| - others | | |
| **Past Service Cost** | | |
| **Effect of change in foreign exchange rates** | | |
| Benefits Paid | (47,06,432) | (14,72,856) |
| **Acquisition Adjustment** | | |
| **Effect of business combinations or disposals** | | |
| **Present Value of Obligation as at the end** | **14,60,03,548** | **13,20,50,379** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

(Amount in ₹)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| Current Liability (Short term) | 2,05,31,368 | 2,35,44,451 |
| Non-Current Liability (Long term) | 12,54,72,180 | 10,85,05,928 |
| Present Value of Obligation | 14,60,03,548 | 13,20,50,379 |

**Movements in the fair value of the plan assets are as follows:**

(Amount in ₹)

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Fair Value of Plan Assets as at the beginning | 92,08,800 | 1,00,13,094 |
| Investment Income | 5,84,346 | 7,27,492 |
| Employer's Contribution | 6,17,013 | 6,13,550 |
| **Employee's Contribution** | | |
| Benefits Paid | (47,06,432) | (14,72,856) |
| Return on plan assets , excluding amount recognised in net interest expense | (7,52,439) | (6,72,480) |
| **Acquisition Adjustment** | | |
| Fair Value of Plan Assets as at the end | 49,51,288 | 92,08,800 |

**Expenses Recognised in the Income Statement is as follows**

(Amount in ₹)

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| Current Service Cost | 1,20,81,040 | 1,17,86,025 |
| Past Service Cost | | |
| Loss / (Gain) on settlement | | |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 77,94,935 | 76,14,876 |
| **Expenses Recognised in the Income Statement** | **1,98,75,975** | **1,94,00,901** |

**Expenses Recognised in the Other comprehensive income is as follows**

(Amount in ₹)

| Particulars | For the period ending | |
|---|---|---|
| | 31st March, 2021 | 31st March, 2020 |
| **Actuarial (gains) / losses** | | |
| - change in demographic assumptions | 0 | 1,080 |
| - change in financial assumptions | 12,43,157 | (35,57,003) |
| -experience variance (i.e. Actual experience vs. assumptions) | (30,43,877) | 21,27,748 |
| - others | | |
| Return on plan assets, excluding amount recognised assumptions) | 7,52,439 | 6,72,480 |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | | |
| **Components of defined benefit costs recognised in because of change in effect of asset ceiling** | **(10,48,281)** | **(7,55,695)** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

**The principal financial assumptions used in the valuation are shown in the table below:**

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| Discount rate (per annum) | 6.20% | 6.35% |
| Salary growth rate (per annum) | 7.00% | 7.00% |
| Retirement age | 58 years | 58 years |
| Mortality rate | 100% of IALM 2012-14 | 100% of IALM 2012-14 |

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

**The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

(Amount in ₹)

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|
| Present Value of Obligation | 13,20,50,379 | 14,60,03,548 |
| Fair Value of Plan Assets | 92,08,800 | 49,51,288 |
| Surplus / (Deficit) | (12,28,41,579) | (14,10,52,260) |
| **Effects of Asset Ceiling, if any** | | |
| Net Asset / (Liability) | (12,28,41,579) | (14,10,52,260) |

**iii) Compensatory absences**

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 40.85 Lakhs (Previous Year ₹ -4.71 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

## Note No. : XLI

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

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors
**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

## Note No. : XLII

## SIGNIFICANT ACCOUNTING POLICIES :

### 1 Background

Headquartered in chandigarh, india, ind-swift laboratories ltd is a public limited company incorporated on 04 jan, 1995 under the provision of companies act, 2013. Company is global manufacturer of apis, intermediates and formulations (through group collaboration). Having commenced operations in 1997 as an api manufacturer, the Company continued to focus on this business domain as its key business driver.

### 2.0 Statement of compliance

The consolidated financial statements have been prepared in accordance with indian accounting standards ("ind as") notified under the companies (indian accounting standards) rules, 2015 and companies (indian accounting standards) amendment rules, 2016, as applicable. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the then applicable accounting standards in india ('previous gaap').

### 2.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for: - certain financial assets and liabilities. These consolidated financial statements and jointly controlled entity have been prepared in accordance with the recognition and measurement principles laid down in.

These consolidated financial statements of the Company and its subsidiaries and its jointly controlled entity have been prepared in accordance with the recognition and measurement principles laid down in indian accounting standards as notified under section 133 of the companies act, 2013 read with rule 4 of the companies (indian accounting standards) rules, 2015 as amended and other relevant provisions of the act and accounting principles generally accepted in india.

### 2.2 Basis of preparation

A) Company has wholly owned subsidiary in usa which was incorporated on 2nd January, 2004. The financial year of parent company from 20th April to 21st March whereas the financial year of subsidiary company is from January, 2020 to dec 20. Accordingly, subsidiary's audited financial statements for the year ended 31st December, 2020 Adjusted for next three months in compliance with ind-as 110 are considered for the purpose of consolidation.

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 20 to march 21 whereas the financial year of subsidiary company is from nov 17 to oct 18. Accordingly, subsidiary's unaudited adjusted financial statements for the year ended on 31-03-2020 are considered for the purpose of consolidation.

C) company has another wholly owned subsidiary in dubai which in the name of ind-swift middle east fz-llc. The financial year of the parent company & financial year of subsidiary company are same. Accordingly, subsidiary's unaudited financial statements for the year ended on 31-03-2021 are considered for the purpose of consolidation.

D) company has indian wholly owned subsidiary in name of fortune(india) constructions ltd . Accordingly, subsidiary's unaudited financial statements for the year ended on 31-03-2021 are considered for the purpose of consolidation.

E) company has indian subsidiary in name of halcyon life sciences pvt ltd. Accordingly, subsidiary's unaudited financial statements for the year ended on 31-03-2021 are considered for the purpose of consolidation.

F) 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.

**2.3 Use of estimates**

The preparation of the consolidated financial statements in conformity with ind as requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

**2.4 Property plant & equipment**

**2.4.1 Cost of property plant & equipment**

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are valued at cost/ revalued cost net of tax credit wherever eligible. Cost includes all expenses and borrowing cost attributable to the project till the date of commercial production / ready to use. Any asset transferred to assets held for sale is value at cost or nrv whichever is lower.

**2.4.2 Depreciation /amortization**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is provided on straight line method at the rates specified in schedule ii of the companies act 2013 on pro rata basis and the assets having the value up to ₹ 5,000 Have been depreciated at the rate of 100%. The policy of company is to provide depreciation on the buildings , plant & machinery and other fixed assets from the date of commercial production/ ready to use.

**2.4.3 Investment property**

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives.

On transition to ind as, the group has elected to continue with the carrying value of its investment property recognised as at april 1, 2016 measured as per the previous gaap and use that carrying value as the deemed cost of investment properties.

**2.4.4 Intangible assets (other assets)**

Intangible assets with definite useful lives are subject to amortization and are reviewed to determine whether there is any indication that carrying value of these assets may not be recoverable . Management judgment is required in the area of intangible assets loss particularly in assessing : whether an event has occurred that may indicate that the related assets values may not be recoverable or whether the carrying value of an intangible assets can be supported by the recoverable amount , being the fair value less costs to sell or net present value of future

cash flows which are estimated based upon the continued use of the asset in the group .

**Useful lives of intangible assets:**

intangible assets related to r&d are amortised over the period of 8 years on straight line method.

**2.4.5 Leases**

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

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

The rou assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Rou assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Rou assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

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

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

**2.5 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production 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.

**2.6 Inventories**

Inventories are valued at lower of cost and net realisable value, cost includes all charges in bringing the goods to point of sale. Cost is determined as follows.

2.6.1 Raw materials and stores and spares are valued on weighted average basis.

2.6.2 Work in process is valued at estimated cost basis and an appropriate share of production overheads or net realisable value whichever is less.

2.6.3 Finished goods are valued at cost and an appropriate share of production overheads or net realisable value whichever is less.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

2.6.4 Stock in trade are valued at weighted average basis.

**2.7 Foreign currency transactions**

**In relation to the parent company**

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 recognised in the year in which the contract has been cancelled/ matured. Monetary assets & current liabilities are translated at year end exchange rates. The resulting gain or loss on translation or settlement is recognised in the profit& loss account except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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.

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:

A) all income and expenses are translated at yearly average rate of exchange prevailing during the year.

B) monetary assets and liabilities are translated at the closing rate on the balance sheet date.

C) non-monetary assets and liabilities are translated at historical rates.

D) the resulting exchange difference is accounted as "foreign currency translation reserve" which is transferred to 'other comprehensive income'.

**2.8 Trade receivables & advances**

Sundry debtors outstanding for more than three years at the end of balance sheet date will be written off from the books of accounts except disputed debtors having matters pending under different courts. Other advances and related party balances outstanding for more than 3 years are reviewed by the management at the end of every financial year and are written off as per the judgment of the management.

**2.9 Other significant accounting policies**

Other accounting policies adopted for preparation of consolidated financial statements are same as set out in the note xlii 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.

**AS PER OUR SEPARATE REPORT OF EVEN DATE**
For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

**CA Avishkar Singhal**
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

**N. R. Munjal**
Chairman
and Managing Director
DIN-00015096

**Himanshu Jain**
Joint Managing Director
DIN-00014533

**CA L.K. Mahajan**
Chief Accounts Officer

**Gagan Aggarwal**
Chief Financial Officer

**Pardeep Verma**
AVP - Compliance & CS

# NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of Ind-Swift Laboratories Limited will be held on Thursday, the 30th September, 2021 at 11.30 A.M. through Video Conference ("VC")/Other Audio Visual means("OAVM") to transact the following business:

## Ordinary business

1. To receive, consider, approve and adopt the Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended 31st March, 2021 together with the Directors' and Auditors' Reports thereupon.
2. To appoint a Director in place of Mr. Sahil Munjal (DIN: 00015407), who retires by rotation and being eligible, offers himself for re-appointment.

## Special business

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

   **"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s V. Kumar & Associates, Cost Accountants, having Firm Registration No. 100137, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2021-22, amounting to ₹ 2.00 Lakhs (Rupees Two Lakhs only) per annum plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified, confirmed and approved."

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

   **"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajinder Kumar Gupta (DIN: 09212540), Independent Director of the Company, who has submitted a declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of five (5) years w.e.f. 23rd June, 2021."

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

   **"RESOLVED THAT** pursuant to provisions of section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby granted for continuation of holding of office of Managing Director by Sh. Navrattan Munjal (DIN 00015096) who will attain the age of 70 (Seventy) years on 09.02.2022."

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

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

Place: Chandigarh
Date: 12th August, 2021

## NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts in respect of Item No. 3 to 5 is annexed hereto and forms part of this notice.
2. In view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 permitted the holding of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the members at a common venue. Further, MCA vide circular no. 02/2021 dated 13th January, 2021 has decided to allow Companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31st December, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5th May, 2020.

   Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and MCA Circulars, the forthcoming AGM of the Company will be held through VC/OAVM only.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 read with MCA Circular No. 02/2021 dated 13th January, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. Pursuant to MCA Circular No. 14/2020 dated 8th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2021 to 30th September, 2021, both days inclusive.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/11 dated 15th January, 2021, the Notice calling the AGM inter-alia indicating the process and manner of e-voting along with the Annual Report 2020-21 containing Board's Report, Auditor's Report, Audited Financial Statements and other documents is being sent only through electronic mode to those members whose e-mail addresses are registered with Company/Depositories. Members may note that the notice calling the AGM along with the Annual Report for FY 2020-21 has been uploaded on the website of the Company at www.indswiftlabs.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
9. The AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
10. The members are requested to inform changes, if any, in their Registered Address along with Pin Code Number to the Company Secretary at the Registered Office address.

11. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company on its e-mail id: investor@indswiftlabs.com
12. Attention of members is hereby invited towards provisions of Section 188 (1) of the Companies Act 2013 wherein under second proviso thereto, no member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.
13. Electronic copy of the Annual Report and Notice of the 26th Annual General Meeting of the Company along with instructions for e-voting is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes. Since the AGM will be held through VC/OAVM Facility, the Route Map of the AGM venue, proxy form and attendance slip is not annexed in this Notice.
14. In terms of section 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company is providing the facility to its Members holding shares in physical and dematerialized form as on the cutoff date 23rd September, 2021 to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. Necessary information and instructions for e-voting is also enclosed.
15. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
16. The members holding shares in the same name or same order of names under different folios are requested to send the share certificate for consolidation of such shares to the Company.
17. Pursuant to the provision of rule 18(3)(i) of the Companies (Management & Administration Rules, 2014), the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, members are requested to kindly update their e-mail addresses with Depository Participants in case of holding shares in Demat form. If holding shares in physical form, members are requested to inform their e-mail id to the Company.
18. Members desirous of seeking any information relating to the accounts of the Company may write to the Company at Registered Office address for the attention of Mr. Pardeep Verma, AVP-Corporate Affairs & Company Secretary at least 7 days in advance of the meeting so that requisite information can be made available at the meeting.

The Intructions of Shareholders for E-Voting and Joining Virtual Meetings are as under:

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

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

   (i) The voting period commences at 9:00 A.M on 27th September, 2021 and ends at 5:00 P.M on 29th September, 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

   (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

   Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed

entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter syour User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) Click on the EVSN 210903028 <Ind-Swift Laboratories Ltd.> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@indswiftlabs.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## Instructions for shareholders attending the agm through VC/OAVM & E-voting during meeting are as under:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@indswiftlabs.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## Process for those shareholders whose EMAIL/ Mobile no. Are not registered with the Company/ Depositories.

1. **For Physical shareholders -** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company email id i.e. investor@indswiftlabs.com
2. **For Demat shareholders -** Please update your email id & mobile no. with your respective Depository Participant (DP)
3. **For Individual Demat shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

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

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

IV. The Scrutinizer shall after the conclusion of AGM, shall unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

V. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.indswiftlabs.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

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

Place: Chandigarh
Date: 12th August, 2021

**Registered Office:**

SCO 850,Shivalik Enclave,
NAC, Manimajra,
Chandigarh - 160001

## Annexure to Notice

## Explanatory statement under section 102 of the companies act, 2013

### Item No. 3

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s V. Kumar & Associates, Cost Accountants, to conduct the Cost audit of the cost records of the Company for the financial year ended 31st March, 2022.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2021-22 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval by the members.

### Item No. 4

The Board of Directors had appointed Mr. Rajinder Kumar Gupta as an Additional Director of the Company under category of Non-Executive Independent Director of the Company for a period of 5 years w.e.f. 23rd June, 2021 and recommends the same for the approval of Shareholders of the Company by way of Ordinary Resolution.

The Company has received notice in writing from a member proposing the candidature of Mr. Rajinder Kumar Gupta to be appointed as an Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

Mr. Rajinder Kumar Gupta has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and also under of the SEBI (LODR) Regulations, 2015. Mr. Rajinder Kumar Gupta has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the said Act.

In the opinion of the Board, Mr. Rajinder Kumar Gupta meets the criteria of independence as provided in the Section 149 read with Schedule IV of the Act for such appointment.

Keeping in view their expertise and knowledge, it will be in the interest of the Company that Mr. Rajinder Kumar Gupta is appointed as an Independent Director.

A copy of the draft letter of appointment issued to the Appointee for appointment as an Independent Director setting out the terms and conditions shall be kept open for inspection by the Members at the Registered Office of the Company during usual business hours viz. 10.00 AM to 5.00 PM on any working day till the date of the Annual General Meeting. This Statement may also be regarded as a disclosure under the SEBI (LODR) Regulations, 2015.

Except for Mr. Rajinder Kumar Gupta, his relatives who may be deemed to be interested in the resolutions at Item No. 4 of the Notice as it concerns his appointment as Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives, are in any way concerned or interested, financially or otherwise, in the said resolution set out at Item No.4 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No.4 of the Notice for approval by the shareholders.

### Item No. 5

The Shareholders of the Company vide special resolution passed at the 23rd Annual General Meeting held on 28th September, 2018, approved re-appointment of Sh. Navrattan Munjal as Managing Director of the Company for a period of five years effective from 23rd March, 2018.

In his current tenure, Sh. Navrattan Munjal will attain the age of 70 years on 09.02.2022. In view of the provisions of Section 196(3) of Companies Act, 2013, continuation of his employment as Managing Director requires the approval of members by way of a special resolution.

Keeping in view that Sh. Navrattan Munjal who is promoter director of the company has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue the employment of Sh. Navrattan Munjal as Chairman and Managing Director.

The Board therefore recommends the special resolution for your approval.

Except Sh. Navrattan Munjal (the appointee) and Sh. Sahil Munjal (being relative of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested in the said resolution.

## Details of Directors Seeking Appointment or Re-appointment at the forthcoming Annual General Meeting of the Company (pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015) and Secretarial Standard 2 as issued by ICSI:

| Name of Director | Mr. Rajinder Kumar Gupta | Mr. Sahil Munjal |
|---|---|---|
| DIN | 09212540 | 00015407 |
| Date of Birth | 02/06/1956 | 25/08/1980 |
| Date of Appointment/Re-Appointment | 23/06/2021 | 13/02/2020 |
| Expertise in specific Functional Area | Joined Income Tax Department in January 1980 and Retired in February 2015. During Service handled different assignments i.e Assessments, Investigation, Administration, Judicial, Authorised representative in Income Tax Appellate Tribunal etc. Presently, registered as a Advocate with Bar Council of Punjab & Haryana and practising as a Tax Consultant. | Instrumental in Development and Growth in IT Systems. Presently looking for New Business Development in pharma space. Presently Chairman of Pharmexcil (Pharmaceutical Export Promotion Council of India). |
| Qualifications | 1. BSC in Botany, Zoology & Chemistry GNDU<br>2. MA History, Punjab University<br>3. LLB, Punjab University | B.Tech, Diploma in Information Technology and CISCO Certificate Network Associate. |
| Remuneration Last Drawn | Apart from receiving sitting fee for attending Board Meetings, he has not drawn any remuneration from the company. | Please refer Corporate Governance Report |
| Terms and conditions for appointment / reappointment | As per Company's Policy on appointment of Board Members | |
| Other Listed Companies in which Directorships held as on 31.03.2021 | NIL | NIL |
| Chairman/Member of the Committees of other Companies on which he is director as on 31.03.2021 | NIL | NIL |
| Relationship inter-se between Directors | NIL | He is the son of Mr Navrattan Munjal, Chairman and Managing Director of the Company. |
| Shareholding in the Company | Nil | 2,000 Shares |

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

Place: Chandigarh
Date: 12th August, 2021

NOTE

NOTE

NOTE

## Cautionary statement

Statements in this Management and discussion and Analysis describing the Ind-Swift's objectives, projections, estimates and expectations might be construed as forward looking statement within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company operations include a downward trend in the pharmaceutical industry, rise in input costs, exchange rate fluctuation and significant changes in political and economic environment, operating ecosystems, regulatory standards, tax laws, litigations and labour relations.

**Ind-Swift Laboratories Ltd.**
SCO 850, NAC, Shivalik Enclave, Manimajra,
Chandigarh – 160101, India

connect | +91 98310 16081