



# Ind-Swift LABORATORIES LIMITED

(A Recognised Export House)

Regd. Office : S.C.O. 850, Shivalik Enclave, NAC, Manimajra, Chandigarh - 160 101  
Phones : ++ 91 - 172-2730503, 2730920, Fax ++ 91 - 172 - 2730504, 2736294  
E-mail : info@indswiftlabs.com Website : www.indswiftlabs.com  
CIN No. L24232CH1995PLC015553



Ref.:ISLL:CH:2016

Date: 25<sup>th</sup> May, 2016

The President,  
Corporate Relationship Department,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai 400 001

The Vice President,  
National Stock Exchange of India Limited,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/2, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai 400 051

BSE Scrip Code: 532305

NSE Symbol: INDSWFTLAB

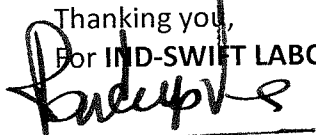
**SUB: COMPLIANCE OF REGULATION 33 OF SEBI (LODR) REGULATIONS, 2015**

Dear Sir,

Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, this is to inform the exchange that the Board of Directors in their meeting held today, 25<sup>th</sup> May, 2016 has approved inter-alia the following:

1. Copy of the Audited Financial Results for the Financial Year and quarter ended 31<sup>st</sup> March, 2016 (copy enclosed).
2. Form A as specified under Regulation 33 of SEBI (LODR) Regulations, 2015 (copy enclosed).
3. A copy of Audit Report by the Statutory Auditors in respect of Financial Results for the Financial Year ended 31<sup>st</sup> March, 2016(copy enclosed).

This is for your information and record, please.

Thanking you,  
For IND-SWIFT LABORATORIES LTD.  


**PARDEEP VERMA**  
**GM-CORPORATE AFFAIRS &**  
**COMPANY SECRETARY**

Encl.: As above



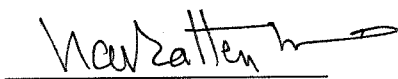
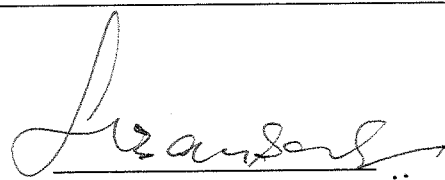
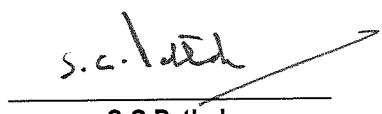
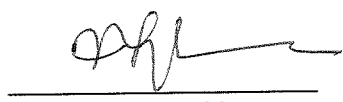
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CIN No. L24232CH1995PLC015553



## FORM-A (For Audit Report with unmodified opinion)

|    |                                                                                          |                                                                                                        |
|----|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 1. | Name of the Company                                                                      | Ind Swift Laboratories Limited                                                                         |
| 2. | Annual Financial Statements for the year ended                                           | 31 <sup>st</sup> March, 2016                                                                           |
| 3. | Type of Audit observation                                                                | Unmodified                                                                                             |
| 4. | Frequency of Observation                                                                 | Not Applicable                                                                                         |
| 5. | To be signed by: <ul style="list-style-type: none"><li>• CEO/Managing Director</li></ul> | <br>N R Munjal      |
|    | <ul style="list-style-type: none"><li>• Chief Financial Officer</li></ul>                | <br>N K Bansal      |
|    | <ul style="list-style-type: none"><li>• Auditor of the Company</li></ul>                 | <br>S C Pathak    |
|    | <ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>               | <br>K M S Nambiar |

DATE : 25<sup>th</sup> MAY, 2016

PLACE : Chandigarh

# IND SWIFT LABORATORIES LTD.

**Regd Office : SCO 850, Shivalik Enclave, NAC Manimajra, Chandigarh-160 101**  
**AUDITED FINANCIAL RESULTS FOR THE YEAR/QUARTER ENDED 31ST, March 2016**  
**CIN L24232CH1995PLC015553**

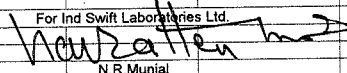
(Rs. In Lacs)

| Particulars                                                                          | Standalone                  |                             |                             |                          |                          | Consolidated             |                          |
|--------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                                                                      | Quarter Ended<br>31.03.2016 | Quarter Ended<br>31.12.2015 | Quarter Ended<br>31.03.2015 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 |
|                                                                                      | Audited                     | Unaudited                   | Audited                     | Audited                  | Audited                  | Audited                  | Audited                  |
| 1 Income from Operations:                                                            |                             |                             |                             |                          |                          |                          |                          |
| (a) Net Sales/Incomes from Operations                                                | 15771.83                    | 15041.37                    | 14672.63                    | 63874.40                 | 64573.67                 | 65324.91                 | 66045.23                 |
| (b) Other Operating Income                                                           | 374.95                      | 397.34                      | 1175.32                     | 1418.47                  | 2225.40                  | 1418.72                  | 2225.40                  |
| Total Net Sales / Operating Income                                                   | 16146.78                    | 15438.71                    | 15847.95                    | 65292.86                 | 66799.06                 | 66743.63                 | 68270.63                 |
| EXPENSES:                                                                            |                             |                             |                             |                          |                          |                          |                          |
| a Cost of Materials Consumed                                                         | 7745.09                     | 7853.14                     | 7960.08                     | 33753.87                 | 33869.61                 | 34625.52                 | 34754.00                 |
| b Purchase of stock in Trade                                                         | 189.38                      | 221.95                      | 77.86                       | 582.63                   | 4568.89                  | 582.63                   | 4568.89                  |
| c. ( Increase ) /decrease in FG,WIP & stock in trade                                 | (928.05)                    | 33.26                       | 84.89                       | 91.08                    | 1409.13                  | 91.08                    | 1409.13                  |
| d. Staff cost                                                                        | 1856.48                     | 1624.38                     | 1562.44                     | 6482.41                  | 5228.63                  | 6684.73                  | 5472.85                  |
| e. Depreciation                                                                      | 2102.52                     | 2140.08                     | 3265.00                     | 8474.88                  | 8429.01                  | 8474.88                  | 8429.01                  |
| f. Other expenditure                                                                 | 3442.20                     | 2898.01                     | 4046.54                     | 12175.59                 | 10774.72                 | 12493.80                 | 11124.19                 |
| 2 TOTAL EXPENSES                                                                     | 14407.60                    | 14770.83                    | 16996.82                    | 61560.44                 | 64279.99                 | 62952.63                 | 65758.07                 |
| 3 Profit(loss) from Operations before Other Income, finance cost & Exceptional Items | 1739.18                     | 667.87                      | (1148.86)                   | 3732.42                  | 2519.07                  | 3791.00                  | 2512.56                  |
| 4 Misc Income                                                                        | 0.00                        | 0.00                        | 0.00                        | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| 5 Profit(Loss) before Interest & Exceptional Items                                   | 1739.18                     | 667.87                      | (1148.86)                   | 3732.42                  | 2519.07                  | 3791.00                  | 2512.56                  |
| 6 Interest                                                                           | 3159.78                     | 2447.90                     | 3131.07                     | 10800.55                 | 11918.78                 | 10801.37                 | 11918.78                 |
| 7 Forex Fluctuation Expenditure/(income )                                            | 554.72                      | (48.98)                     | 68.14                       | (159.77)                 | (190.12)                 | (159.77)                 | (190.12)                 |
| 9 Profit(Loss) after Interest but before Exceptional Items                           | (1975.33)                   | (1731.04)                   | (4348.08)                   | (6908.36)                | (9209.59)                | (6850.61)                | (9216.10)                |
| 10 Exceptional Items                                                                 | 1405.26                     | 0.00                        | 5118.95                     | 1405.26                  | 5118.95                  | 1405.26                  | 5118.95                  |
| 11 Profit (+)/ Loss (-) from Ordinary Activities before tax                          | (3380.59)                   | (1731.04)                   | (9467.03)                   | (8313.62)                | (14328.54)               | (8255.87)                | (14335.05)               |
| 12 Provision for taxation                                                            | 0.00                        | 0.00                        | 0.00                        | 0.00                     | 0.00                     | 0.00                     | 13.91                    |
| Income Tax adjustment of Previous Year                                               | 0.00                        | 0.00                        | 0.96                        | 0.00                     | (34.81)                  | 0.00                     | (36.61)                  |
| Mat Credit Entitlement                                                               | 0.00                        | 0.00                        | 0.00                        | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| Provision for deferred Tax                                                           | (2427.51)                   | 0.00                        | (2377.40)                   | (2427.51)                | (2377.40)                | (2427.51)                | (2377.40)                |
| Net Profit / (Loss) for the period after Tax                                         | (953.08)                    | (1731.04)                   | (7090.59)                   | (5886.11)                | (11916.34)               | (5828.36)                | (11934.96)               |
| Provision for dividend on Equity Shares                                              |                             |                             |                             |                          |                          |                          |                          |
| Provision for Equity dividend Tax                                                    |                             |                             |                             |                          |                          |                          |                          |
| Transfer to General reserve                                                          |                             |                             |                             |                          |                          |                          |                          |
| Retained Profit / (Loss)                                                             | (953.08)                    | (1731.04)                   | (7090.59)                   | (5886.11)                | (11916.34)               | (5828.36)                | (11934.96)               |
| Paid up Equity Share Capital(Face Value of Rs. 10/- per Share)                       | 4096.32                     | 4096.32                     | 4096.32                     | 4096.32                  | 4096.32                  | 4096.32                  | 4096.32                  |
| Reserve excluding revaluation reserves                                               |                             |                             |                             | 18887.80                 | 23186.09                 | 23476.48                 | 23476.48                 |
| EPS (of Rs. 10/- each) (Not annualised)                                              |                             |                             |                             |                          |                          |                          |                          |
| Basic                                                                                | (2.33)                      | (4.23)                      | (17.31)                     | (14.37)                  | (29.09)                  | (14.27)                  | (29.14)                  |
| Diluted                                                                              | (2.33)                      | (4.23)                      | (17.31)                     | (14.37)                  | (29.09)                  | (14.27)                  | (29.14)                  |

## Notes: -

- Under the provisions of Companies Act, 1956, the Company has got its Fixed Deposit Scheme restructured vide order no. C.P 27/01/2013 dated 30.09.2013 through Hon'ble Company Law Board. The Company has been granted extension of time in repayment of these deposits. Few of the FD holders have however approached the courts for repayment of their Fixed Deposits.
- The figures for the quarter ending 31.03.2016 and 31.03.2015 are the balancing figures between audited figures in respect of full financial year and the un-audited year-to-date figures up to 31st December, 2016 and 31st December, 2015 respectively being the dates of the end of third quarters of the relevant Financial years which were subjected to limited review.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective Meetings held on 25th May 2016.
- The previous period figures have been re-grouped and re-arranged wherever necessary.
- The Company is exclusively in the Pharmaceutical Business segment.

For Ind Swift Laboratories Ltd.



N.R. Munjal

Vice Chairman Cum M.D

Place : Chandigarh

Date : 25.05.2016

## STATEMENT OF ASSETS AND LIABILITIES

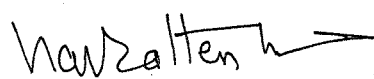
Rs. In Lacs

| PARTICULARS                        | As at<br>31.03.2016<br>Standalone | As at<br>31.03.2015 | As at<br>31.03.2016<br>Consolidation | As at<br>31.03.2015 |
|------------------------------------|-----------------------------------|---------------------|--------------------------------------|---------------------|
| <b>I.EQUITY AND LIABILITIES</b>    |                                   |                     |                                      |                     |
| <b>(1) Shareholders' Funds</b>     |                                   |                     |                                      |                     |
| a)Share Capital                    | 4168.22                           | 4168.22             | 4168.22                              | 4168.22             |
| b)Reserves & Surplus               | 47300.54                          | 55067.25            | 47574.29                             | 55317.20            |
| <b>(3) Non-current liabilities</b> |                                   |                     |                                      |                     |
| (a) Long-term borrowings           | 74632.82                          | 81613.83            | 74632.82                             | 81613.83            |
| <b>(4) Current Liabilities</b>     |                                   |                     |                                      |                     |
| (a) Short term Borrowings          | 50365.69                          | 45004.70            | 50365.69                             | 45004.70            |
| (b)Trade Payables                  | 12945.07                          | 12973.83            | 13243.38                             | 13410.53            |
| (c) Other current liabilities      | 31608.87                          | 24999.36            | 31459.69                             | 24866.68            |
| (d) Short term Provisions          | 0.00                              | 0.00                | 12.32                                | 0.04                |
|                                    | <b>221021.21</b>                  | <b>223827.19</b>    | <b>221456.40</b>                     | <b>224381.20</b>    |

**II.ASSETS****Non-Current Assets**

|                                            |                   |                   |                   |                   |
|--------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>(1) (a) Fixed Assets</b>                |                   |                   |                   |                   |
| (i) Tangible Assets                        | 87969.48          | 88371.29          | 87969.48          | 88371.29          |
| (ii) Intangible Assets                     | 21575.98          | 23066.81          | 21597.16          | 23087.99          |
| (iii) Capital work in Progress (Tangible)  | 6588.12           | 9340.52           | 6588.12           | 9340.52           |
| (iv) Capital work in Progress (Intangible) | 1258.48           | 1942.98           | 1258.48           | 1942.98           |
| (v) Assets held for disposal               | 306.25            | 222.26            | 306.25            | 222.26            |
| <b>Net Block</b>                           | <b>117698.31</b>  | <b>122943.86</b>  | <b>117719.49</b>  | <b>122965.05</b>  |
| (b) Non-Current investment                 | 2637.66           | 2633.16           | 1763.17           | 1752.20           |
| (c) Defferred Tax Assets(Net)              | 2908.57           | 481.06            | 2908.57           | 481.06            |
| (d) Long-term loans & advances             | 6892.13           | 7197.17           | 6895.54           | 7200.41           |
| <b>(2) Current assets</b>                  |                   |                   |                   |                   |
| (a) Inventories                            | 35601.73          | 34830.69          | 35601.73          | 34830.69          |
| (b) Trade receivables                      | 35881.93          | 37490.01          | 37244.62          | 38903.71          |
| (c) Cash and cash equivalents              | 2142.88           | 1847.73           | 2257.75           | 1983.68           |
| (d) Short-term loans and advances          | 17257.99          | 16403.52          | 17531.55          | 16650.66          |
| (e) Foreign Currency Translation           | 0.00              | 0.00              | (466.04)          | (386.26)          |
|                                            | <b>221,021.21</b> | <b>223,827.19</b> | <b>221,456.40</b> | <b>224,381.20</b> |

For Ind Swift Laboratories Ltd.



N.R.Munjal

Vice Chairman Cum M.D

Place : Chandigarh

Date : 25.05.2016

**JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

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S.C.O. 319-20, Sector-22 A, Chandigarh 160 022  
Phone: 0172- 2705761, 2701629 Fax: 5089769,  
Email: jainassociates1968@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Ind-Swift Laboratories Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

### **Emphasis of Matters**

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

- a) The Provisions of the Companies Act, 1956 (Further amended to Companies act 2013), where the company has got its fixed Deposit Scheme restructured vide order No. C.P 27/01/2013, dated 30.09.2013 of Company Law Board. The Company has been granted extension of time of repayment of those deposits. Few of the FD holders have however approached the courts for the repayment of their Fixed Deposits (Refer Note. No.IV of Financial Statements).
- b) Refer Note No. III of Financial Statements in regard to Following:
  - Four members of the CDR banks and one member of the Non CDR banks have transferred their entire Loan Portfolio to their respective Assets Reconstruction Companies.
  - Four members of CDR banks and one member of Non CDR banks/Financial Institution have declared the accounts of the company as NPA.
- c) Regarding payment of Managerial Remuneration of Rs.407.63 Lacs for the financial year ended march 2016, which is in excess of the limits specified by the relevant provisions of the Companies Act, 2013, by Rs.120.00Lacs. The company has filled necessary application to Central Government which is pending approval as on date. Pending the ultimate outcome of the above said matter which is presently unascertainable, no adjustments have been recorded in the statement(Refer Note No.XIV of Financial Statements).
- d) Regarding decrease in Revaluation Reserve by Rs. 18.78 Crores on account of Revaluation of Land of Derabassi unit during the year (Refer Note No.V of Financial Statements).

### **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.



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;

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of 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" ;and

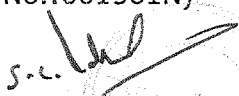
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note XVIII to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For JAIN & ASSOCIATES**

Chartered Accountants

(Regd No.:001361N)

  
**S.C.Pathak**

**Partner**

Membership No.: 010194

Place of Signature: Chandigarh

Date: 25.05.2016

## **"Annexure-A" to the Audit Report**

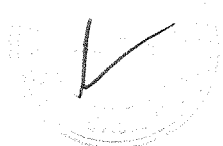
Re: **M/s Ind-Swift Laboratories Limited ('the Company')**

- (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:

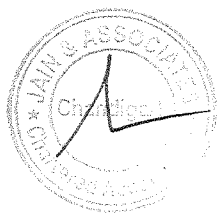
### **In case of land:**

| <b>No. of cases</b> | <b>Leasehold/ Freehold</b> | <b>Gross Block as at 31<sup>st</sup> March, 2016</b> | <b>Net Block as at 31<sup>st</sup> March, 2016</b> | <b>Remarks</b>                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------|----------------------------|------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2                   | Freehold                   | Rs. 13.78 Crores                                     | Rs. 13.78 Crores                                   | The cost of land amounting to Rs. 13.78 Crores includes the following : <ul style="list-style-type: none"><li>land measuring 29 kanals &amp; 3 Marlas amounting to Rs. 9.75 crores was purchased on Power of Attorney from Fortune (India) constructions Ltd.</li><li>land measuring 20 kanals &amp; 17 Marlas amounting to Rs. 4.03 crores was purchased on Power of Attorney from Essix Biosciences Limited</li></ul> |
| 1                   | Leasehold                  | Rs.1.71 Crores                                       | Rs.1.53 Crores                                     | Lease hold land Jammu Plant, Samba                                                                                                                                                                                                                                                                                                                                                                                      |

- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.



- (iii) The Company has not granted loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013. 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 security made.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and the directives issued by The Reserve Bank of India with regards to the deposits accepted from the public except the company has not maintained the liquid assets (i.e.) 15% of deposits maturing during a financial year and financial year next following (as a statutory requirement under the companies (acceptance of deposits) Rules 2014). Further the company has got its Fixed Deposits scheme restructured vide order no C.P 27/01/2013 dated 30.09.2013 through Company Law Board. Accordingly the company is maintaining Liquid Assets equal to 15% of repayment schedule of deposits as per CLB order.
- (vi) The Company is required to maintain cost records under section 148(1) of the Companies Act, 2013, for the products of the company and according to the information and explanations given to us, we are of the opinion that prima facie, the specified accounts and records have been made and maintained.
- (vii) (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.
- (b) According to the information and explanations given to us, 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) According to the records of the Company, 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          | Nature of Dues                        | Amount<br>(In Rs<br>Lakhs ) | Period to<br>which the<br>amount<br>relates | Forum where<br>dispute is<br>pending |
|------------------------------|---------------------------------------|-----------------------------|---------------------------------------------|--------------------------------------|
| Income Tax Act,1961          | Demand Amount as per Order            | 11.09                       | AY 2009-10                                  | CIT(A)                               |
| Income Tax Act,1961          | Demand Amount as per Order            | 24.65                       | AY 2010-11                                  | CIT(A)                               |
| Income Tax Act,1961          | Demand Amount as per Order            | 37.00                       | AY 2011-12                                  | CIT(A)                               |
| The Punjab Vat Act,2005      | Sale tax, Penalty & Interest          | 31.94                       | April 2006 to<br>March 2007                 | Supreme Court                        |
| Jammu Vat Act                | Sale tax, Penalty & Interest          | 4.16                        | April 2012 to<br>March 2013                 | ETC (Appeal)                         |
| The Custom Act, 1962         | Differential CD                       | 23.06                       | 2012-13                                     | CESTAT ,<br>Ahemdabad                |
| The Central Excise Act, 1944 | Penalty under Excise Rules            | 8.10                        | 2009-10                                     | CESTAT ,<br>Chandigarh               |
| The Central Excise Act, 1944 | Interest & Penalty under Excise Rules | 4.70                        | 2007-08                                     | CESTAT ,<br>Chandigarh               |
| The Central Excise Act, 1944 | Disallowed Self Credit Refund         | 6.00                        | 2005-10                                     | CESTAT ,<br>Chandigarh               |

- (viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to the financial institution, bank or debenture holders. The details of such default are as follows:

| Particulars                                   | Amount<br>of default<br>as at 31 <sup>st</sup><br>March,<br>2016 | Period of<br>default | Remarks, if any                                                              |
|-----------------------------------------------|------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------|
| i) Name of the lenders<br>in case of:         |                                                                  |                      |                                                                              |
| <b>Financial Institution:</b>                 |                                                                  |                      |                                                                              |
| 1.DEG                                         | 2009.32                                                          | More than 1 year     | -                                                                            |
| 2.Technology<br>Deveipment Board              | 334.00                                                           | More than 2 year     | -                                                                            |
| 3.IFCI Limited                                | 159.40                                                           | N.A                  | Entire Loan Portfolio<br>transferred to ARC. Hence<br>period of default N.A. |
| 4.Mahindra & Mahindra<br>Finance Services Ltd | 2450.00                                                          | More than 2 year     | -                                                                            |
| <b>Banks:</b>                                 |                                                                  |                      |                                                                              |
| 1.State Bank Of India                         | 661.68                                                           | More than 2 year     | -                                                                            |
| 2.Canara Bank                                 | 180.48                                                           | More than 2 year     | -                                                                            |
| 3.Central Bank Of<br>India                    | 407.92                                                           | N.A                  | Entire Loan Portfolio<br>transferred to ARC. Hence<br>period of default N.A. |
| 4.State Bank Of Patiala                       | 97.60                                                            | 1Month               | -                                                                            |
| 5.Exim Bank                                   | 375.29                                                           | 2 Years              | -                                                                            |
| 6.State Bank Of<br>Hyderabad                  | 295.52                                                           | N.A                  | Entire Loan Portfolio<br>transferred to ARC. Hence                           |

|                             |         |                  |                                                                        |
|-----------------------------|---------|------------------|------------------------------------------------------------------------|
|                             |         |                  | period of default N.A.                                                 |
| 7.SIDBI                     | 63.00   | More than 1 Year | -                                                                      |
| 8.Bank Of Baroda            | 3979.97 | 1 Year           | -                                                                      |
| 9.Allahabad Bank            | 194.08  | N.A              | Entire Loan Portfolio transferred to ARC. Hence period of default N.A. |
| 10.Catholic Syrian Bank     | 1304.88 | N.A              | Entire Loan Portfolio transferred to ARC. Hence period of default N.A. |
| 11.State Bank Of Travancore | 471.63  | N.A              | Entire Loan Portfolio transferred to ARC. Hence period of default N.A. |

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and 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) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided the following amounts for managerial remuneration which is in excess of the amount as mandated under section 197 read with Schedule V to the Act.

| Payment made to: Director/ WTD/ MD/ Manager | Amount paid/ provided in excess of the limits prescribed | Amount due for recovery as at 31s March, 2016 | Steps taken to secure the recovery of the amount                              | Remarks, if any                             |
|---------------------------------------------|----------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------|
| 407.63 Lacs                                 | 120.00 Lacs                                              | Nil                                           | The company has applied to the Central Government for the requisite approval. | Approval is still pending as on 31.03.2016. |

- (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.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) 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 JAIN & ASSOCIATES**

Chartered Accountants

(Regd No.:001361N)

*S.C. Pathak*

**S.C.Pathak**

**Partner**

Membership No.: 010194

Place of Signature: Chandigarh

Date: 25.05.2016

**"Annexure B" to the Independent Auditor's 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 March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

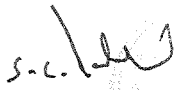
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For JAIN & ASSOCIATES**

Chartered Accountants  
(Regd No.:001361N)

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

Membership No.: 010194

Place of Signature: Chandigarh

Date: 25.05.2016

**Consolidated Independent Auditors' Report**

The Members,  
Ind-Swift Laboratories Limited,  
Chandigarh

**Report on the Financial Statements**

1. We have audited the accompanying Consolidated financial statements of M/s 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") its associates, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

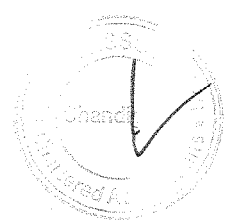
### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and



appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## **Emphasis of Matters**

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

- a) The Provisions of the Companies Act, 1956 (Further amended to Companies act 2013), where the company has got its fixed Deposit Scheme restructured vide order No. C.P 27/01/2013, dated 30.09.2013 of Company Law Board. The Company has been granted extension of time of repayment of those deposits. Few of the FD holders have however approached the courts for the repayment of their Fixed Deposits (Refer Note. No. IV of Financial Statements).
- b) Refer Note No. III of Financial Statements in regard to Following:
  - Four members of the CDR banks and one member of the Non CDR banks have transferred their entire Loan Portfolio to their respective Assets Reconstruction Companies.
  - Four members of CDR banks and one member of Non CDR banks/Financial Institution have declared the accounts of the company as NPA.
- c) Regarding payment of Managerial Remuneration of Rs.407.63 Lacs for the financial year ended march 2016, which is in excess of the limits specified by the relevant provisions of the Companies Act, 2013, by Rs.120.00Lacs. The company has filled necessary application to Central Government which is pending approval as on date. Pending the ultimate outcome of the above said matter which is presently unascertainable, no adjustments have been recorded in the statement (Refer Note No. XIV of Financial Statements).
- d) Regarding decrease in Revaluation Reserve by Rs. 18.78 Crores on account of Revaluation of Land of Derabassi unit during the year (Refer Note No. V of Financial Statements).

## **Other Matters**



- a) The financial statements / financial information of Ind Swift Laboratories Inc (100% Subsidiary) have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated 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) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- b) The financial statements / financial information of Meteoric Lifesciences Pte Ltd (100% Subsidiary) and Fortune (India) Constructions Ltd( Its Associates) are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
- c) The Company has not included Ind-Swift Middle East FZE (100% Subsidiary) for Consolidation of Accounts as the company is not yet in operations.

Our opinion on the consolidated 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 / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate companies, we give in the Annexure 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, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

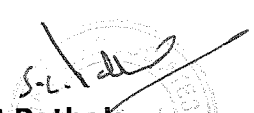


- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on its financial position in its financial statements – Refer Note XVIII to the consolidated financial statements;
  - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associates companies.

**For JAIN & ASSOCIATES**

Chartered Accountants

(Regd No.:001361N)

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

Membership No.: 010194

Place of Signature: Chandigarh

Date: 25.05.2016