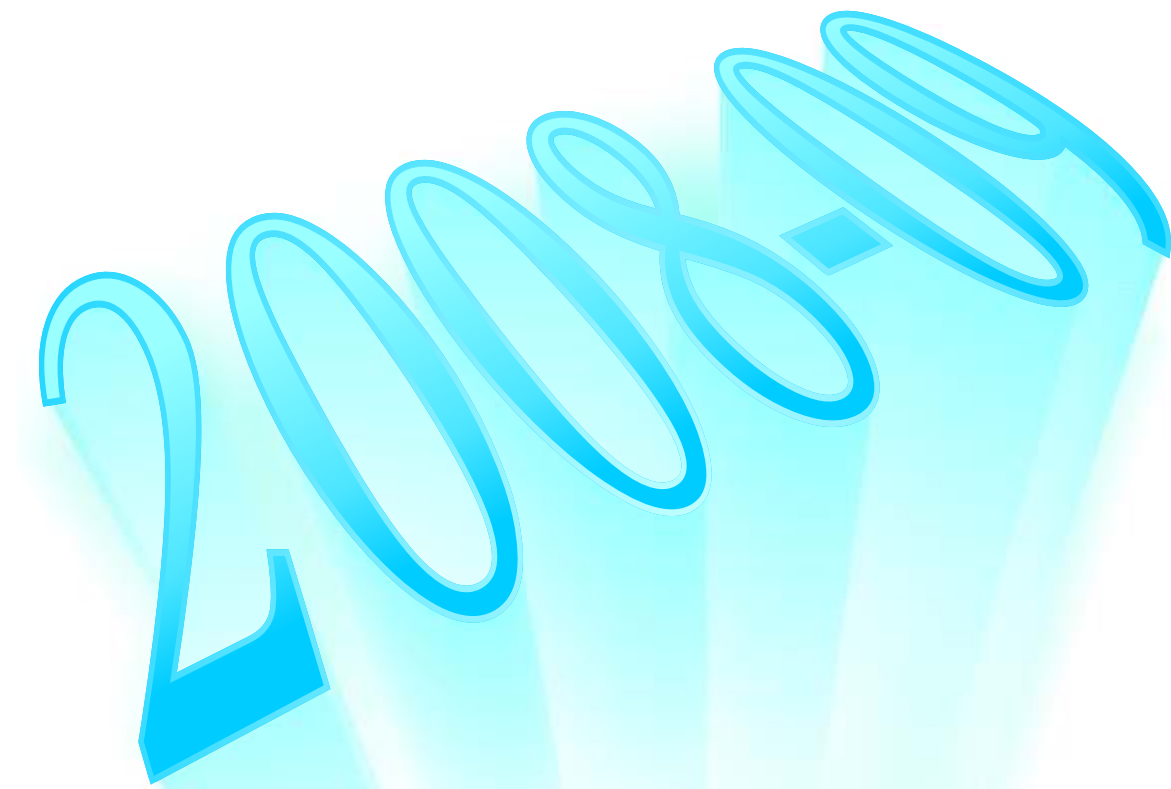


annual report

2008 - 2009



annual report
2008-2009

Ind-Swift Laboratories Ltd.
SCO 850, NAC Manimajra, Chandigarh-160101
www.indswiftlabs.com



Ind-Swift

Ind-Swift Laboratories Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

S.R. Mehta	Chairman
N.R. Munjal	Vice-Chairman
V.K.Mehta	Managing Director
Dr. V.R. Mehta	Director
Dr. G. Munjal	Director
Himanshu Jain	Director
Dr. J.K.Kakkar	Director
Dr S.D Nanda	Director
K.M.S. Nambiar	Director
Dr. H.P.S. Chawla	Director
Dr. N.D. Aggarwal	Director
S.P. Sharma	Director (Nominee IFC) (appointed w.e.f. 31.08.2009)

EXECUTIVE BOARD

Dr. Lalit K. Wadhwa
N.K. Bansal
Vijay Kumar
Vikas Narendra
R.S. Dhaliwal
Subodh Gupta
G.K. Sharma

COMPANY SECRETARY & COMPLIANCE OFFICER

Pardeep Verma

COMMITTEES OF THE BOARD

Audit Committee	
K.M.S. Nambiar	Chairman
Dr. J.K. Kakkar	Member
Dr. S. D. Nanda	Member
S.R. Mehta	Member
Remuneration Committee	
K.M.S. Nambiar	Chairman
Dr. S. D. Nanda	Member
S.R. Mehta	Member
N.R. Munjal	Permanent Invitee
V.K. Mehta	Permanent Invitee
Share Transfer & Shareholder/Investor Grievance Committee	
K.M.S. Nambiar	Chairman
Dr. J.K.Kakkar	Member
S.R. Mehta	Member
N.R. Munjal	Member
Compensation Committee	
Dr. J.K. Kakkar	Chairman
K.M.S. Nambiar	Member
Dr. S. D. Nanda	Member
N.R. Munjal	Member
V.K. Mehta	Member

SOLICITORS

P.K. Goklaney & Company
Advocate & Solicitors
38, Sector 16-A,
Chandigarh- 160015

AUDITORS

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

BANKERS

State Bank of India
Specialized Commercial Branch,
SCO: 103-106, Sector 17 B,
Chandigarh - 160 017

Bank of India
Bank Square,
SCO: 81-93, Sector 17-B
Chandigarh-160 017

State Bank of Patiala
Commercial Branch,
SCO: 103-107, Sector- 8 C
Chandigarh

REGISTERED OFFICE
S.C.O: 850, Shivalik Enclave, NAC,
Manimajra, Chandigarh-160 101
Tele: - 91-172-2730503, 2730920
Fax: - 91-172-2730504, 2736294

SHARE DEPARTMENT
S.C.O: 850, Shivalik Enclave, NAC,
Manimajra, Chandigarh-160 101
Tele: - 91-172-2730503, 2730920
Fax: - 91-172-2730504, 2736294
Email: investor.relations@indswiftilabs.com
Website: www.indswiftilabs.com

website: www.indswiftilabs.com

NOTICE OF 14th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **14th Annual General Meeting** of the Members of Ind-Swift Laboratories Limited will be held on 24th September, 2009 at 10.15 A.M. at PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh-160 031 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Profit and Loss Account for the year ended 31st March, 2009, the Balance sheet as on that date and to receive, consider and adopt the Directors' and Auditors' Reports thereupon.
2. To declare dividend on equity shares for the year ending 31st March, 2009.
3. To appoint Director in place of Dr. G. Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Sh. S.R. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Dr. S.D. Nanda, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions, if any of the Companies Act, 1956, Jain & Associates, Chartered Accountants, the retiring auditors of the Company be and is hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of this meeting upto the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the financial year 2009-10 at a remuneration to be decided by the Board of directors.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**
"RESOLVED THAT Sh. H.P.S. Chawla who was appointed as an Additional Director by the Board of Directors on 24th March, 2009, in accordance with the Article 94 of Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, upto this Annual General meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**
"RESOLVED THAT Dr. Naranjan D. Aggarwal who was appointed as an Additional Director by the Board of Directors on 24th March, 2009, in accordance with the Article 94 of Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, upto this Annual General meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."
9. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**
"RESOLVED THAT Mr. Sri Parkash Sharma who was appointed as an Additional Director by the Board of Directors on 31st August, 2009, in accordance with the Article 94 of Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, upto this Annual General meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company not liable to retire by rotation."

10. To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and also in modification of Special Resolution passed at the Annual General Meeting of the Company held on 26th September, 2008 and subject to such approvals as may be required, the consent of the Company be and is hereby accorded to modification in the terms and remuneration of Mr. N.R. Munjal, Vice-Chairman of the Company with effect from 1st April, 2009 till the balance tenure of his service as recommended by the Board of Directors at its meeting held on 31st August, 2009 and set out in the explanatory statement attached hereto with liberty and authority to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and remuneration from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree to such modification and/ or variation as may be suggested by any authority while granting its approval."

11. To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and also in modification of Special Resolution passed at the Annual General Meeting of the Company held on 26th September, 2008 and subject to such approvals as may be required, the consent of the Company be and is hereby accorded to modification in the terms and remuneration of Mr. V.K. Mehta, Managing Director of the Company with effect from 1st April, 2009 till the balance tenure of his service as recommended by the Board of Directors at its meeting held on 31st August, 2009 and set out in the explanatory statement attached hereto with liberty and authority to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and remuneration from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree to such modification and/ or variation as may be suggested by any authority while granting its approval."

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

"RESOLVED THAT in supersession of the resolution authorising the board to mortgage the property of the Company passed at the Annual General Meeting of the company held on September 28, 2005 and pursuant to the provisions of section 293(1)(a) and all other applicable provisions, if any, of the companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the company for mortgaging and/or charging, from time to time and on such terms and conditions as it may think fit, the whole or substantially the whole of the Company's undertakings or any one or more of them including present and future properties whether movable or immovable comprised in such undertakings, as the case may be, together with the power to take over the management of the business of the Company in certain events for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/banks, insurance companies or person or persons, and/or to secure any debentures issued or that may be issued and all interests, compound/additional interests, commitment charges, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders within the overall limit of Rs.1000 crores (Rupees One Thousand crores),

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above Resolution."

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

"RESOLVED THAT, in supersession of Resolution for borrowing powers passed at the Annual General Meeting of the company held on September 28, 2005 and pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors to borrow any sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate or financial institutions, whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or

otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.1000 crores (Rupees One Thousand crores) exclusive of interest.

RESOLVED FURTHER THAT the board of directors be and is hereby further authorised to execute such deeds of mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the board of directors may think fit."

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

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/ rules/ guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI"), Stock Exchanges, Foreign Investment Promotion Board (hereinafter referred to as "FIPB"), Secretariat for Industrial Assistance (hereinafter referred to as "SIA"), Government of India, Reserve Bank of India (hereinafter referred to as "RBI"), Foreign Exchange Management Act, 1999 (hereinafter referred to as "FEMA") and subject to such conditions and modification as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/ or sanctions (hereinafter singly or collectively referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) consisting of one or more members of the Board and/or one or more officials of the Company appointed by the Board in this behalf which the Board may constitute to exercise power of the Board), the consent of the company be and is hereby accorded to, offer, issue and allot up to 30,00,000 Zero Coupon Convertible Warrants (2009 series) (hereinafter referred to as "Warrants") at such price being not less than the price determined in accordance with the pricing formula given in the SEBI (DIP) guidelines for preferential issues based on relevant date i.e. 24.08.2009 on a preferential basis in one or more tranches on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other persons who at the date of offer are holders of the equity shares; each Warrant entitling the holder thereof to apply and be allotted one fully paid-up equity share of Rs.10/- each, at any time not exceeding eighteen months from the date of allotment of the Warrants in accordance with the SEBI (DIP) Guidelines and other relevant authorities as may be applicable such that the total number of equity shares to be issued by the Company upon conversion of the Warrants do not exceed 30,00,000 equity shares of Rs.10/-each on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment to the following Promoters Group Company.

Name of Allottee	No. of Warrants
Ind-Swift Limited	30,00,000

RESOLVED FURTHER THAT the issue of warrants, if any, as above, shall be subject to the following terms and conditions:

- The Warrants shall be convertible (at the sole option of the Warrant holders) at any time within a period of 18 months from the date of allotment of Warrants;
- Each Warrant shall be convertible into one equity share of Rs.10/- each, of the Company'
- The Warrant holder(s) shall, on the date of allotment, pay an amount equivalent of 25% of the price fixed per Warrant:

- The warrant holder(s) shall, on the date of conversion, pay the balance 75% of the consideration towards the subscription to each equity share;
- The amount referred to in (3) above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of warrants.
- The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI guidelines, for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity shares as may be required to be issued and allotted upon conversion of the warrants and that the said equity shares shall be subject to the Memorandum and Articles of Association of the company and shall rank pari-passu with the existing Equity shares of the Company.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of Securities as aforesaid.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of director(s) or any other officer or officers of the company and to do all such acts, matters, things and deeds and to take all such steps and do all such things and give all such directions as the Board may consider necessary, expedient or desirable and also to settle any questions or difficulties or doubts that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as the Board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard."

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- The dividend as recommended by the board of directors, if declared at this Annual General Meeting will be paid to those members whose names stand registered in the Register of Members as on Monday, 21st September, 2009 and in respect of shares held in electronic form, the beneficial owners of the shares by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 21st September, 2009 and dividend warrants will be dispatched before 23rd October, 2009.
- The Register of members and the Share Transfer Books of the Company will remain closed from Monday, 21st September, 2009 to Wednesday 23rd September, 2009 (both days inclusive) pursuant to provisions of section 154 of the Companies Act, 1956 and clauses of listing agreement entered into with Stock exchanges.
- Members holding shares in physical form are requested to notify/send any change in their address/mandate/ bank details and particulars of their account in case the same have not been sent earlier to the Company's Registrar and Transfer Agent to facilitate better services. Such members, if desired of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit details to the Registrar & Transfer Agents of the company, in the prescribed Form 2B for this purpose.
- Members holding shares in electronic form are advised that address/bank details as furnished to the company by the respective Depositories viz CDSL & NSDL, will be printed on dividend warrant. Members are requested to inform the concerned Depository Participant of any change in address, dividend mandate etc.

6. Members desirous of having any information as regards accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready.
7. Members are requested to bring their copies of the Report to the meeting, as no further copies would be made available.

Place : Chandigarh
Date : 31.08.2009

By Order of the Board

**PARDEEP VERMA
COMPANY SECRETARY**

Registered Office:
SCO – 850, Shivalik Enclave,
NAC, Manimajra,
Chandigarh

Annexure to Notice

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

Item No. 7, 8 & 9

Dr. H.P.S. Chawla and Dr.Naranjan D. Aggarwal were appointed as Additional (Independent) Directors of the company with effect from 24th March, 2009 and Sh. S.P.Sharma were appointed as additional director w.e.f. 31.08.2009 and pursuant to Section 260 of the Companies Act, 1956, vacates their seat at this Annual General Meeting. All the 3 appointee have filed their consent to act as director of the Company. Moreover, the Company has received notice(s) pursuant to Section 257 of the Companies Act, 1956 signifying the intention to propose the above Director's appointment in the forthcoming Annual General Meeting.

Their brief resume, nature of expertise in specific functional area and name of the other Companies in which they hold Directorships and/or are members of their Committees, are detailed out in the Corporate Governance Report. Additionally Sh. S.P.Sharma is Nominee Director of IFCL appointed pursuant to the loan agreement signed by the Company with the IFCL. Sh. S.P.Sharma is 54 years of age and does not hold directorship in any other Company.

The Board considers that the Company would be benefited by their rich experience and guidance.

The Directors, therefore, recommends, the respective resolutions for the approval of the members.

None of the directors, except the respective appointees, are concerned or interested in the proposed resolutions.

Item No. 10

Sh. N.R. Munjal was re-designated and re-appointed as the Vice-Chairman of the Company for a period of 5 (Five) years w.e.f. 1st April, 2008

In view of the increase in responsibilities and increase in level of activities of the company and in recognition of the Excellent Services being rendered by Sh. N.R. Munjal, the Board has in its meeting held on 31st August, 2009 approved the payment of commission in addition to the salary being already paid to him for the remainder of his term subject to the approval by the shareholders.

In view of the said changes in the remuneration of Sh. N.R. Munjal it is proposed to the members to approve the change in remuneration w.e.f. 01.04.2009 on the terms and conditions as follows.

REMUNERATION

- a. Salary Minimum Rs. 7,50,000/- per month subject to the maximum of Rs.25,00,000/- per month with liberty to the Board to review and set the level from time to time.

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

B. OTHER TERMS

1. The Director shall not be paid any sitting fee for attending the meetings of the board of directors or Committees thereof.
2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the company without the prior approval of the Central Government.
3. The remuneration payable to all the Directors on the Board (including the above said Director) during any year, shall not exceed the amount as may be payable as per the limits prescribed under Section 198 and 309 of the Act and in case the aggregate of the total remuneration payable to all the Directors exceeds the above limits, the amount payable to all the Managing Director / Whole-time Directors (including the above said Director) shall be reduced to the amount permissible as per the said limits and in such event the remuneration payable to such Directors shall be reduced proportionately unless otherwise decided by the Board of Directors.
4. Minimum Remuneration – In the event of loss or inadequacy of profits the company will pay remuneration by way of the salary and perquisites as specified above subject to the restrictions set out in Section II of Part II of the Schedule XIII of the Act, or any other law or enactment for the time being or from time to time in force.
5. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Whole-time Director may be terminated by either party by giving six months' notice in writing, of such termination.
6. If, at any time, Shri N.R. Munjal ceases to be the director of the company for any causes whatsoever, his office as Whole-time Director shall forthwith be terminated.

In case of Inadequacy of profits / loss in any financial year(s) the above remuneration will be paid as minimum remuneration.

The notice and explanatory statement may be treated as an abstract of the terms of payment of remuneration to Sh. N.R. Munjal as required to be circulated under Section 302 of the Companies Act, 1956.

Item No. 11

Sh. V.K.Mehta was re-designated and re-appointed as the Managing Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2008

In view of the increase in responsibilities and increase in level of activities of the company and in recognition of the Excellent Services being rendered by Sh. V.K.Mehta, the Board has in its meeting held on 31st August, 2009 approved the payment of commission in addition to the salary being already paid to him for the remainder of his term subject to the approval by the shareholders.

In view of the said changes in the remuneration of Sh. V.K.Mehta it is proposed to the members to approve the change in remuneration w.e.f. 01.04.2009 on the terms and conditions as follows.

REMUNERATION

- a. Salary Minimum Rs. 7,50,000/- per month subject to the maximum of Rs.25,00,000/- per month with liberty to the Board to review and set the level from time to time.
- b. Commission at the rate 3% of net profit of the Company, payable quarterly or as may be decided by the board from time to time.
- c. Perquisites and allowances.
 1. Fully furnished rent free accommodation/ House.
 2. Medical Reimbursement – Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges for self and family.
 3. Leave Travel Assistance – Once a year for self & family as per rules of the Company.
 4. Insurance – Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
 5. Club fees – Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
 6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund – As per rules of the Company.
 7. Gratuity – Upto half a month's salary for each completed year of service.
 8. Leave encashment – As per rules of the Company but not exceeding one month's leave for every 11 months of service
 9. Conveyance – The Company shall provide one fully insured cars with driver and reimbursement of the operational expenses.
 10. Telephone, Telefax and other communication facilities.
 11. Security – The Company shall provide for round the clock security at the Director's residence.

B. OTHER TERMS

1. The Director shall not be paid any sitting fee for attending the meetings of the board of directors or Committees thereof.
2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the company without the prior approval of the Central Government.
3. The remuneration payable to all the Directors on the Board (including the above said Director) during any year, shall not exceed the amount as may be payable as per the limits prescribed under Section 198 and 309 of the Act and in case the aggregate of the total remuneration payable to all the Directors exceeds the above limits, the amount payable to all the Managing /Joint Managing Director / Whole-time Directors (including the above said Director) shall be reduced to the amount permissible as per the said limits and in such event the remuneration payable to such Directors shall be reduced proportionately unless otherwise decided by the Board of Directors.
4. Minimum Remuneration – In the event of loss or inadequacy of profits the company will pay remuneration by way of the salary and perquisites as specified above subject to the restrictions set out in Section II of Part II of the Schedule XIII of the Act, or any other law or enactment for the time being or from time to time in force.

5. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Whole-time Director may be terminated by either party by giving six months' notice in writing, of such termination.
6. If, at any time, Shri V.K.Mehta ceases to be the director of the company for any causes whatsoever, his office as Whole-time Director shall forthwith be terminated.
In case of Inadequacy of profits / loss in any financial year(s) the above remuneration will be paid as minimum remuneration.
The notice and explanatory statement may be treated as an abstract of the terms of payment of remuneration to Sh. V.K.Mehta as required to be circulated under Section 302 of the Companies Act, 1956.

Item No. 12 & 13

The members had in the Annual General Meeting held on September 28, 2005 as per the provisions of the section 293(1)(d) of the companies Act, 1956, empowered the Board to borrow any sum of money upto a sum of Rupees 500 crores. However, in view of the increased operations of the Company and the additional funds requirement of the Company in the future, the Board of Directors of the Company feels that the limits be enhanced to Rupees 1000 crores so that the additional funds be raised easily.

As some of the borrowings of the Company are also required to be secured by an appropriate mortgage and charge on the assets of the Company and the documents to be executed with the lenders may contain the power to take over the management of the Company in certain events, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956, before the creation of the mortgages or charges.

None of the director is in any way concerned or interested in the above said resolution.

Item no 14

To finance the Capital Expansions and long term working capital requirements your company proposes to raise funds through preferential issue of upto 30,00,000 zero coupon convertible warrants as per the rules and regulation of SEBI, at a price which shall be over and above the minimum price determined as per the provisions of the SEBI guidelines of the Preferential Issue.

In case the securities that may be issued are in the form of equity shares and/or result in issue and allotment of equity shares on conversion of securities, the aggregate increase in the equity capital of your company shall be to the tune of around 3 crores.

In terms of Section 81 / 81(1A) of the Companies Act, 1956, approval of the shareholders of the company is being sought to issue and allot further shares in the share capital of the company to investors, whether or not the allottees are the existing shareholders of the company. Thus, consent of the members of the company, by way of a Special Resolution, is required for item enumerated at item no. 1.

We give below the disclosures which are required to be given in the explanatory statement to the notice of the Annual / Extra-ordinary General Meeting, as the case may be, in terms of clause 13.1A of the SEBI Guidelines for Preferential Issues (as amended from time to time) and as are in force on the date of this notice:

a) Objects of the issue:

The objects of the proposed issue of Zero Coupon Convertible Warrants (2008 Series), on private placement basis have already been discussed above.

b) Intention of the promoters, directors, their associates and relatives and key management personnel to subscribe to the offer:

The offer is exclusively meant for promoters, directors and/or their group companies. Out of the total issue, the shares / warrants are proposed to be allotted in the following manner:

Up to 30,00,000 Zero Coupon Warrants Optionally Convertible into Equity Shares to the promoters / directors of the company;

The allotment would not result in any change in the control or management of the affairs of the company or in the board of directors of the company. However there will be consequential change in the voting rights/ shareholding of the company.

c) Shareholding pattern before and after the offer:

Sr No.	Category	Pre-Issue		Post-Issue (upon full conversion of warrants)	
		No. of Share held	% age of shares held	No. of Share held	% age of shares held
A	Shareholding of Promoter and Promoter Group				
	Ind-Swift Limited	6499720	23.46	9499720	30.93
	Persons Acting in Concert	4363626	15.75	4363626	14.21
	Total Promoter Holding (i)	10863346	39.20	13863346	45.14
B	Non-Promoters Holding				
	Banks, Financial Institutions (Central /States Govt. Institution /Non Govt. Institutions)	67529	0.24	67529	0.22
	FIs	10200	0.04	10200	0.03
	Corporate Bodies	3871325	13.97	3871325	12.61
	Indian Public	12352927	44.58	12352927	40.23
	NRIs/OCBs	472310	1.70	472310	1.54
	Other	1100	0.00	1100	0.00
	Shares held by Custodians and against which depository receipts have been issued	71213	0.26	71213	0.23
Total Non Promoter Holding (ii)	16846604	60.80	16846604	54.86	
GRAND TOTAL (i) + (ii)	27709950	100.00	30709950	100.00	

d) Proposed time within which the allotment shall be complete:

The Board proposes to allot the Zero Coupon Optionally Convertible warrants into equity shares within a period of 15 days from the date of this Annual General Meeting.

As per SEBI guidelines, the warrant holders have the option to subscribe for one equity share of Rs.10/- each per warrant at such price being not less than the price determined in accordance with the pricing formula given in the SEBI (DIP) guidelines for preferential issues to be decided by the Board at any time within 18 months from the date of allotment of the warrants.

e) The identity of the proposed allottee and the percentage of post preferential issued capital that may be held by them:

The identity of the allottees of the warrants is as under:

M/s. Ind-Swift Limited is a body Corporate belonging to promoters group and 30,00,000 warrants will be issued to the promoters strictly in term of the SEBI Guidelines. The post preferential issued Capital to be held by Ind-Swift Limited will be 30.93%.

Name of Body Corporate	Proposed Allotment of Warrants
Ind-Swift Limited	30,00,000
Total	30,00,000

f) Pricing of the issue

The warrants will be priced at a price which shall be over and above the minimum pricing calculated on the basis of relevant date as on 24th August, 2009, which is the date 30 days prior to the date on which the Annual General Meeting is to be held, in terms of Section 81 (1A) of the Companies Act, 1956 to consider the proposed issue and is determined in accordance with Explanation (a) of Para 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

g) Conversion period

The warrant holders shall have the option of subscribing for one equity share of Rs.10/- each per warrant at a price to be decided by the Board, being the price determined in accordance with Explanation (a) of Para 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 on Preferential Issues, at any time within 18 months from the date of allotment of the warrants.

h) Terms of payment.

At least 25% of the total consideration shall be paid at the time of their allotment and the balance at or before the time of conversion. The said amount of 25% shall be forfeited if the option to acquire the shares is not exercised.

As required by the SEBI (Disclosure and Investor Protection) Guidelines, 2000 on Preferential Issues, a certificate from the Statutory Auditors, to the effect that the proposed allotment will be made in accordance with the said guidelines, will be placed at the meeting.

The Members are, therefore, requested to accord their approval to the proposed resolution set out at Item No. 1 by way of a Special Resolution.

The Directors of your company may be deemed to be concerned or interested to the extent of their shareholding & Directorships in the allottee Companies.

Place : Chandigarh

Date : 31.08.2009

By Order of the Board

Registered Office:

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

**PARDEEP VERMA
COMPANY SECRETARY**

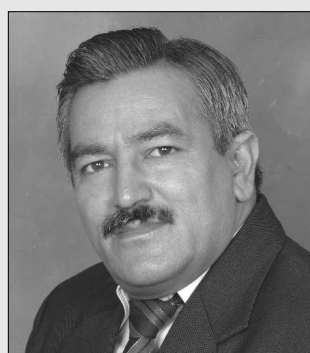
Details of Directors Seeking Re-appointment at the forthcoming Annual General Meeting of the Company (pursuant to clause 49 of the Listing Agreement with the Stock Exchanges).

Name of Director	Dr. G. Munjal	Sh. S.R. Mehta	Dr. S.D. Nanda
Date of Birth	01.08.1959	01.09.1956	08-09-1957
Date of Appointment	31.07.03	31.07.2003	30.08.2004
Expertise in specific functional Area	Marketing and Product development	Marketing	Banking Industry
Qualifications	Medical Graduate	Science Graduate	Doctorate in Law
Details of Share held	60900	233600	NIL
List Company in which outside Directorships held as on 31.03.2009 (excluding Private & Foreign Companies)	Ind-Swift Limited Essix Biosciences Ltd. Mansa Print & Publishers Limited	Ind-Swift Limited Essix Biosciences Ltd.	NIL
Chairman / Member of the Committees of other Company on which he is director as on 31.3.09	N.A.	N.A.	N.A.
Relationship inter-se between Directors	Related with Sh. N.R. Munjal, Vice-Chairman as Brother	Related with Sh. V.K. Mehta, Managing Director and Dr. V.R. Mehta, Director as Brother	NIL

From the V.C. & M.D's Desks



N.R. Munjal
Vice-Chairman



V.K. Mehta
Managing Director

Dear Shareowners,

We recorded a total of Rs. 588.14 Crores in revenues, a 29.25% growth over previous year's revenue of Rs. 455.04 Crores. The net profit of the Company also jumped from Rs.31.2 crores to 39.79 crores in 2008-09. With a top line growth of 29.25% and bottom line growth of 28.27% Ind-Swift is on the path of accelerated progress as our resolution to succeed and deliver on multiple fronts is gradually bringing our goals well within our reach.

In the coming fiscal 2009-2010 the benefits of the expansion we did in the past will begin to kick in. We are on course to capitalize on the significant opportunity that exists for our newly focused product portfolio, drive more costs out of the business and secure sustained profitability.

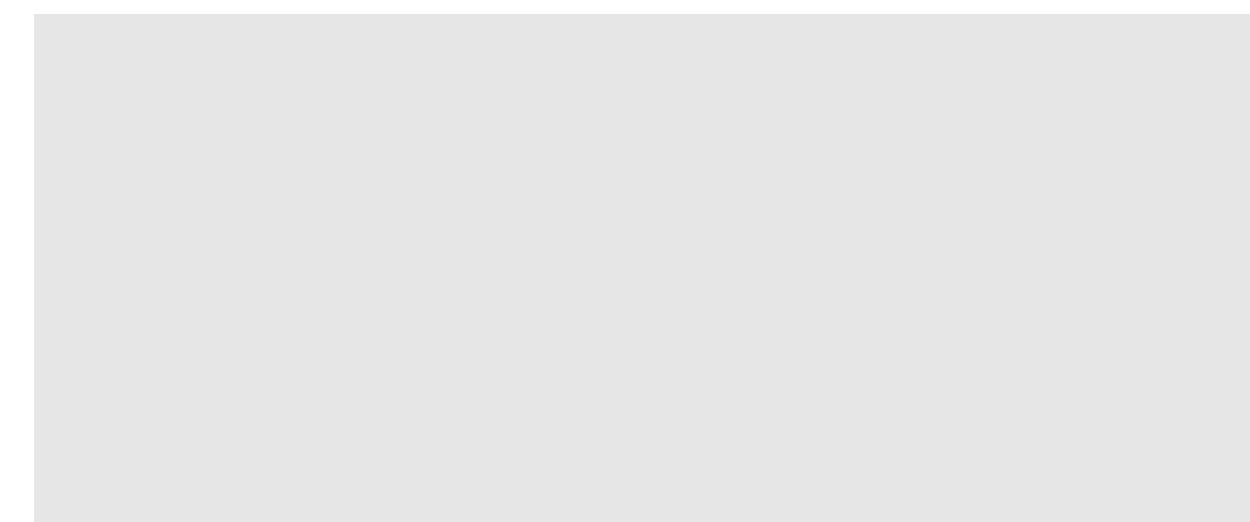
Today 9 out of the 18 plants of the Company are FDA compliant. We expect 3-4 USFDA approvals in next three years. During the year we launched new drugs like Cinacalcet, Duloxetine, Meclozamine citrate, Atomoxetine, Exemestane, Ezetimibe, pregabalin, Ranolazine, Telmisartan & Posaconazole. Accreditations and New products shall provide additional momentum to our growth.

Ind-Swift is fast evolving towards a business model that is focused on deep-rooting our domestic presence and simultaneously leveraging high-value mature regulated markets along with high growth emerging markets. We have raised the bar for ourselves and are working to be our customers' best supply chain partner. We improved our income stream, as well. While we at Ind-Swift have always been a research led manufacturer and added several products that have created a niche for themselves, we stepped up our focus to develop our contract research market and commenced working on joint research with leading institutions which will

develop the required skill sets for working for the MNCs. We see this business growing at an accelerated pace offering downstream benefits over the long-term.

Our core business of being a manufacturer of active pharmaceutical ingredients grew strongly, our people performed exceptionally well and we invested heavily in research and development to ensure an enduring future. While we have always been known for our expertise in handling complex chemistry and for our product quality, we enhanced the quality of service by executing on committed delivery time, transparency in operations and being flexible to customer needs. The development of complex APIs with global reach is one of the key building blocks that have earned us a distinct image in the marketplace. Going forward, we are determined to leverage our unique features to achieve higher growth rate, in-line with our corporate vision.

The strength of our products and services and our growing reputation are key to our future. We are building on them by focusing increasing amounts of energy and resources toward our marketing program. Our strategy is to effectively use every rupee and dollar, allocate the appropriate amount of marketing spend and achieve superior returns from such investment. The largest pharmaceutical market in the world, the US holds a prominent position in our regional portfolio. Replicating our success in the US, our eyes are now set on Japan which is second largest market after USA and Europe. With our creditable reputation established in the US market place, the Company is aptly geared up to ride on the opportunities presented by these markets. In this effort, over the last two years, the Company has completed a significant number of filings in the PAN European market and is



anticipating product launches upon patent expiry. We firmly believe that long-term business success is possible only through policies and practices that aim to create value while maintaining economic, social and environmental sustainability. Our commitment to environment is an integral part of our business plan. We believe that only by caring the nature and the people in our neighborhood that we can successfully realize our mission and our strategic goals in the long term.

Our growth will depend in the long-term on the depth and breadth of our research capabilities, on our pipeline of new products in various stages of development and on the improvements we have made for accelerating new launches. Today we operate in competitive demanding and dynamic markets, in which we need to distinguish ourselves through differentiated products. Our persistent efforts in nurturing and managing R&D Centre a centre for new ideas and innovations are enabling Ind-Swift to exhibit strong growth.

We shall strive to file atleast 50 DMFs in next three years and add at least 3-5 new products every year. We are looking only at those that make good business sense and that positions us well against competition in terms of higher levels of complexity, which very few can counter.

R&D continues to play a pivotal role in the Company's capability of commercializing new products. Its success in these markets has been truly innovation led. As an Indian Pharmaceutical Company, the Company's ability to enter into the most Advanced markets and capture sizeable market share is testimony to Ind-Swift's R&D, manufacturing and marketing expertise.

We plan to keep moving up the value chain, not only extending our global horizons, but also in terms of value added products. We envisage more innovation-led break through in the years to come.

For us, moving up the value chain extends beyond just encompassing new geographies, to getting recognized and established in those markets.

All this success comes about only when you have good people. With the high-quality senior management team that we have in place, we are confident of our capabilities to deliver all our stated goals. But the world never stands still. As we evolve as a more technological and global enterprise, we are seeking the best talent the world has to offer, setting our eyes for goods leaders beyond our own borders. Our overall people strength is also pivotal in meeting our goals. Every employee believes in the Company's Vision and contributes towards attaining it. We maintain a Corporate culture that encourages development, be it of molecules or people. It fosters teamwork and encourages respect for dedication, loyalty and above all performance.

Ind-Swift today is a well balanced, tightly managed, globally competitive organisation and will continue to profitably serve all stakeholders including patients, healthcare professionals, employees, business associates and shareholders. The Company is stronger today than it was at any time in the past, and we believe it has great potential for the future. We shall continue to foster value creation with renewed commitment and focus on long-term success to benefit our customers, employees and investors.

V.K. Mehta
Managing Director

N.R. Munjal
Vice-Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

According to IMS Health Inc., the global pharmaceutical market is forecast to cross U.S.\$ 1 trillion by 2013, at a compounded annual growth rate (CAGR) of 6% over the next five years. The forecast also predicts global pharmaceutical sales to expand to U.S.\$ 800 billion in 2009, compared to U.S.\$ 773 billion in 2008 - a projected growth of 2.5% to 3.5% on constant dollar basis. In 2008, global pharmaceutical sales showed a growth of 5% over the previous year.

In the US, market growth slowed down to 1%-2% (U.S.\$ 312 billion) in 2008 versus 4%-5% in 2007. Growth is forecasted by IMS Health Inc. to decline by 1%-2% in 2009. The slower growth in 2008 was on account of less than- expected demand for recently introduced products, as well as the economic climate - which appears to be having an impact on doctor visits and pharmaceutical sales. The other key factors impacting growth are leveling off of growth from Medicare Part D (program run by US government to subsidize the costs of prescription drugs for Medicare beneficiaries in the United States), high level of generic penetration in key therapeutic areas, new products struggling for traction in the market place and players as well as regulators increasing scrutiny on value of medicines.

Europe contributed U.S.\$ 247 billion to total pharmaceutical market in 2008 and showed a growth of 5%-6%. The top five markets (France, Germany, the UK, Italy and Spain) in Europe together grew at 4%-5% in 2008 - up from the 3%-4% growth witnessed in 2007. Going forward, these five markets are forecast to grow at 3%-4% in 2009. While these major countries are seeing increased demand from an ageing population and rising need for preventive care, growth is being affected by health technology assessments, the use of contracting by payers as a means of controlling costs and decentralization as well as cutbacks of government healthcare budgets. The sharpest fall in growth was in Japan: the market grew at 1%-2% in 2008, compared to 5%-6% in 2007.

Emerging markets, including China and India, grew by more than 12% in 2008, largely due to their expanding economies, increased affordability and broader access to healthcare. It is getting increasingly apparent that emerging markets will grow collectively at 13% to 16% up to 2013. The seven emerging markets (China, Brazil, India, South Korea, Mexico, Turkey and Russia) will contribute more than half of global market growth in 2009 and will contribute 40% to the global market growth from 2009 to 2013. China, which is currently the sixth-largest pharmaceutical market, will become the third largest by 2011.

The extent of the economic impact on each pharmaceutical market is influenced by the healthcare cost burden borne by patients and the short- and long-term policy responses that governments implement. While it is clear that the responses will be varied, it is difficult to exactly predict what these will be in each of the geographies.

Competitive pressures across the global pharmaceutical market have prompted industry players to continually modify their strategies in a bid to sustain revenue growth. While consolidation will continue, there is a growing trend for innovators to acquire or ally with generic companies as a new means of gaining entry to emerging markets dominated by branded generics.

Rapidly growing economies, increasing population, greater inclination and higher disposable income to spend on healthcare are driving the growth of pharmaceuticals in emerging markets. According to IMS, revenues from emerging markets by 2017 are forecasted between U.S.\$ 290 and U.S.\$ 320 billion, with a CAGR of 12% to 15%.

An additional \$24 billion of branded products - including antiepileptics, proton pump inhibitors and anti-virals - will lose their exclusivity in the top eight markets in 2009. This will contribute to generics sales of more than \$78 billion next year, implying a growth of something between 5% and 7%, which will be similar to what occurred in 2008. Increased use of generics is being driven by an ageing population in the mature markets, higher level of generics prescriptions written in the US, new government contracting initiatives and a distinctly pro-generics thrust in Europe.

Pharmaceutical products mainly prescribed by specialists are expected to contribute two-thirds of total market growth. Biologics are expected to grow at 11% to 12%; oncology products at 15% to 16%; and HIV therapies at 13% to 14%. In contrast, products generally prescribed by primary care physicians are expected to grow by 2% to 3%, due to the loss of patent exclusivity for several blockbusters and fewer significant product launches.

In 2009, growth across the leading European markets will be affected by payer actions, which include increased rebating and contracting in Germany, expansion of regional formularies in Italy, a 5% decrease in branded prices in the UK, a 10% price reduction on a number of brands in France and expansion of the reference pricing system in Spain. The impact of Health Technology Assessors will be felt in Germany by reimbursement limitations for drugs not determined to be cost effective. The UK pharmaceutical market may be affected by any policy change that allows patients to buy additional treatments not offered by the National Health Service. A number of events may occur in 2009 that also could have a long-term impact on the pharmaceutical market. These include: (i) the uptake of biosimilars in human growth hormones and erythropoietin in Europe; (ii) greater adoption of generics in Japan; (iii) use of contracting strategies across the EU; (iv) deregulation of the pharmacy sector in Europe; and (v) potential for significant healthcare policy changes in the US. Trends in India

The Indian pharmaceutical market continues to be highly fragmented and dominated by Indian companies. The Indian retail pharmaceutical market grew by 9.8% to Rs. 341 billion, with volumes contributing 1.5%, new products contributing 7.1% and price another 1.2%. Over the years, higher growth has been driven mainly by increased expenditure on healthcare, rising disposable income, growing penetration of health insurance, changing disease profile and regulatory reforms. In addition, the strong growth registered by the Indian economy over the last few years has also helped the domestic pharmaceutical market. On an overall basis, Indian companies outgrew the market at 11.9%, while MNCs registered a growth of 5.5%. Acute therapy dominates the market with a value contribution of over 75%. The chronic segment has registered a healthy growth of 21% versus 11% in the acute segment. In acute therapy, anti-infectives and gynecology have grown faster than the industry - with growth of 11% and 13% respectively. In the chronic therapy segment, the growth leaders have been cardiac and anti-diabetics - growing at 14% and 17% respectively. Brand building has been the key growth driver for 2008, with new product introductions reaching new heights. The top-300 brands account for more than one-third of the incremental value. The Indian pharmaceutical market is expected to grow at 11% to 12% per annum and be valued at U.S.\$ 20 billion by 2015. That will make India one of the world's top 10 pharmaceutical markets. Pharmaceutical companies will also continue to grow through acquisitions, joint ventures, leveraging low operational costs and outsourcing.

Internal Control Systems

Your company has an adequate system of internal controls which ensures that its assets are protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported in conformity with generally accepted accounting principles.

The internal control systems are documented with clearly defined authority limits. These systems are designed to ensure accuracy and reliability of accounting date, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically updated to meet current business requirements.

Segment wise performance

The company operates only in the pharmaceutical segment.

Material Developments in Human Resources/Industrial Relations

Key Human Resources (HR) initiatives have been built into the strategic plan of the company in order to attract, develop and create a talent pool capable of achieving the business objectives of the Company. Focused initiatives were undertaken to improve HR process tools and techniques. Company made significant efforts towards developing a high performance work culture and up gradation of talent and capabilities.

The number of employees as on 31st March, 2009 were 915.

Financial Performance with respect to Operational Performance

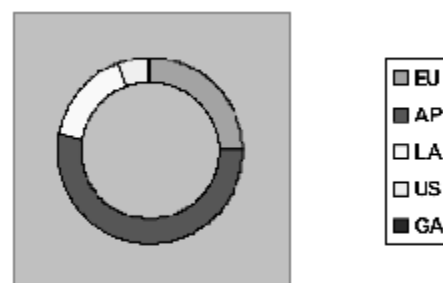
Revenues

The gross revenue increased from Rs.4524.26 Millions in 2007-08 to Rs.5927.42 Millions in 2008-09 recording a growth of 23.67% over the previous financial year. Revenue from Domestic sales increased from Rs.2760.30 Million to Rs.3760.76 Millions recording a growth of 36.24%. The revenue from exports grew by 22.83%, ie. from Rs.1763.96 Million in the previous year to Rs.2166.66 Million in the year 2008-09.

Domestic : The company has a wide product range in the API segment. It markets its products to a number of reputed Indian pharmaceutical finished dosage manufacturers. In the year under review the Company has grown through a combination of volume and value. The key reasons for the growth in the revenue for the current year are:

- **Increase in volumes from 359.73 Tonnes in 2007-08 to 711.24 Tonnes in 2008-09.**

Exports: Exports constitute about 36.83% of the company's gross sales. The company has presence in 50 countries-principally European countries, Asian Countries, Latin American countries and Middle East. It still leads the market in Turkey.



Composition of the export income

US Market

The commercial supplies to US crossed Rs. 100 million mark during the year. USA continues to be a major thrust area for the Company. This year the company has filed 4 additional US Drug master file (DMF) with USFDA. Also in the year 2008, ISL Inc. has started shipping commercial supply of Clarithromycin in North America and is planning to launch couple of more products in US immediately after expiry of their patent in coming year. Also the Company's three additional products are being actively reviewed by regulatory agencies. The Company is building its presence in the high value generic markets in North America and has entered into supply agreements with North American generic pharmaceutical companies.

Europe & Turkey

The business in European region progressed significantly during the year.

Cardiovascular Disease is the main cause of the disease burden - illness and death, in Europe (23% of all the disease burden). Cardiovascular disease is estimated to cost the EU economy €192 billion a year. The company has a clear focus on this therapeutic segment. During the year, the company underwent a successful European GMP Audit for 3 Active Pharmaceutical Ingredients which will be launched all over Europe in the years 2009, 2011 and 2014. Two such products are in cardiovascular segment.

Eastern Europe (mainly Slovenia, Greece, Poland, Bosnia) currently contribute major share of the company's business in Europe. This is on account of earlier patent expiries. Sales to these regions will consolidate further during the next year. The company established its local presence in Europe with an office in London, United Kingdom. The new marketing office will play an important role in strengthening the foundations laid over the past several years. The company now sells its Active Pharmaceutical Ingredients in more than 15 European countries. The customer base will gradually expand further with concerted efforts through the European office.

Even though the economies of the Eurozone are facing a testing time and demand for the booming states is gradually evaporating, the Pharmaceutical sector has till now remained secure from such scenarios. Sales to Europe have surpassed US\$ 13 Million mark during the year. The revenues are expected to grow more than 20% year after year in the region.

Asia Pacific (Excluding India)

The Asia Pacific region recorded sales of US \$ 11 mn with a growth of 24 %, major countries contributing to their growth were Korea, Thailand, Philippines, Bangladesh & Pakistan.

In 2007 Ministry of health announced plan to promote the use of Generic drugs in view of rising health cost. Generic companies in Japan are targeting a share of 12% by 2012 which is presently at a staggering 6.8%. This recent development in the Japan market has provided Generic companies and also API manufacturers with great opportunity to work with the Generic companies in Japan. In Japan the ISLL has been successful in developing the network for placing their API's and has been able to successfully place Clarithromycin USP. Foreign Manufacturers Accreditation is already granted & company has identified partners and are in process of filing 3 DMF's with MHLW. With the patent of products expiring in next 2-3 years, company expects enormous potential from this market. CRAMS is a part of the growth strategy for this market.

In Korea, ISLL has been able to tie up with the major generic players for Clarithromycin powder and granules and enjoys more than 80 % of the market share. With the market shifting to the regulated regime, ISLL has filed DMF's for 4 products and is in the process of filing for another 2 products in 2009-10 which would further consolidate the position in the market.

In markets like Bangladesh and Pakistan, ISLL enjoys a major market share of their products and is the established supplier of API'S from India. The customer coverage in these markets has been exceptional & ISLL continues to consolidate on its leadership position.

Thailand and Philippines are the markets where the company has been able to add more products & customers for our existing range.

The Company is now focusing on China for the API sales and have identified many products which have great potential in China and have started the process of seeking IDL's for such identified products.

Latin America

According to ECLAC, the international crisis is impacting Latin America and the Caribbean through two main channels: the real and financial ones.

In the real economy, exports have started declining, especially in countries most linked to developed economies in recession, such as Mexico and few Central American nations. The drop in the price of basic products, particularly fuel, metals, and food, will affect the terms of trade in the region.

As for the financial channel, external financing, both for private companies as well as for sovereign debts, has become more expensive, and availability of credit has been severely restricted. Both effects have already led to a strong depreciation of local currencies in several countries, which, although positive in terms of competitiveness, also upsets the balance sheets of those indebted in dollars and restrains inflation from lowering further.

Thus during the year 2008-2009, the Company took a very cautious approach in its activities and had restricted with its existing customer base thereby reducing the risk in the market. The market showed an overall growth of 9%. Brazil and Mexico clocked noteworthy performance leading the sales in this region. Markets of Argentina, Colombia and Chile also showed an upward growth trend.

MIDDLE EAST (Iran, Jordan, Egypt, Syria and UAE)

Business in the Middle East region has been growing at a reasonable rate over the last few years. Annual combined sales of the above mentioned markets in the financial year has been USD 3.41 Million, gaining momentum and growth of 20%.

Company's JV operations in Iran under the name of Hackim Farayand Chemie Co. has been growing at a steady speed with 16% growth in revenue.

Middle East is a focus area for the company and there is high growth potential in these markets. Company has identified and targeting therapeutic segments like Cardio Vascular, Macrolide Antibiotics, Antihistamine, Antidepressant, Antipsychotic and Alzheimer's Disease for substantial growth and for greater market presence and share in all the markets, as these segments are growing rapidly in the region.

Domestic Operations

The company during the year has consolidated its position and has emerged as one of the top reliable suppliers of APIs to many reputed Indian Pharmaceutical finished dosage manufacturers.

The company has increased its range of APIs in the Domestic market with the successful introduction of new products like Ivabradine and Cinacalcet for which Ind-Swift is the first and only company to launch the products in the Indian Market.

Despite the Global economic slow down, the revenue has increased (API & finished dosage formulations) in excess of 30 % over last year which has led to covering large/mid sized and small pharmaceutical companies. Key reasons for the growth are:

1. Increase in reach to the market with the no. of customers catered to, going up.
2. Increase in revenue owing to the successful and timely introduction of new products.

Key products like Clarithromycin, Atorvastatin, Clopidogrel, Fexofenadine have grown by over 50 %.

Phyto Chemical

Mentha Arvensis is the plant from which Mentha Oil is steam distilled and is the source for Menthol, Peppermint oil and other mint derivatives widely used in Health care, Flavor, Perfumery, confectionary, cosmetics industry in a big way. 95% world requirement of Mentha oil is produced in India. Major areas of cultivation for Mentha Arvensis and two other variants Mentha Piperita and Mentha Spicata, which produce Piperita Oil and Spearmint oil are UP & Punjab and to a small extent in Bihar and HP.

Owing to close proximity to source of Raw Material and need for quality oriented, technically sound and organized sector, Ind-Swift entered into this widely used Phyto-chemical Business in 2008.

In a short span of time, we could achieve religious certificates like Kosher and Halal, Quality certification from HACCP and could register with USFDA Bioterrorism preparedness and response Act of 2002. Menthol and derivatives are also pre-registered with REACH (Registration, Evaluation and Authorization of Chemicals) in Europe.

Menthol production facility is located in Dera Bassi, Bulk drug facility which has USFDA and several European and Australian approvals for API's. The facility has WHO GMP and ISO Certifications.

With RIGHT QUALITY and DOCUMENTATION as our USP, we could successfully market our products in Europe, USA, China, Japan apart from wide spread users in INDIA.



Ind-Swift's Mint Brand IND-COOL is gaining popularity as a quality brand which is a proof of repeated orders from existing customers and Pool of visitors from overseas markets.

The facility is undergoing expansion to add more value added mint derivatives in the product basket and to become a one stop shop for Mint products and Derivatives

Expenses break-up (as percentage to total income)

Particulars	2008-09	2007-08
Material Cost	66.95	67.38
Power	2.22	2.22
Other manufacturing expenses	3.94	3.53
Administration and selling expenses	3.50	4.15
R & D Expenses	0.84	0.81
Operating profit	22.35	21.93

Materials consumed

The cost of materials consumed during the year has increased during the year by 37.12% over the previous financial year mainly due to increase of the prices of the key raw materials. The company procures its material inputs from domestic and international sources. More than 25% of the raw materials and intermediates are sourced from Chinese pharmaceutical companies. For this purpose, the company had set up an office in China, which enables the company to procure quality material. In addition, the company also sources material from the US and other European countries.

Power Costs

Power costs during the year have increased by 22.74% in 2008-09 over the previous year, largely due to increase in tariff by the Electricity Boards and increase in cost of the other petroleum products. However, the company has taken a number of initiatives during the year to reduce its power costs:

- Replaced the Process Cooling Tower Pump with 97 m³ to 144 m³ thus reduction in running hours of Chilling Compressors

- Improved the power factor of electrical system up to 0.97. Thus reduced losses in distribution system.
- Use Separate Cooling Tower for SRP and reduce the Chilled Water Compressor running hours.
- Optimizing of solvent distillation process to reduce energy consumption by 10%
- Replaced the Chilled Water Supply Pumps with 30 hp to 20 hp
- Replaced the Boiler ID Fan Motor with 20hp to 15 hp

Personnel costs

The Personnel cost increased by 26.16% to Rs. 142.70 Million. The total number of employees at the end of the year stands at 915. Increase in personnel cost was mainly due to recruitment of new staff for the new units and increase in R & D strength. The wage increase is attributed to the annual wage revision for all the employees of the Company. Capacity utilization has not fallen below 80% over the last five years.

Research and Development expenses

The total expenditure towards R&D have increased by 30.90% over previous year.

(Rs. In Millions)			
		2008-09	2007-08
a.	Capital	25.30	24.43
b.	Revenue	753.41	422.52
	Total	759.02	446.95
c.	Total R&D expenditure as percentage of total turnover	13.04	10.06
d.	Turnover	51818.79	4444.95

The increase in R&D expenditure is mainly on account of the increase in the research activity towards the development of new drugs, preparation and filing of DMFs and patents in India and abroad.

The number of the DMFs filed increased to 219 in 2008-2009. The number of patents filed during the year also increased to 123 as on July, 2009.

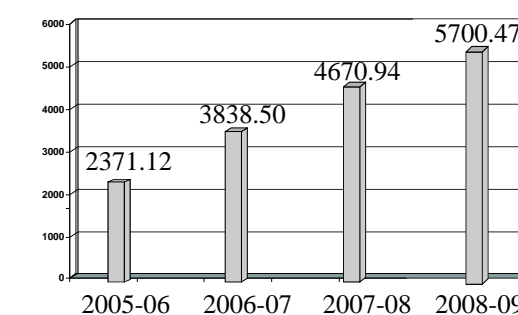
Manufacturing, Administration, Selling and Distribution expenses

Manufacturing expenses during the year increased by 22.41% to Rs.336.93 Million in the current year from Rs.261.41 Million in the previous year. The Administration expenses increased by 7.54% from Rs.127.85 Million to Rs.118.21 Million. Selling & distribution expenses increased by 39.24%.

Fixed Assets :

Investment in the fixed assets of the company has increased to Rs 5700.74 Millions from Rs.4670.94 Million over the previous year. Fixed Assets forms an integral part of any pharmaceutical company which is effectively managed by your company.

The new manufacturing facilities at Jammu and Derabassi and the state of the art R&D centre are the key components of the Company's list of the Fixed Assets.

Fixed Assets

Loan Funds and costs

The Company has raised long term funds for its expansion amounting to Rs. 91.60 crores during the current financial year.

Profits and Margins

The PBITDA (Profit before interest, tax, depreciation and amortization) increased from Rs.997.82 Million in 2007-08 to Rs.1314.39 Million in 2008-09. The PBITDA margin was marginally higher at 22.35% in 2008-09 as compared to 21.93% in the last year. The PAT was up by 28.33% to Rs.398.01 Million from Rs. 310.15 Million in 2007-08. This growth was witnessed because of the following initiatives :

- Stringent Cost Control
- Larger volumes
- Exports to high margin export market

Shareholders' funds

The company's share capital comprises of equity share capital of Rs.252.73 Millions.

The equity share capital has increased by Rs.12.41 Million over the previous year. It comprised of 12,41,000 shares issued against conversion of 12,41,000 optionally convertible warrants at a price of Rs.70/- per warrant. The Public hold 62.31% of the total subscribed and paid up capital of the company.

Reserves

Reserves represent the lowest cost of funds for a company especially if they have been created out of reemployment of business surplus into the business.

In 2008-09, the company's reserves have increased substantially over previous fiscal from Rs.3090.64 Million to Rs.3382.84 Million recording a growth of 9.45%. Increasing reserves allowed the company to consistently invest in improved technology and state of the art of equipment.

Capital employed :

Capital employed of the company has increased from Rs. 5082.52 Mns to Rs.5712.00 Mns over the previous financial year. The commissioning of this capital investment is expected to facilitate broad basing of the capital base of the company. The company has maintained a policy that each rupee invested in the business yields the maximum returns for the company.

Working capital :

In the pharmaceutical business, working capital is critical for a number of reasons; investment in volatile raw materials, a long production cycle and the disbursement of credit to dealers and customers. The company strengthened its working capital management by prudently dividing its revenue between two markets ensuring regular flow of funds into the company and growing its profitability :

***Domestic markets :** The domestic market was a volume business characterized by faster realizations but narrow margins.

***International markets :** Exports were adequately protected as transactions were conducted primarily through banks and attracted high margins.

The balanced mix of businesses was visible in the numbers : working capital increased from Rs. 1186.59 Mn in 07-08 to Rs. 1643.70 Mn in 2008-09.

Inventory :

At Ind-Swift Laboratories Limited, inventory management is a critical driver of working capital efficiency for an important reason; raw material must be procured from different sources (international and domestic procurement) and stored for a long tenure as well. Further the long process cycles result in a sizeable amount of inventory being tied up for work in progress.

The company's total inventory increased both in absolute numbers from Rs.1131.11 Million to Rs.2033.10 Million and in terms of the proportion of employed capital on account of the increased operational scale.

Debtors :

At Ind-Swift Labs, debtor management is crucial for the company on two accounts:

*Its revenue accrues from more than 50 locations around the globe.

*Each working day generates a revenue of approx. Rs. 19.38 Millions.

Non receipt of receivables and the resultant accumulation of debtors could result in an increase in the working capital requirement driving interest costs in the short terms and the disruption of operations over the long term. The debtors at the close of the year have increased from Rs.978.43 Million in 2007-08 to Rs.1089.57 Million in 2008-09.

Creditors :

To deliver quality material, the company must source material from quality domestic and international suppliers, making creditor management critical. The company is also required to source material from quality suppliers for which prompt payments need to be made consistently. This is especially true for material from international sources for which the demand is increasing significantly necessitating prompt liquidation of dues. Thanks to better negotiation, the company has been able to increase its creditors' cycle from 85 days in 2007-08 to 87 days in 2008-09.

The internal controls are designed to ensure that financial and other records are reliable for preparing financial statements and collating other data and for maintaining accountability of assets.

*The audit committee of the Board of Directors comprising independent directors, which is functional for a long time and reviews regularly, the plans, significant audit finding, adequacy of internal control as well as compliance with accounting standards

Company's Outlook**PRODUCT LAUNCHES**

☞ The company has developed & launched several new active pharmaceutical Ingredients which includes Cinacalcet, Duloxetine, Meclozamine Citrate, Atomoxetine, Exemestane, Ezetimibe, Pregabalin, Ranolazine, Telmisartan & Posaconazole

☞ The other products driving the growth of the Company are Letrozole ,Anastrozole (Anti-Cancer) Venlafaxine (Anti-Depressants) Lavofloxacin (Anti-Biotic) Quetiapine & Aripiprazole (Anti-Psychotic) Ezetimibe (anti-hyperlipidemic) and Pioglitazone, an anti-diabetic drug.

☞ Company is further developing newer products such as Dutasteride, Argatroban, Gefitinib, Elitriptan & others.

EXPANSION AND MODERNISATION PLANS

- The new facilities and additional capacities that the Company put up in the past is now fully utilized and the benefits from the same have started coming in partially.
- The Company expects 3-4 USFDA for its facilities in the next 3 years which will enhance the Company's image and facilitate avenues of the Company's future business prospects.

PHARMACEUTICAL SERVICES

- Company has step up its regulatory filing as it filed over 20 DMFs in the last year .
- Company has filed over 219 DMFs as on July, 2009 in different countries including US, EUROPE, AUSTRALIA, RUSSIA & JAPAN.
- The number of patents filed by the company during the year has also increased to 123.
- The Company has taken effective steps for making a mark in the contract research space and expects the revenues from the contract research in coming years.

INTERNATIONAL BUSINESS STRENGTHENING ALLIANCES

- Company has opened up office in Europe to enhance its visibility and liaising with its European customers .
- Company's Joint venture in Iran is also fully operational and it will help company to increase its presence in the Middle East and Gulf Countries.
- The Company's subsidiary in US has entered into agreements with a number of leading generic companies based in US. This will enable the Company to consolidate its foothold in the regulated markets.

Directors' Report

Dear Shareowners,

Your Directors have great pleasure in presenting the Fourteenth Annual Report together with audited statement of accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended 31st March 2009 is summarized below:

PARTICULARS	(Rs. In Millions)	
	Year Ending 31st March 2009	Year Ending 31st March 2008
Sales (net of excise) and other Income	5581.38	4550.36
Profit before Interest, Depreciation, Tax & Amortisation	1314.40	997.81
Less: - Interest	469.55	292.72
- Foreign Exchange fluctuating	44.63	-
- Depreciation	293.82	198.79
- Amortisation	-	114.30
- Extra Ordinary Item (Loss on Insurance claim)	8.11	-
Loss on sale of fixed assets	8.99	2.86
Profit before Tax	489.29	389.14
Less: - Provision for Taxation	56.50	65.55
- Provision for Fringe Benefit Tax	3.08	1.78
- Provision for Deferred Tax	31.84	11.66
Profit after Tax (A)	397.86	310.15
Amount B/F from Previous year (B)	887.08	762.45
Profit after Tax available for Appropriations (A+B)	1284.94	1072.60
Transfer to deferred tax liability	114.24	141.90
Provision for Dividend on Equity shares	25.97	24.03
Provision for Equity Dividend Tax	4.41	4.08
Transfer to General Reserve	19.89	15.51
Balance carried forward to Balance sheet.	1120.43	887.08

OPERATIONS AND BUSINESS PERFORMANCE CONSOLIDATED FINANCIAL PERFORMANCE

Your company has achieved a turnover of Rs.5881.38 millions registering a growth of 29.25% over the previous year's turnover of Rs.4550.36 Millions. Profit before tax also increased from Rs.389.14 millions to Rs.489.39 millions registering a growth of 25.74 % whereas profit after tax increased by 28.28% from Rs.310.15 millions to Rs.397.86 millions. A provision for fringe benefit tax and deferred tax to the tune of Rs.3.08 million and Rs.31.84 million was made during the financial year 2008-09. The Earning per share increased to Rs.15.98 per share from Rs.13.46 per share.

Your company recorded a turnover of Rs.5901.96 Million as compared to Rs.4577.80 Millions recording a growth of 28.93% in consolidated revenue for the year. Profit After Tax achieved a growth of 29% at Rs.403.92 Millions. As required under Clause 32 of the Listing Agreements with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report and the same are annexed to this Report.

EXPORTS

Your company has recorded strong results across the markets of India. Its exports during the financial year ending 31st March, 2009 were Rs.2166.66 millions as compared to Rs.1763.95 million recorded in the previous year, recording an increase of 22.83%.

DIVIDEND

Your Directors are pleased to recommend 10% (i.e Re.1/- per equity share) dividend on equity shares of Rs.10/- each for the financial year 2008-09. The dividend, if approved at the ensuing annual general meeting, will be paid on or after 1st October, 2009 to those shareholders whose names appear on the register of members of the company as on 23rd September, 2009. The dividend would be tax-free in the hands of the shareholders.

The total outflow on account of the equity dividend payment, including the distribution tax, is Rs.30.39 millions (previous year 28.11 million), which is approximately 7.63 % of net profits after tax for the year.

The dividend pay out for the year under review has been formulated in accordance with the company's policy to pay sustainable dividend linked to long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

EMPLOYEE STOCK OPTION SCHEME

Members's approval to the Employee Stock Option Scheme was obtained at the Annual General Meeting held on 30.09.2006 for introduction of the Scheme.

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

The Employees Stock Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors and the Scheme. The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2009 are annexed to the directors report.

CAPITAL STRUCTURE

The paid-up equity share capital of your company

has been increased to Rs.252.72 Millions by issue of 12,41,000 equity shares upon conversion of equal number of Zero coupon optionally convertible warrants at a price of Rs.70/- per share on preferential basis to promoters Group Companies. These equity shares have been duly listed at the India Stock Exchanges.

The funds raised through the preferential allotment of shares were utilized setting up of cGMP compliant manufacturing plant production facility expansion & meeting Long Term Working Capital requirement of the company.

SUBSIDIARY, IND-SWIFT LABORATORIES INC.

During the year the total income of the Company were US\$ 4045065 as compared to US\$ 3045130 in the previous year.

The US subsidiary of the Company viz. Ind-Swift Laboratories Inc, recorded a net Profit of \$137833/- as compared to \$ 96169/- recording a growth of 43.32% for the year ending December,2008.

The Annual Account and reports of the US Subsidiary alongwith statement pursuant to Section 212 of the Companies Act,1956, forming a part of this annual report are enclosed.

AUDITORS

The Statutory Auditors of the Company M/s Jain & Associates, Chartered Accountants retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The Audit Committee and the Board of Directors recommend the appointment of M/s. Jain & Associates, as Statutory Auditors of the Company for the Financial year 2009-10 for shareholders approval.

COST-AUDIT

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed cost Audit of the Company. Subject to the approval of the Central Government, the Board has appointed M/s. V. Kumar & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2008-09. The Cost Audit is under process and the company will submit the Cost Auditor's Report to the Central Government in time.

DEPOSITS

During the year under review, your company has received overwhelming responses from the public.

The aggregate amount of fixed deposit as on 31st March 2009 is Rs.16.94 crores approx (previous year Rs.14.44 crores) and there was no unclaimed deposit as on that date.

DIRECTORS

During the financial year under review, Dr. H.P.S. Chawla, Dr. Naranjan D. Aggarwal and Mrs. Nirmal Aggarwal were inducted as Additional Directors, who will hold their office up to the date of the forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing the appointment as directors of Dr. H.P.S. Chawla & Dr.Niranjan D. Aggarwal subject to retirement by rotation.

Since Mrs. Nirmal Aggarwal had expressed her inability to continue as Director on the Board of the Company so her resignation was accepted w.e.f. 31.08.2009.

IFCI has meantime nominated Sh. S.P. Sharma as its nominee Director. The Board recommends the appointment of Sh. S.P. sharma as Director not subject to retirement by rotation.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SEBI REGULATION & LISTING FEES

Since SEBI has stipulated electronic filing of Annual Report, Corporate Governance Report, Shareholding Pattern, etc. on website www.sebidifir.nic.in, statements of your Company can be accessed through this website.

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

CONSERVATION OF ENERGY RESEARCH AND DEVELOPMENTS, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are set out in the Annexure-A to the Director Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Director's Report.

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

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) In the preparation of Annual Accounts, the applicable accounting standards have been followed. There are no material departures from prescribed accounting standards.
- (ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year 2008-09 and of profit of the Company for that period;
- (iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) We have prepared the annual accounts on an on going concern basis.

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.

You 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.

On behalf of the Board of Directors

Chandigarh,
31st August, 2009.

S.R. Mehta
Chairman

ANNEXURE TO DIRECTORS REPORT

Annexure 'A'

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Report of Directors.

A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken and impact of measures taken :
 - i) We replaced the process Cooling Tower Pump with 97 m3 to 144 m3 thus reduction in running hours of Chilling Compressors.
 - ii) Improved the power factor of electrical system up to 0.97. Thus reduced losses in distribution system.
 - iii) Use separate Cooling Tower for SRP and reduce the Chilled Water Compressor running hours.
 - iv) Optimizing of solvent distillation process to reduce energy consumption by 10%.
 - v) Replaced the Chilled Water Supply Pumps with 30 hp to 20 hp.
 - vi) Replaced the Boiler ID Fan Motor with 20 hp to 15 hp.

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

- i. Continuous improvements are being made to further reduce the expenditure on power and fuel
- ii. We are looking into possibility of changing other cooling tower fitted with fan to natural draft.

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

a	ELECTRICITY AND FUEL CONSUMPTION	2008-09	2007-08
1	Electricity		
	A Purchase Unit (KWH)	12373177	13,190,322
	Total amount (Rs.)	47951678	56,052,601
	Average Rate (Rs.)	3.88	4.25
	B Own Generation		
	i Through Diesel Generator set (KWH)	4155286	2,785,817
	Unit per Litre of diesel Oil	3.55	3.42
	Cost of fuel per unit	8.47	8.26
	ii Through Steam Turbine/Generator	NIL	NIL
2	Coal (specify quantity and where used)	NIL	NIL
3	Furnace Oil/L.D.O. (Quantity)	21350	21,355
	Total amount (Rs.)	441054	414,002
	Average Rate (Rs. Per litre)	20.66	19.40
4	Other/Internal Generation (please give details)	NIL	NIL

b. CONSUMPTION PER UNIT OF PRODUCTION

Unit	Standard	2008-09	2007-08
Electricity	(KWH)	18.17	38.68
Furnace Oil/L.D.O	Litre/Kg	0.02	0.05
Diesel	Ltr	1.29	1.97
Petroleum Coke	Kg	5.94	10.31

B) TECHNOLOGY ABSORPTION**I) RESEARCH & DEVELOPMENT (R&D)****a) Specific area in which R&D carried out by the company:**

The focus of research efforts are:

1. Development of Active pharmaceutical Ingredients going off patents in regulatory markets with opportunity to be first among others players by developing niche non infringing processes to help develop strong partnerships with ANDA players.
2. Cost effective development of API technologies for semi regulated markets.
3. Creating Intellectual Property bank with filling of process patents at national & international level.

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

1. Development of basket of API's for global markets.
2. Quick launches of products by utilizing state of art of R&D infrastructure to carve out niche business pocket.
3. Company has filed total of 43 process patents at national & international level.
4. 20 DMF's are filed in last one year.

c) Future plan of action

1. Filing of DMFs and patents in US and other European Countries
2. Collaborative Research on new molecules
3. Contract Research .

d) Expenditure on R & D during the year 2008 –2009

		(Rs. in Millions)	
		2008-09	2007-08
a	Capital	25.3	24.43
b	Revenue	753.41	422.52
	Total	759.02	446.95
c	Total R&D expenditure as percentage of total turnover	13.04	10.06%
d	Turnover	5818.79	44443.95

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

1. Efforts, in brief made towards technology, absorption, adaptation and innovation.
 - Research & Development (R&D)
 - The developed technologies have been put to commercialization for both regulated and semi-regulated markets.

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

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

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

- Not applicable

C) FOREIGN EXCHANGE EARNING AND OUTGO**1 Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:**

Exports in the year under review are Rs.2166.66 millions as compared to Rs.1763.95 million with increase of 22.83%.

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

2. Total foreign exchange used and earned:

During the year the foreign exchange outgo was Rs.100.11 million and the earnings in foreign exchange were Rs.2245.89 million. Details have been given at Point No. F & G of Note 28 of Notes on Accounts.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2009 are given below as per previous Annual Report:

a. Options Granted	4,60,000
b. Exercise Price	Rs.27/-
c. Options Vested	Nil
d. Options Exercised	Nil
e. The total number of shares arising as a result of exercise of Options	Nil
f. Options Lapsed	Nil
g. Variation in terms of Options	Nil
h. Money realised by exercise of Options	Nil
i. Total number of Options in force	4,60,000
j. Employee wise details of Options granted to:	
i. Senior Management Personnel	
1. Shri N.K.Bansal	10,000
2. Dr. Lalit Wadhwa	10,000
3. Sh.Vijay Kumar	10,000
4. Sh.G.K.Sharma	10,000
5. Sh.R.S.Dhaliwal	10,000
6. Sh. Vikas Narendra	10,000
7. Sh. C.V.Srinivasan	10,000
8. Sh. Subodh Gupta	10,000
ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	Nil
iii. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k. Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs. 15.08

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

- Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- Proactive flow of information to the members of the Board and Board Committees to enable effective discharge of their fiduciary duties.

- Ethical business conduct by the management and employees.
- Full-fledged systems and processes for internal controls on all operations, risk management and financial reporting

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

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the company. The composition of the Board of Directors is governed by the Companies Act, 1956, Listing Agreement with Stock Exchanges where the shares of the company are listed and Articles of Association of the company. The Board of Directors has an optimum combination of executive and non-executive directors and presently comprises of 12 directors, out of which 10 are non-executive directors. The company has a non-executive chairman and 6 independent directors which comprises of 1/2 strength of the Board, thus complying with the Corporate Governance Regulations as to the composition of the Board as on 31.03.2009.

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

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

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and considerations at Board meetings. The Board also reviews the declaration made by the Managing Director regarding compliance with all applicable laws on a quarterly basis. The Board of the Company met 11 times during the financial year on the following dates:

01.04.2008	26.09.2008	24.03.2009
19.06.2008	25.10.2008	
04.07.2008	29.11.2008	
30.07.2008	29.01.2009	
29.08.2008	10.03.2009	

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

Name of Director	Category	FY 2008-09 attendance		As on 31.3.2009			Share holding
		BM	Last AGM	No. of D'ships*	Committees		
					Member	Chairman	
Mr. S.R. Mehta	Non Executive Chairman, Promoter	11	Yes	2	3	Nil	233600
Mr. N.R. Munjal	Vice-Chairman, Promoter	11	Yes	2	2	Nil	105000
Mr. V.K. Mehta	Managing Director, Promoter	11	Yes	4	Nil	Nil	237000
Dr. G. Munjal	Non Executive Director, Promoter	11	Yes	3	Nil	Nil	60900
Dr. V.R. Mehta	Non Executive Director, Promoter	11	Yes	2	1	Nil	52900
Mr. Himanshu Jain	Non Executive Director, Promoter	11	Yes	2	1	Nil	43325
Dr. J.K. Kakkar	Independent Director	11	Yes	Nil	3	1	Nil
Mr.K.M.S. Nambiar	Independent Director	11	No	1	6	5	Nil
Dr. S.D. Nanda	Independent Director	3	No	Nil	3	Nil	Nil
Dr. .H.P.S. Chawla#	Independent Director	Nil	N.A.	2	Nil	Nil	Nil
Dr. N.D. Aggarwal#	Independent Director	Nil	N.A.	1	2	Nil	Nil
Mrs.Nirmal Aggarwal#	Independent Director	Nil	N.A.	1	Nil	Nil	Nil

appointed as Independent Director on 24.03.2009 * excludes private limited companies.

Directors, **Dr. G. Munjal, S.R. Mehta** and **Dr. S.D. Nanda** are liable to retire by rotation and, being eligible, have offered themselves for re-appointment. Their brief resume along with particulars of re-appointment of directors forms part of the notice of 14th Annual General Meeting of the company.

3. COMMITTEES OF THE BOARD

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

- Audit Committee
- Remuneration Committee
- Shareholders' Grievance Committee
- Compensation Committee

(a) AUDIT COMMITTEE

During the financial year 2008-09, five Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of quarterly financial results by the Board:

15.04.2008	25.10.2008
19.06.2008	29.01.2009
29.07.2008	

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

Name	Designation	Executive/Non-Executive / Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr.K.M.S Nambiar	Chairman	Independent/ Non-Executive	5	5
Dr. J.K Kakkar	Member	Independent/ Non-Executive	5	5
Dr. S.D Nanda	Member	Independent/ Non-Executive	5	3
*Dr. G. Munjal	Member	Non-Executive	4	4
*Mr.S.R. Mehta	Member	Non-Executive	1	1
Mr. N.R Munjal	Permanent Invitee	Permanent Invitee	5	5
Mr. V.K Mehta	Permanent Invitee	Permanent Invitee	5	5
Mr. N.K. Bansal	Permanent Invitee	Permanent Invitee	5	5

*Sh. S.R. Mehta has become member of the Audit Committee in place of Dr. G. Munjal w.e.f. 29.01.2009.

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

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

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

- 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- 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.
- Any other matter, which the committee may deem fit to review in the Audit Committee Meeting.

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

During the year ended 31st March, 2009 the Committee reviewed compliance of its obligations and confirmed that it fulfilled its duties and responsibilities.

(b) REMUNERATION COMMITTEE

The Remuneration Committee comprises of 2 independent directors (including the chairman of the Committee) and 1 Non-executive Director. The Remuneration Committee reviews the remuneration of the Executive directors and compensation Policy for senior Management Personnel. The remuneration policy for managerial personnel is primarily based on the following criteria:

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

The Remuneration Committee met twice during the year on the following dates:

26.09.2008
24.03.2009

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. K.M.S Nambiar	Chairman	Independent/Non-Exe	2	2
Dr S.D Nanda	Member	Independent/Non-Exe	2	Nil
Mr. S.R. Mehta	Member	Non-Executive	2	2
Mr. N.R Munjal	Permanent Invitee	Permanent Invitee	2	2
Mr. V.K Mehta	Permanent Invitee	Permanent Invitee	2	2

Remuneration of Directors

Executive Directors

The remuneration of Vice-Chairman and Managing Director is recommended by the Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors as approved by the shareholders. Remuneration of the Executive Directors paid in respect of the financial year 2008-09 is given below:

(Rs. In lacs)

Director	Designation	Business Relationship with Company	Remuneration for the year ended 31 st March, 2009			
			Salary	Contribution to Provident Fund	Perquisites	Total
Mr. N.R. Munjal	Vice - Chairman	Promoter	75.05	0.09	3.38	78.52
Mr. V.K. Mehta	Managing Director	Promoter	75.05	0.09	3.38	78.52

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

Independent Directors

Remuneration to Independent Directors comprises sitting fees only. Sitting fees payable to the Independent Directors were approved by the shareholders in the Annual general Meeting held on 30th September, 2005. It is excluded whilst calculating the above limits of remuneration in accordance with section 198 of the companies Act, 1956.

Sitting fees and other expenses paid in respect of the financial year 2008-09 is given below:

Director	Designation	Business Relationship with Company	Sitting Fees	Other Expenses	Total
Dr. J.K. Kakkar	Independent Director	--	0.16	-	0.16
Mr. K.M.S. Nambiar	Independent Director	--	0.16	-	0.16
Dr. S.D. Nanda	Independent Director	--	0.05	-	0.05
*Dr. H.P.S. Chwla	Independent Director	--	-	-	-
*Dr.N.D.Aggrawal	Independent Director	--	-	-	-
*Mrs. Nirmal Aggrawal	Independent Director	--	-	-	-

* Appointed with effect from 24.03.2009

(C) SHAREHOLDERS' GRIEVANCE REDRESSAL COMMITTEE

Shareholder's Grievance Redressal Committee specifically looks into redressing of shareholders and investors complaints such as transfer of shares non-receipt of shares, non receipt of dividends and to ensure expeditious share transfer process. During the year ended 31st March, 2009 Committee met 4 times. The Committee is headed by Mr. K.M.S. Nambiar and the constitution of committee and attendance of each member of the Committee is given below:-

Name	Designation	Non/Exec independent	No. of meeting Attended
Mr. K.M.S. Nambiar	Chairman	Independent/Non Executive Director	4
Dr. J.K. Kakkar	Member	Independent/Non Executive Director	4
Mr. S.R. Mehta	Member	Non Executive Director	2
Mr. N.R. Munjal	Member	Executive Director	4

Share Transfer (Physical)

- All shares have been transferred and returned within 15 days from the date of receipt of complete documents
- The Share Transfer Committee considers share transfer approvals once in a fortnight.
- Total Number of Shares (Physical Form) transferred during the year 2008-09 were 1200.
- As on 31st March, 2009 there were no equity shares pending for transfer.
- Total No. of Duplicate Share Certificates issued during the year 2008-09 were 600.
- Total No. of shares Transmitted during the year 2008-09 were 600.

Secretarial Audit

The company conducts a Secretarial Audit on quarterly basis in accordance with requirements of SEBI. M/s B.B. Gupta & Associates, Company Secretaries, have been appointed by the Company to conduct Secretarial Audit. The Secretarial Audit Report of M/s B.B. Gupta & Associates, which have been submitted to the Stock Exchanges within the stipulated period, inter alia certifies that the equity shares of the Company held in dematerialized form and in physical form confirm with the issued and paid up equity share capital of the Company.

Investor Relations

The following table shows the number of complaints received from the shareholders during 2008-09. Only one complaint was received and which was under the process of redressal.

Status of Complaints	2008-09
Opening as on 1.4.2008	Nil
Received during the year	01
Resolved during the year	Nil
Closing as on 31.03.2009	01

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

(D) COMPENSATION COMMITTEE

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

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

- Administration and superintendence of Employees' Stock Option Scheme (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options. During the year 2008-09, no meeting of the Compensation Committee was held.

4. GENERAL BODY MEETINGS FOR LAST THREE YEARS

The Location and the time of the Annual General Meetings and Extra Ordinary General meetings are as follows:

Financial Year	Category	Venue	Date	Time	Special Resolution
2008-09	13 th AGM	B.M.S. Lobana Bhawan Sector – 30 A , Chandigarh	26.09.2008	10.00 A.M.	3
2007-08	EGM	Bal Bhawan Sector – 23, Chandigarh	29.02.2008	10.30 A.M.	1
2007-08	12 th AGM	B.M.S. Lobana Bhawan Sector – 30 A , Chandigarh	29.09.2007	11.00 A.M	1
2006-07	EGM	Bal Bhawan Sector – 23, Chandigarh	23.02.2007	10.00 A.M.	1
2006-07	11 th AGM	Tagore Theatre Sector – 18, Chandigarh	30.09.2006	10.00 A.M	6

AGM - Annual General Meeting

EGM - Extra Ordinary General Meeting

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

During the financial year 2008-09 the following mentioned Resolutions were passed seeking approval of shareholders.

1. Re-appointment & increase in Remuneration of Sh. N.R. Munjal as whole time Director of the Company.
2. Re-appointment & increase in Remuneration of Sh. V.K. Mehta as whole time Director of the Company.
3. Re-structuring and modification of authorized Share Capital divided into 3,50,00,000 equity shares.

5. CODE OF CONDUCT

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

The Code of Business Conduct and Ethics is posted on the Company's website - www.indswiftlabs.com.

Declaration as required under Clause 49 of the Listing Agreement

As provided under Clause 49 of the listing Agreement with the Stock Exchanges, the Board of directors and the Senior Management Personnel have confirmed with the code of conduct and Ethics for the financial year ended March 31, 2009.

V.K.Mehta

CEO & Managing Director
Chandigarh

6. CEO / CFO CERTIFICATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

7. DISCLOSURES**A. Related Party Transactions**

Transactions with related parties are disclosed in Note No. 7b of Schedule XV (B) to the accounts in the Annual Report for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

B. Compliances by the Company

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

C. Mandatory & Non-Mandatory Clauses

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

8. MEANS OF COMMUNICATION

- The Company regularly intimates unaudited, as well as audited financial results to the Stock Exchanges immediately after these are taken on record by the Board.
- The annual, half yearly and quarterly results are submitted to the Stock Exchanges in accordance with the Listing Agreement, posted on the Electronic Data Filing and Retrieval (EDIFAR) system of SEBI and published in leading newspapers. These are also posted by the company on its website www.indswiftlabs.com.
- Management Discussion & Analyst forms part of this Annual Report.
- All official press releases of relevance to the investors are also made available on website for a reasonable period of time.

9. GENERAL SHAREHOLDER INFORMATION**I Annual General Meeting**

- Date 24-09-2009
- Time 10.15 a.m.
- Venue PHD Chamber of Commerce and Industry
PHD House, Sector-31 A, Chandigarh-160031

II Financial Calendar

Financial reporting for the financial year 2009-10 for

-	Quarter ending June 30, 2009	already adopted on 30th July, 2009
-	Quarter ending September 30, 2009	By 31st October 2009
-	Quarter ending December 31, 2009	By 31st January 2010
-	Year ending March 31, 2010	By 30th June 2010 (As Audited Results will be considered)
-	Annual General Meeting for the year ending March 31, 2010	In September 2010.

III Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Monday, 21st September, 2009 to Wednesday, 23rd September, 2009 (both days inclusive) for the purpose of final Dividend.

IV Dividend Payment Date

The dividend as recommended by the board of directors, if declared at this Annual General Meeting will be paid on or after 1st October, 2009 to those members whose names stand registered in the Register of Members as on Monday, September 21st, 2009 and in respect of shares held in electronic form, the beneficial owners of the shares by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Monday, September 21st, 2009 and dividend warrants will be dispatched before Saturday, 24th, October 2009.

V Listing of Equity Shares on Stock Exchanges

The company's shares are listed at the Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Limited (NSE). The Listing fees for the Financial Year 2009-10 have already been paid to all Stock Exchanges.

VI Stock Market Data

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

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

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

Monthly Share Price Movement during 2008-09 at BSE & NSE

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April 2008	59.00	43.00	994510	58.80	43.15	1069257
May 2008	56.85	47.25	507533	56.85	47.00	541055
June 2008	54.70	41.35	879270	52.85	41.25	832164
July 2008	52.00	38.80	622806	52.60	39.00	776265
August 2008	54.60	46.00	629684	54.80	46.00	645178
September 2008	48.55	35.30	333744	48.25	35.00	401387
October 2008	37.20	22.65	428814	37.60	24.10	505942
November 2008	31.95	24.00	262947	30.40	24.00	351681
December 2008	30.90	24.00	293955	33.80	24.30	315008
January 2009	32.50	25.40	325328	32.95	25.60	390164
February 2009	31.20	24.50	788966	31.25	24.55	927354
March 2009	25.85	22.30	494764	25.75	22.30	601507
Total			65,62,321			73,56,962

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

VII REGISTRAR AND TRANSFER AGENT

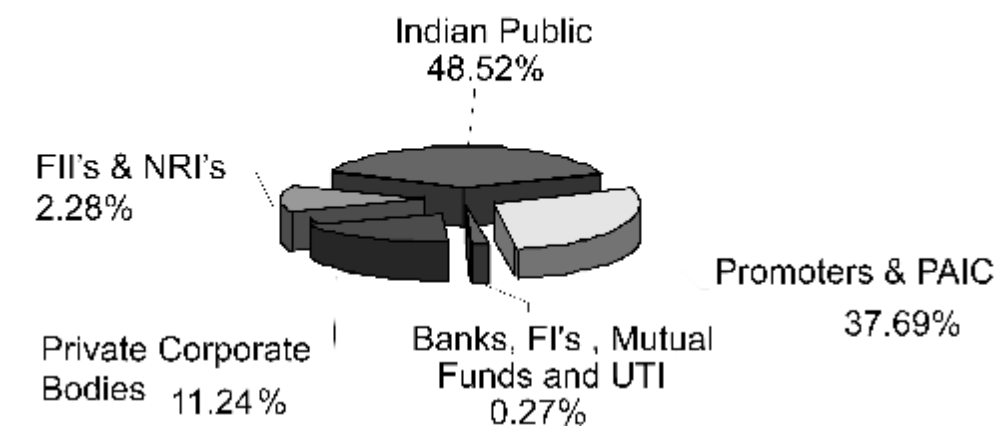
Transfer Agent for physical transfer and Demat of Shares:

M/s Alankit Assignments Ltd.
205-208 Anarkali Market
Jhandewalan Extension,
New Delhi-110 055
Tel:- +91-11-142541965, 42541953
Fax:- +91-11-41540064
E-mail: alankit@alankit.com
Website: www.alankit.com

VIII Distribution of Equity Shareholding as on March 31, 2009.

Category	No. of Shares Held	%age of Shareholding
Promoters & PAIC	9526346	37.69
Banks, FI's, Mutual Funds and UTI	67529	0.27
FI's & NRI's	576460	2.28
Private Corporate Bodies	2840749	11.24
Indian Public	12261866	48.52
Total	25272950	100.00

Shareholding Pattern as on 31.03.2009



IX Distribution Schedule as on 31st March 2009

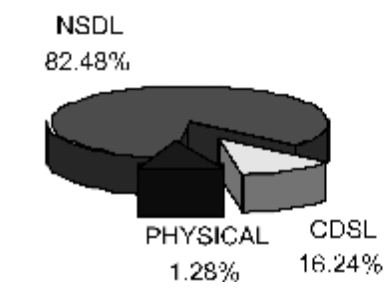
Shares holding of Nominal Value of	No. of Share Holders	% age of Total Holders	Shares Amount	% age of Total Equity
Upto 5000	23162	83.948	39304690	15.552
5001 to 10,000	2339	8.477	19317410	7.643
10,001 to 20,000	1070	3.878	16468260	6.516
20,001 to 30,000	353	1.279	9135450	3.615
30,001 to 40,000	164	0.594	5855970	2.317
40,000 to 50,000	123	0.446	5860570	2.319
50,001 to 1,00,000	206	0.747	14710650	5.821
1,00,000 and above	174	0.631	142076500	56.217
TOTAL	27591	100.000	252729500	100.000

X Dematerialization of Shares

The shares of the company are available for trading in the Depository system of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March 2009, 24950045 equity shares of the company, forming 98.72% of the share capital of the company, stand dematerialized.

Mode of Shares	Number of Shares	%
Physical	322905	1.28
NSDL	20844997	82.48
CDSL	4105048	16.24
Total	25272950	100.00

Shares held in Physical Form and Dematerialized Form as on 31.03.2009



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

The company issued 25,00,000 Global Depository Receipts (GDRs) to FIIs on 12th August, 2005 after getting the previous approval from the shareholders in the Extra-Ordinary general Meeting held on 27th April, 2005. These GDRs were listed at the Luxemburg Stock Exchange. As on 31st March, 2009, 71213 GDR's were outstanding.

Optionally Convertible Warrants

Out of 28,00,000 Zero Coupon optionally Convertible Warrants issued by Company to promoters group at a price of Rs.70/- per warrant on 10.03.2007, 3,35,000 warrants were converted into 335,000 Equity Shares as on 31.03.2007. During the year 2007-08, 1196000 warrants were converted into 1196000 Equity Shares. Out of the balance warrants 1241000 warrants were converted into 1241000 Equity shares in 2008-09 and 28000 warrants were forfeited on account of non-payment of balance 90% of the amount.

Out of 2500000 zero coupon optionally converted warrants (2008 series). None of these warrants were converted into share as on 31.03.2009.

XII Registered office

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

XIII Plant Locations

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

XIV Research and Development Facility

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

XV Compliance Officer

Pardeep Verma
Company Secretary
Ind-Swift Laboratories Limited
Corporate Office
SCO - 850, Shivalik Enclave,
NAC, Manimajra
Chandigarh 160101
Tel: - +91-172-2730503, 2730920
Fax: - +91-172-2730504
Email: pardeep.verma@indswiflabs.com
investors@indswiflabs.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by M/s Ind-Swift Laboratories Limited for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned clause 49 of the Listing Agreement.

Based on records maintained and certified by the secretary of the company, there are no investors grievances pending against the Company for a period exceeding one month as at 31st March, 2009.

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

For JAIN & ASSOCIATES
Chartered Accountants

(R.K. GULATI)
Partner

Place: Chandigarh
Date: 31-08-2009

AUDITORS' REPORT

The Members,
Ind-Swift Laboratories Limited,
Chandigarh

We have audited the attached Balance Sheet of M/s Ind-Swift Laboratories Limited as at 31st March 2009 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by Companies (Auditors' Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) Attention is invited to Significant Accounting Policy no 2 (c) regarding the amortization of Intangible Assets (Other Assets) from the year 2008-09 and onwards.
 - b) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - c) In our opinion, the Company has kept proper books of accounts as required by law, so far as appears from our examination of the books.
 - d) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with accounting standards specified by The Institute of Chartered Accountants of India referred to in Section 211(3C) of Companies Act, 1956.
 - f) On the basis of the written representations received from the Directors as on 31.3.2009 & taken on record by the Board of Directors, we report that none of the Directors is disqualified for being appointed as a Director in terms of Clause (g) of sub-section (1) of Sec 274 of the Companies Act, 1956.
 - g) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view.
 - i) In the case the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
 - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K.GULATI)
PARTNER

PLACE: CHANDIGARH
DATE: 29.06.2009

Membership No. 11999

**ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 of our report of even date)**

- I. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets over a period of two years. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.
 - c) During the year, Company has not disposed off any substantial / major part of fixed assets.
- II. In respect of its inventories:
 - a) The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- III.
 - a) According to the information and explanations given to us, the company has granted unsecured loan of Rs. 2297.04 Lac to three parties covered in the register maintained under section 301 of the Companies Act 1956.
 - b) The loans given are short term, unsecured and in our opinion the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - c) In respect of aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
 - d) In respect of aforesaid loans granted, there is no overdue amount more than Rs. one lac.
 - e) According to the information and explanations given to us, the company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly clause III (e) (f) (g) of paragraph 4 of the order are not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in Internal Control System.
- V. In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956
 - a) To the best of our knowledge and belief and according to the information and explanation given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b) According to the information and explanations given to us, these contracts or arrangements have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act 1956 and the rules framed there under and the directives issued by the Reserve Bank of India, with regard to the deposits accepted from the public.
- VII. In our opinion, the Company has an adequate internal audit system which commensurate with the size and nature of its business.
- VIII. The Company is required to maintain cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the company and according to the information and explanation given to us, the company has maintained proper records as prescribed by the Central Government.

**ANNEXURE TO THE AUDITORS' REPORT (Contd.)
(Referred to in paragraph 1 of our report of even date)**

- IX. According to the information and explanations given to us in respect of Statutory and other dues:
 - a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Investors Education & Protection fund, Employees' State Insurance, Income Tax, Sales Tax, wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year.
 - b) As per the information and explanation given to us, no undisputed amounts payable in respect of Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, and Cess were outstanding as on 31.03.2009 except Income Tax Demand of Rs. 8.16 Lacs for Assessment Year 2002-03 for which appeal is pending with Income Tax Tribunal.
- X. The Company does not have accumulated losses at the end of the year and has not incurred any cash losses during the current and the immediately preceding financial year.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- XII. According to the information and explanations, given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
- XIV. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. According to the information and explanations given to us, the company has given corporate guarantee for loans taken by others from banks or financial institutions and In our opinion, the same are not prejudicial to the interest of the Company.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- XVII. According to the Cash flow statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- XVIII. The company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956, during the year and the price at which shares have been issued is not prejudicial to the interest of the Company.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised monies by public issue during the year.
- XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K.GULATI)
PARTNER
Membership No. 11999

PLACE: CHANDIGARH
DATE: 29.06.2009

BALANCE SHEET AS AT MARCH 31, 2009

PARTICULARS	SCHEDULE	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
I.SOURCES OF FUNDS			
(1) Shareholder's Funds			
Share Capital	I	252729500	240319500
Reserves & Surplus	II	3382835585	3090640003
Share Application money		17760000	31635000
(2) Loan Funds			
Secured Loans	III	3536754380	2743679415
Unsecured Loans	IV	257281977	387105856
(3) Deferred Tax Liability			
		475071322	328989817
TOTAL		7922432765	6822369591
II.APPLICATION OF FUNDS			
(1) Fixed Assets (Cost/Revalued Cost)			
Gross Block	V	5700737158	4693895957
Less: Depreciation		779731182	485239993
Net Block		4921005977	4208655964
Assets held for Disposal		14599412	11484569
Capital Work In Progress		486739153	450799943
		5422344542	4670940476
(2) Investments			
		233751107	233751107
(3) Current Assets, Loans and Advances			
(a) Inventories	VI	2033104802	1131109311
(b) Sundry Debtors		1089573599	978426866
(c) Cash and Bank Balances		228777510	117635767
(d) Loans and Advances		577155307	880800279
		3928611218	3107972224
Less			
(a) Current Liabilities		1583204523	1129685627
(b) Provisions		86392812	72288221
Current Liabilities & Provisions	VII	1669597335	1201973849
Net Current Assets		2259013883	1905998375
(4) MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)		7323233	11679633
Deferred Employee Compensation Expenses			
TOTAL		7922432765	6822369591

Significant accounting Policies & Notes on Accounts XV

AUDITOR'S REPORT

As per our separate report of even date

For JAIN & ASSOCIATES
Chartered AccountantsR.K GULATI
Partner
Membership No. 11999Date: 29.06.09
PLACE: CHANDIGARHS.R MEHTA
ChairmanDr. J.K. Kakkar
DirectorN.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors

N.R.MUNJAL
Vice-ChairmanDr. V.R.MEHTA
DirectorHIMANSHU JAIN
DirectorPARDEEP VERMA
Company SecretaryV.K. MEHTA
Managing DirectorK.M.S. NAMBIAR
Director**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009**

PARTICULARS	SCHEDULE	Year Ended 31.03.2009 (Rs.) TOTAL	Year Ended 31.03.2008 (Rs.) TOTAL
INCOME			
Gross Sales & Operating Income	VIII	5,990,008,652	4,629,665,463
Less: Excise Duty		108,626,442	79,303,757
Net Sales & Operating Income		5,881,382,210	4,550,361,706
Total-A		5,881,382,210	4,550,361,706
EXPENDITURE			
Cost of Materials Consumed	IX	3,937,537,076	3,065,880,337
Manufacturing Expenses	X	336,930,667	261,408,392
Administrative & Other Expenses	XI	127,847,743	118,211,079
Selling and Distribution Expenses	XII	116,391,873	70,718,527
Financial Charges	XIII	469,549,558	292,719,911
Research & Development Expenses	XIV	49,381,178	36,836,189
Loss on Sale of Fixed Assets		8,993,270	2,860,138
Depreciation		268,569,215	151,368,156
Misc. Expenditure Written Off		-	114,304,924
Impairment of Assets		25,260,155	47,420,836
Foreign Exchange Fluctuation		44,632,077	(47,586,843)
Provision for Doubtful Debts		2,852,714	-
Total-B		5,387,945,527	4,161,728,488
Profit For the Year Before Tax (A-B)			
		493,436,683	388,633,218
Previous Year Income		4,812,009	1,435,468
Previous Year Expenses		856,652	928,090
Extra ordinary item (Loss on Insurance claim)		8,105,565	-
Profit for the year before Tax		489,286,474	389,140,596
Provision for Income Tax		56,005,759	43,888,511
Income Tax Adjustment of Previous Years		495,607	21,660,350
Fringe Benefit Tax		3,078,192	1,775,099
Profit Before Deferred Tax		429,706,917	321,816,636
Provision for Deferred Tax		31,842,490	11,664,684
Profit available for appropriation		397,864,427	310,151,952
Profit available for appropriation		397,864,427	310,151,952
Profit available for Equity Shareholders		397,864,427	310,151,952
Provision for dividend on Equity Shares		25,972,950	24,031,950
Provision for Equity dividend tax		4,414,103	4,085,432
Transfer to General Reserve		19,893,221	15,507,598
Retained Profit transferred to Balance Sheet		347,584,152	266,526,973
Basic Earning per share		15.98	13.46
Diluted Earning per share		15.08	13.26
Nominal Value of each share		10.00	10.00

AUDITOR'S REPORT

As per our separate report of even date

For JAIN & ASSOCIATES
Chartered AccountantsR.K GULATI
Partner
Membership No. 11999Date: 29.06.09
PLACE: CHANDIGARHS.R MEHTA
ChairmanDr G.Munjal
DirectorDr. J.K. Kakkar
DirectorN.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors

N.R.MUNJAL
Vice-ChairmanDr. V.R.MEHTA
DirectorHIMANSHU JAIN
DirectorPARDEEP VERMA
Company SecretaryV.K. MEHTA
Managing DirectorK.M.S. NAMBIAR
Director

CASH FLOW STATEMENT

PARTICULARS	(Rs. in Lacs)	
	Year ended 31.03.2009 (Rs.)	Year ended 31.03.2008 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra-Ordinary Items	4892.86	3891.41
ADJUSTMENTS FOR:		
i) Depreciation/Impairment	2938.29	1987.89
ii) Misc Expenditure W/Off	0.00	1143.05
iii) Exchange (profit)/loss	446.32	(475.06)
vi) Interest on term loans	2336.43	1626.28
vii) Interest received	(464.34)	(537.33)
viii) Provision for Doubtful Debts	28.53	0.00
ix) Loss on sale of fixed assets	89.93	28.60
x) Employee Stock Option Expense	43.56	13.90
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	10311.59	7678.73
ADJUSTMENTS FOR:		
i) Trade & Other Receivables	(1586.32)	(1787.62)
ii) Inventories	(9019.95)	(2565.02)
iii) Loan & advances	2862.10	(1985.09)
vi) Current Liabilities	4807.85	4469.30
vii) Working Capital Borrowing	2681.59	835.84
v) Income taxes (Including Advance Tax/TDS)	(273.35)	(849.10)
	(528.08)	(1881.68)
Net Cash flow from operating Activities	9783.51	5797.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of fixed Assets	(6498.28)	(3808.39)
ii) Sale of fixed assets	1817.52	279.18
iii) Purchase of Investments	0.00	(72.95)
iv) Product Technology Development Expenditure	(5674.73)	(3504.72)
v) Interest Received	464.34	537.33
Net Cash from investing activities	(9891.15)	(6569.55)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Share Capital	126.06	119.60
ii) Advance agst Share Capital	(138.75)	143.80
iii) Proceeds from Securities Premium	754.96	717.60
iv) Proceeds from Term Loans From Banks & Financial Institutions	21447.96	6657.86
v) Repayment of Term Loans to Banks & Financial Institutions	(15746.98)	(6605.30)
vi) Proceeds from Short Term Loans from Others	0.00	2750.00
vii) Repayment of Short Term Loans from others	(2000.00)	(1000.00)
viii) Interest paid on term loans	(3192.94)	(1731.14)
ix) Proceeds from Fixed deposit	788.30	687.21
x) Repayments of Fixed deposit	(538.39)	(511.81)
xi) Equity Dividend Paid	(240.32)	(228.36)
xii) Equity Dividend Tax Paid	(40.85)	(38.81)
Net Cash flow from Financing Activities	1219.05	960.65
Net increase in Cash or Cash Equivalents	1111.43	188.14
Cash & Cash Equivalents as on 31.3.2008	1176.36	988.22
Cash & Cash Equivalents as on 31.3.2009	2287.78	1176.36

CASH FLOW STATEMENT (Contd.)

AUDITOR'S REPORT
As per our separate report of even date
For **JAIN & ASSOCIATES**
Chartered Accountants

S.R. MEHTA
Chairman

For and on behalf of the Board of Directors
N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K. GULATI
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

Date: 29.06.09
PLACE: CHANDIGARH

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Ind-Swift Laboratories Limited, derived from the audited financial statements for the year ended 31st March 2009 and found the same to drawn in accordance therewith and also with requirements of clause 32 of the Listing Agreement with the Stock Exchange.

for **JAIN & ASSOCIATES**
Chartered Accountants

DATE : 29.06.2009
PLACE : CHANDIGARH

R.K. GULATI
Partner

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
SCHEDULE - I		
SHARE CAPITAL		
Authorised		
3,50,00,000 Equity Shares of Rs.10/- Each	350,000,000	350,000,000
Issued, Subscribed & Paid Up		
2,52,72,950 (Previous Year 2,40,31,950)Equity Shares of Rs.10/-each fully called up and paid up.	252,729,500	240,319,500
Total	350,000,000	350,000,000
SCHEDULE - II		
RESERVES & SURPLUS		
(a) Capital Reserves :		
Capital Redemption Reserve	2,000	2,000
Share Warrants forfeited Account	5,882,113	5,686,113
Equity share forfeited Account	866,500	866,500
State subsidy on DG Set	2,039,643	1,003,525
(b) Securities Premium	1,191,916,900	1,117,456,900
(c) Revaluation Reserve	940,402,710	977,137,605
(d) Employee Stock Option Outstanding	13,069,200	13,069,200
(e) General Reserve		
As per Last Balance Sheet	88,342,295	72,834,697
Add Transfer during the year	19,893,221	15,507,598
Less Impairment of assets of earlier years		
(f) Profit & Loss Account		
As per Last Balance Sheet	887,075,866	762,452,645
Less Defferred Tax Liability of Previous Years	114,239,015	141,903,752
Less Transfer to General Reserve	19,893,221	15,507,598
Add Transfer from Profit & Loss Account	367,477,374	282,034,571
Total	3,382,835,585	3,090,640,003
SCHEDULE - III		
SECURED LOANS		
(A) Loans and Advances from Banks		
(a) Borrowings for Working Capital.	987,560,766	719,401,862
(b) Term Loans	2,401,148,202	1,952,596,299
(c) Other Loans	46,314,087	33,145,701
(B) Other Loans and Advances	101,731,325	38,535,553
Total	3,536,754,380	2,743,679,415

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTE :

a) Bank borrowings for working capital Rs. 98.76 crores (p.y. Rs. 71.94 crores) are secured by a Pari Passu, first charge by way of hypothecation of the Company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to plant and Machinery (Consumable Stores & Spares), Bills Receivable and Book Debts and all other movables of the Company both present and future excluding such movables as may be permitted by the said Banks from time to time. The said facility is further secured by way of pari passu second charge on the Company's immovable and movable properties (other than current assets) and personal Guarantees of Mr. S.R.Mehta, Mr. V.K.Mehta, Dr. V.R. Mehta, Mr. N.R. Munjal, Dr. G. Munjal & Mr. Himanshu Jain.

b) Term Loan Rs. 210.92 crores (p.y. 176.12 crores) from State Bank of India, Axis Bank, State Bank of Patiala, Bank of India, Catholic Syrian Bank, Export Import Bank of India, Industrial Development Bank of India, South Indian Bank, ABN Amro Bank, Standard Chartered Bank, Bank of Rajasthan, State Bank of Hyderabad are secured by first pari passu charge by way of Joint Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at Derabassi Punjab & E-V, industrial Focal Point, Mohali and first charge by way of hypothecation of all its movable assets, including machinery, machinery spares, tools and accessories present and future, subject to the charges created/to be created, in favour of the company banker for working capital. The above loan include term loan from State Bank of India which are further secured by Corporate Guarantee of Ind Swift Ltd. These loans are further secured by the personal guarantee of Promoter Directors.

The Term loan of Bank of India Rs. 2.66 Crores (p.y Rs. 4.64 crores) is secured only on the movable fixed assets including plant and machinery located at company's plant at Samba, Jammu.

Term Loan from State Bank of Indore Rs.4.03 Crores (p.y. Rs. 7.00 crores), Barclays Bank Rs. 7.50 Crores (p.y. Rs. 7.50 crores), IDBI Rs. 10.00 crore (p.y. 10.00 crore) and state Bank of Hyderabad Rs.5.00 crores (p.y. nil) are secured by subservient charges on the assets of the company and are additionally secured by personal guarantees of three Promoter Director respectively.

c) Other loan & advances Rs. 10.17 crores (p.y. 3.85 crores) includes Term Loans from Technology Development Board Rs. 0.53 crores (p.y. Rs. 0.80 crores) is secured by way of charge on the movable assets & Rs. 9.40 crores (p.y. 2.80 crores) is secured by way of charges on movable fixed assets & personal Guarantee of two promoter Directors of the company.

ICICI Home Loan Rs. 0.24 crores (p.y. 0.25 crores) is in the name of Mr. N.R.Munjal, and is secured against the office premises in Mumbai.

d) Other loan & advances Rs. 4.63 crores (p.y. 3.31 crores) are secured against hypothecation of the vehicles under the hire purchase agreement.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

DESCRIPTION	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE : IV UNSECURED LOANS		
(a) Fixed Deposits	169,397,406	144,405,856
(b) Short Term Loan & Advances	-	-
From Banks	-	-
From Others	87,884,571	42,700,000
(c) Other Loans & Advances	-	200,000,000
From Banks	-	-
From Others	-	-
TOTAL	257,281,977	387,105,856

SCHEDULE : V FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	AS ON 01/04/2008	ADDITION	SALE/ TRANSFER	AS ON 31/03/2009	AS ON 01/04/2008	DURING THE PERIOD	AS ON 31/03/2009	AS ON 31/03/2009	AS ON 31/03/2008
TANGIBLE ASSETS									
LAND FREE HOLD	457,572,530	68,420	113,669,643	343,971,307	-	-	343,971,307	457,572,530	
LAND LEASE HOLD	17,120,450	68,940	-	17,189,390	439,864	177,210	16,572,316	16,680,586	
FACTORY BUILDINGS	477,345,284	85,719,402	-	563,064,686	43,892,059	16,749,377	60,641,436	502,423,250	433,453,225
OFFICE BUILDINGS	32,925,939	4,727,800	-	37,653,739	2,833,540	560,662	3,394,302	34,259,537	30,092,399
R&D BUILDINGS	145,588,240	-	-	145,588,240	6,706,777	4,862,647	11,569,424	134,018,815	138,881,462
BUILDINGS - PILOT PLANT	17,021,567	-	-	17,021,567	1,432,163	568,520	2,000,683	15,020,884	15,589,404
PLANT&MACHINERY	2,126,124,069	391,781,896	59,663,521	2,458,242,444	281,124,896	114,885,838	386,192,917	2,072,049,528	1,844,999,173
R&D MACHINERY	390,446,155	11,691,327	-	402,137,482	39,629,356	20,876,052	60,505,408	341,632,075	350,816,800
PLANT & MACHINERY - PILOT PLANT	39,233,698	-	-	39,233,698	5,165,426	2,071,539	7,236,965	31,996,733	34,088,272
ELECTRIC INSTALLATIONS	261,899,233	43,713,127	-	305,612,360	28,851,916	13,215,183	42,067,099	263,545,262	233,047,318
ELECTRIC INSTALLATIONS - PILOT PLANT	3,439,389	-	-	3,439,389	405,783	163,371	569,154	2,870,235	3,033,606
FURNITURE & FIXTURES	29,733,244	2,401,119	-	32,134,363	4,469,120	2,255,637	6,724,757	25,409,605	25,264,124
OFFICE EQUIPMENTS	67,203,855	5,004,894	-	72,208,749	24,880,971	10,059,693	34,940,664	37,268,085	42,322,884
VEHICLES	64,647,225	17,646,020	8,419,316	73,873,929	14,085,620	6,723,022	19,229,881	54,644,048	50,561,605
OTHER ASSETS	-	-	-	-	-	-	-	-	-
R&D TECHNOLOGY	563,595,076	625,770,736	-	1,189,365,814	31,322,501	112,719,016	144,041,516	1,045,324,298	532,272,577
TOTAL	4,693,895,957	1,188,593,681	181,752,480	5,700,737,158	485,239,993	305,887,767	11,396,578	4,921,005,977	4,208,655,965
PREVIOUS YEAR	3,928,534,296	875,799,838	110,438,177	4,693,895,957	312,849,670	188,330,013	15,939,691	4,208,655,964	3,615,684,626

Note: Depreciation provided during the year includes depreciation on Revalued Fixed Assets Rs. 3,67,34,895/- which is deducted from Revaluation Reserve.

DESCRIPTION	AS ON 01/04/2008	ADDITION	CAPITALISATION	AS ON 31/03/2009				AS ON 31/03/2009	AS ON 31/03/2008
CAPITAL WORK IN PROGRESS									
(a) BUILDINGS	37,208,115	37,967,375	68,608,640	6,566,850	-	-	-	6,566,850	37,208,115
(b) PLANT & MACHINERY	135,711,802	195,743,795	308,750,565	22,705,032	-	-	-	22,705,032	135,711,802
(c) ELECTRICAL FITTINGS	19,994,922	15,434,625	34,939,507	490,040	-	-	-	490,040	19,994,922
(d) EXPENSES PENDING CAPITALISATION	18,435,333	107,965,907	107,739,928	18,661,312	-	-	-	18,661,312	18,435,333
(e) PRODUCT TECHN. DEVELOPMENT EXP. IN PROGRESS	217,910,043	567,473,439	600,770,736	184,612,746	-	-	-	184,612,746	-
(f) ADVANCE FOR CAPITAL GOODS	21,539,729	-	-	253,703,173	-	-	-	253,703,173	21,539,729
TOTAL	450,799,944	924,585,141	1,120,809,376	486,739,153	-	-	-	486,739,153	232,889,901
PREVIOUS YEAR	210,330,630	1,237,297,870	808,037,655	450,799,943	-	-	-	450,799,943	210,330,630

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE : VI CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
I) INVENTORIES (As per inventories taken, valued & certified by the Management)		
Stores & Consumable	19,734,149	13,428,556
Raw Materials	502,159,086	376,784,851
Work in Process	1,093,274,591	640,278,846
Finished Goods	417,936,975	100,617,058
TOTAL	2,033,104,802	1,131,109,311

II) SUNDRY DEBTORS

(Unsecured, Considered Good)

Debts outstanding for a period exceeding six months

- Considered good

- Considered doubtful

Other Debts

Less: Provision for Doubtful Debts

TOTAL **1,089,573,599** **978,426,866**

III) CASH AND BANK BALANCES

Cash in hand

Bank balances with Scheduled Banks :

Fixed deposits

Interest accrued but not due on fixed deposits

Current Accounts

TOTAL **228,778,398** **117,635,767**

IV) LOANS AND ADVANCES

(Unsecured, Considered good)

Advances recoverable in Cash or in Kind

or for value to be received

Advance Tax/ TDS

Prepaid Expenses

Security deposits

TOTAL **577,155,307** **880,800,279**

**SCHEDULES FORMING PART OF BALANCE SHEET
AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE : VII		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors	-	-
Total outstanding dues to small scale Industrial undertakings	2,970,627	3,344,403
Outstanding dues of Creditors other than Small Scale Industrial Undertaking	1,487,615,278	1,037,458,702
Statutory Liabilities	14,604,904	7,543,850
Expenses Payable	58,580,842	33,454,816
Interest accrued but not due	19,432,873	47,883,856
SUB TOTAL	1,583,204,523	1,129,685,627
B) PROVISIONS :		
Income Tax	56,005,759	44,210,250
Equity Share Dividend	25,972,950	24,031,950
Tax on proposed equity share dividend	4,414,103	4,085,432
TOTAL	1,669,597,335	1,201,973,849

**SCHEDULES FORMING PART OF BALANCE SHEET
AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE -VIII		
Gross Sales & Operating Income		
Domestic	3,760,761,529	2,760,301,954
Exports	2,166,660,772	1,763,955,564
Export Incentives	-	-
Operating Income	62,586,351	57,821,103
TOTAL	5,990,008,652	4,629,665,463
SCHEDULE -IX		
COST OF MATERIAL CONSUMED/SOLD		
Opening Stock	373,224,999	264,883,305
Purchases	4,835,155,608	3,318,281,379
	5,208,380,607	3,583,164,684
Less:Closing Stock	500,527,868	373,224,999
Total (A)	4,707,852,738	3,209,939,685
INCREASE /DECREASE IN INVENTORY		
Opening Stock		
Work in Process	640,278,846	541,734,561
Finished Goods	100,617,058	55,101,995
	740,895,904	596,836,556
Closing Stock		
Work in Process	1,093,274,591	640,278,846
Finished Goods	417,936,975	100,617,058
	1,511,211,566	740,895,904
Total (B)	770,315,662	144,059,348
TOTAL (A-B)	3,937,537,076	3,065,880,337
SCHEDULE -X		
MANUFACTURING EXPENSES		
Job Work Charges	80,522,169	68,300,236
Wages	100,914,153	70,315,528
P.F. & other funds	4,439,968	3,955,051
Power, Fuel & Water Charges	130,521,909	100,839,083
Stores & Spares	13,987,414	15,324,537
Repair & Maint. :		
Plant & Machinery	4,580,612	943,903
Buildings	490,243	205,642
Electrical	1,274,474	1,084,826
Excise Duty Paid	-	-
Other manufacturing Expenses	199,727	439,585
TOTAL	336,930,667	261,408,392
SCHEDULE -XI		
ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneration		
--Salary & Allowances	15,000,000	12,600,000
--Contribution to P.F.	18,720	18,720
Salary & Allowances	29,626,102	31,328,644
P.F. & other funds	2,558,007	1,796,818
Gratuity Premium	3,554,066	4,452,475
Travelling & conveyance	13,165,885	11,020,170
Payment to Auditors:		
Audit Fees	330,900	337,080
Taxation Matters	-	45,000
Out of pocket exp	21,500	26,990

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
Certification Fees	150,000	-
Office Rent	3,959,552	2,850,118
Rate & Taxes	2,629,115	1,906,003
Insurance	9,589,367	7,589,519
Legal & Professional Charges	3,573,106	3,402,882
Printing & Stationary	6,972,315	6,634,648
Vehicle Running & Maint.	11,328,894	10,710,247
Telephone & Postage	7,701,225	6,804,726
Office Expenses	3,909,302	4,308,155
Charity & Donation	217,689	196,702
Listing Fees	426,293	137,686
Books & Periodicals	626,599	544,982
Meeting, Membership & Subscription Fees	671,650	503,479
Security Expenses	3,361,367	2,985,794
Staff Welfare	4,126,591	4,210,773
Training & Development Exp	823,105	435,619
Repair & Maintenance Gen.	2,112,690	1,943,899
Recruitment Exp	765,799	799,044
Other Expenses	627,904	647,895
TOTAL	127,847,743	118,211,079
SCHEDULE -XII SELLING & DISTRIBUTION EXPENSES		
Advertisement & publicity	694,444	676,433
Business Promotion	6,671,372	2,512,488
Commission on Sales	56,940,658	25,578,900
Packing Material	14,887,691	11,133,186
Rebate & Discount	1,576,550	1,247,470
Freight Outward	30,091,177	25,933,382
Insurance Charges	1,503,792	656,201
ECGC Premium	3,172,010	2,950,961
Bad Debts w/off	-	11,286
Other Expenses	854,179	18,222
TOTAL	116,391,873	70,718,527
SCHEDULE -XIII INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans	233,642,835	162,627,967
Interest on Working Capital from Banks	150,527,952	98,584,792
Bank Charges & Others	83,036,528	29,887,244
Brokerage & Commission	2,342,242	1,619,909
TOTAL	469,549,558	292,719,911
SCHEDULE -XIV RESEARCH & DEVELOPMENT EXPENSES		
Salary & Wages & Other Allowances	23,355,680	18,849,545
Administration Exp	121,232	680,793
Consumables & Chemicals & Regents	22,667,712	14,417,683
Repair & Maintenance - Machinery	1,504,620	1,528,078
Technical Study & Consultancy	1,731,934	1,360,090
TOTAL	49,381,178	36,836,189

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE : XV

A. SIGNIFICANT ACCOUNTING POLICIES

1 SYSTEM OF ACCOUNTING

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

2 FIXED ASSETS & DEPRECIATION

(a) COST OF FIXED ASSETS

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

(b) DEPRECIATION /AMORTISATION

Depreciation is provided on straight line method at the rates specified in schedule XIV of the Companies Act 1956 on pro rata basis and the assets having the value upto Rs. 5000 have been depreciated at the rate of 100%. Lease hold Land is amortised over the period of lease. The policy of company is to provide depreciation on the buildings and Plant & machinery other fixed assets of new projects from the date of start up of commercial production put to use.

(c) INTANGIBLE ASSETS (Other Assets)

Cost of product development for which the company becomes entitled to a patent is recognised as intangible asset. The Policy of Company is to amortise such expenses on straight-line basis in five subsequent years from the year in which these are incurred.

3 BORROWING COST

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

4 INVENTORIES

Inventories are valued as under :

Stores & spares are valued at cost.

Raw Materials are valued at cost on FIFO basis.

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

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

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

5 RECOGNITION OF INCOME AND EXPENDITURE

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

6 FOREIGN CURRENCY TRANSACTIONS

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

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

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

7 RETIREMENT BENEFITS

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

8 EMPLOYEE STOCK OPTION

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

9 CURRENT & DEFERRED TAX

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

10 CONTINGENT LIABILITY

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

11 GOVERNMENT SUBSIDY

The Policy of Company is to account for the Government Subsidy on actual receipt basis.

12 EXPORT INCENTIVES

Obligation / entitlements on account of Advance Licenses Scheme for import of raw material are not accounted for but given by way of note.

13 INVESTEMENTS

Long term Investements are being valued at cost

14 IMPAIRMENT OF ASSETS

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

15 OTHER ACCOUNTING POLICIES

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

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

B: NOTES ON ACCOUNTS :

		2008-09	2007-08
		(Rs.in lacs)	
1	Contingent liabilities not provided for:		
a.	Letter of Credit against purchase of raw material:	13125.63	1426.57
b.	Export obligation in respect of custom duty :	200.93	171.60
c.	Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained	Unascertained
d.	Corporate guarantees given on behalf of		
	Ind Swift Land Ltd	Nil	2500.00
	Essix Biosciences Ltd	1050.00	Nil
	Kiran Flour Mills Industries Ltd*	8200.00	7100.00
* Corporate Guarantee given to State Bank of India and ICICI Bank Ltd. against the Working Capital Facilities sanctioned to Kiran Flour Mills Industries Ltd. The Extent of working capital limit released by the SBI & outstanding amount against that is Rs. 2870.24 Lac as on 31.03.09			
2	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 675.87 lacs (Previous year Rs. 320.11 Lacs)		
3	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.		
4	Company has revalued its assets Comprising of Land, Building, Machinery of Derabassi Unit by the approved External Valuer to reflect the market value and accordingly the appreciation amounting to Rs.10138.73 Lac have been credited to Capital Reserve Account (Re-valuation Reserve A/c) as on 31.03.2007. Depreciation amounting to Rs. 367.35 Lac has been provided during the year & the same is reduced from Revaluation Reserve.		
5	DIRECTOR REMUNERATION INCLUDES	2008-09	2007-08
A	SALARY		
	Managing Director	7,505,040	6,300,000
	Jt. Managing Director	7,505,040	6,300,000
B	CONTRIBUTION TO PROVIDENT FUND		
	Managing Director	9,360	9,360
	Jt. Managing Director	9,360	9,360
C	PERQUISITES		
	Managing Director	337,972	452,079
	Jt. Managing Director	337,973	214,452
	Total	15,704,745	13,285,251
Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956			
		2008-09	2007-08
	Profit for the year before taxation as per P&L Account	489,286,474	389,140,596
	Add: Directors' Remuneration	15,704,745	13,285,251
	Loss on sale of Fixed Assets	8,993,270	2,860,138
	Provision for Doubtful Debts	2,852,714	-
	Eligible Profit for Computation of Director Remuneration	516,837,203	405,285,985
6	Other expenses under head administrative expenses includes Rs. 37,000 (Previous Year Rs.35000) paid to directors as sitting fee.		

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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

a. List of related parties and their relationship

Associates	Ind Swift Limited Essix Biosciences Limited Ind Swift communications (p) Ltd Ind Swift Land Ltd Hakim Farayand Chemi Co (Iran) Kiran Flour Mills Industries Ltd.
Key Management personnel- Directors	Mr. N.R.Munjal Mr.V.K.Mehta
Subsidiary	Ind Swift Laboratories Inc. USA

b. Related party transactions

(Rs. in lacs)

Name of related party	Ind Swift Limited		Essix Biosciences Limited		Ind Swift Laboratories Inc USA		Kiran Flour Mills Ind Ltd		Ind Swift Land Ltd.		Hakim Farayand Chemi Co (Iran)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Nature of transactions												
(1) Transactions during the year.												
Purchases.	1747.52	2256.15	89.40	28.67			3528.75	1502.01	0.00	1.78	379.77	254.38
Sales	1837.55	2883.16	322.08	411.98	1152.09	1197.66	17.90	NIL				
Purchased DEPB									0.00	26.95		
Interest Receivable	348.57	450.95	270.56	nil								
Expenses	7.50	2.85	1050.00	nil			8200.00	7100.00	0.00	2500.00		
Corporate Guarantee Given												
(ii) Outstanding balances as on 31.03.09												
Share Capital	649.97	623.07	115.48	18.28	544.54	544.54			482.00	482.00	413.47	413.47
Investment			767.50	767.50					117.97	25.77		
Loans & Advances	1803.27	3238.20	375.80	nil								
Debtors	1264.23	530.30	681.21	359.13	264.89	686.20	3.91	NIL	11.77	11.77	443.39	225.72
Creditors	36.01	30.74	809.56	nil			728.16	NIL				

Details of remuneration to Directors (Key management Personnel) are as given in Note no 5.

8.Earning per share is calculated as shown below:

	2008-09	2007-08
Profit available for Equity Shareholders	397864427	310151952
For Basic Earning No of weighted average equity shares	24902399	23045087
For Diluted Earning Effect of diluted equity shares equivalent to (Equity Share Warrants 2500000 (Previous Year 3769000) pending for conversion)	1472603	344852
No of weighted average of Diluted Equity Shares	26375002	23389939
Nomial Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
Basic	15.98	13.46
Diluted	15.08	13.26

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

9 Deferred Tax:

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2009 is as under:

Rs./Lac

Deferred Tax Liabilities	2008-09	2007-08
Timing Difference on account of :		
Depreciation	7983.78	6026.28
Total	7983.78	6026.28
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	29.35	19.66
Carried Forward Losses as per Income Tax Act	3203.72	2716.73
Total	3233.07	2736.38
Deferred Tax Liabilities net	4750.71	3289.90
Deferred Tax Liabilities (Assets) Charged to Revenue Reserve	1142.39	1419.03
Deferred Tax Liabilities (Assets) Charged to P&L A/c	318.42	116.65

Short provision of Deferred Tax Liability amounting Rs 1142.39 lacs of earlier years upto 31.03.2008 is deducted from Reserve & Surplus of current year ending on 31.03.2009

10 The balance in the parties accounts whether in debit or credit are subject to confirmation and resultant adjustment.

11 Operating Income consists of following

Rs./Lac

Particulars	FY 2008-09	FY 2007-08
Interest Income (Gross)	464.34	537.33
Foreign Exchange Fluctuation	0.00	475.87
Other Operating Income	161.52	40.88
Total	625.86	1054.08

TDS Deducted on Interest Income 101.64 119.30

12 Fixed deposits with banks of Rs. 1320.08 Lacs (Previous year Rs.655.20 Lacs) are pledged with banks as margin money for working capital facilities.

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

14 The company operates only in one business segment viz. Bulk Drugs & Pharmaceutical. However the figures in Segment reporting is based on geographical location of its customers.

15 Total amount of Term Loans installments payable during twelve months following 31-03-2009 are Rs. 7949.24 Lacs (Previous year Rs.5843.27 Lacs).

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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 India	Outside India	Rs./Lac Total
REVENUE-EXTERNAL	36521 (26810)	21667 (17640)	58188 (44450)
RESULTS	4926 (2917)	9328 (7487)	14254 (10404)
Less: Financial Expenses			4695 (2927)
Less: Unallocated Expenses			4764 (4640)
Add: Operating Income			626 (1054)
Less: Extra Ordinary Exp & Fluctuation in Foreign Exchange			527 (Nil)
Less: Income Tax Provision including FBT			596 (673)
Less: Deferred Tax			318 (117)
Profit after Tax			3979 (3102)
OTHER INFORMATION			
SEGMENT ASSETS	4256 (3393)	6640 (6391)	10896 (9784)
UNALLOCATED ASSETS			84951 (70459)
TOTAL ASSETS			95847 (80243)
SEGMENT LIABILITIES	9558 (7902)	6274 (3395)	15832 (11297)
UNALLOCATED LIABILITIES			43555 (35321)
TOTAL LIABILITIES			59387 (46617)
CAPITAL EXPENDITURE			54223 (46709)
DEPRECIATION			2686 (1514)
NON CASH EXPENSES OTHER THAN DEPRECIATION			281 (1617)

NOTES:

- 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.
- Segment assets & liabilities
Segment assets consists of debtors & the segment liabilities consists of creditors and accrued liabilities.
- The figures in brackets are in respect of previous year

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

16 Expenditure on Research & Development

	2008-09	2007-08
a) Addition in Fixed Assets -DB Unit	111.56	228.63
b) Addition in Fixed Assets - Mohali Unit	5.61	24.34
c) Revenue Exp -Derabassi Unit	4735.97	2492.46
d) Revenue R&D Expenditure-Mohali Unit	892.40	1012.26
e) Debited to Profit & Loss Account as per Annexure XV	493.81	368.36
f) Depreciation	1412.61	346.70
g) Misc Exp W/off	0.00	5.41

The Depreciation and misc exp w/off related to research & development are clubbed under respective heads in profit & loss account.

- 17 R&D Technology & Product Development forming part of Capital Work in Progress consists of following Expenditure.

DESCRIPTION	OP BAL	TRF FROM DEVELOPMENT EXP	AMORTISED	ADDITIONS DURING THE YEAR	TRF R&D TECHNOLOGY INTERNALLY DEVELOPED	BAL
Consumables, Lab Chemicals & Regents	1297.00	0.00	0.00	4841.59	5057.14	1081.45
Salary & Wages	405.63	0.00	0.00	491.08	474.08	422.63
Utility & Running/Maint Exp	95.82	0.00	0.00	85.79	95.82	85.79
Analytical Fees & Study	18.31	0.00	0.00	0.00	18.31	0.00
Finance & Interest Charges	300.05	0.00	0.00	137.77	300.05	137.77
Patent Filing	0.00	0.00	0.00	26.52	0.00	26.52
Administrative Exp	62.33	0.00	0.00	45.62	62.33	45.62
Total	2179.14	0.00	0.00	5628.37	6007.74	1799.77
PREVIOUS YEAR	0.00	4820.32	1135.43	3504.72	5010.46	2179.14

- 18 The outstanding dues of small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company. The parties to whom the Company owes sum outstanding for more than 30 days as at the balance sheet date are:
Euro Containers, Ammonia Supply Co.
- 19 The Company has ESOP scheme called "ESOS 2006". During the year, Company has granted no Employee Stock Option. (Previous year 460000) Deferred Employee Compensation Cost is being amortised over a period of three years, being the vesting period and on proportionate basis. Accordingly a sum of Rs. 43.56 Lac has been amortised during the year.
- 20 Obligations/Entitlements on account of advance license not recognised at the time of export during the year amounts to Rs. 726.93 Lac (Previous year Rs. 474.16 Lac). The above treatment has no impact on the profit & loss account.
- 21 Investment of Rs. 2337.51 Lac (Previous Year 2337.51 Lac) Unquoted-Long Term are at Cost.
- a) Investment in Ind Swift Laboratories Inc, USA
Common Stock R.S. 0.45 Lac (Previous Year Rs.0.45 Lac)
Share Application Money Rs. 544.09 Lac (Previous Year Rs.544.09 Lac)
- b) Units of Principle Global Opportunities Fund Rs. 5.00 Lac (Previous Year Rs.5.00 Lac)
- c) Investment in Vardhman Chemtech Pvt Limited is Rs.100.00 Lac (Previous Year Rs. 100.00 Lac)
10,00,000 Equity Share of Rs. 10/- each fully paid up.
- d) Investment in Nimbua Green Field (Punjab) Ltd
207200 (Previous Year 207200) Equity Share of Rs. 10/- each fully paid Rs. 2072000
(Previous Year Rs 2072000)
- e) Investment in Swift Land Limited
48,20,00 (Previous Year 482000) Equity Share of Rs.10/- each fully paid up. Rs. 482.00 Lac
(Previous Year Rs. 482.00 Lac)

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- f) Investment in Essix Bioscience Limited
3,00,000 (Previous Year 300000) Equity Share of Rs.10/- each fully paid up issued at a premium of Rs. 90/-per share, Rs. 300.00 Lac (Previous Year Rs. 300 Lac) Share Application Money Rs. 467.50 Lac (Previous Year Rs.467.50 Lac).
- g) Investment in Farayand Chemi Hakim Company Ltd (Iran)
Common Stock RS. 27.17 Lac (Previous Year Rs. 27.17 Lac)
Share Application Money Rs. 386.30 Lac (Previous Year Rs. 386.30 Lac)
- 22 Office Building includes Mumabi Office Building Rs.41.46 Lac purchased in Mumbai in the name of the Managing Director of the Company which is mortgaged with ICICI Bank. The Company has entered into an "agreement to sell" and has taken GPA from the Managing Director. The property is yet to be registered in the name of Company. Freehold land includes Rs.4.04 crore being purchase of Lands situated at Barwala (Haryana) for which agreement to sell has been executed and the property is yet to be registered in the name of the company.
- 23 During the year, Company has made following preferential allotments.
Date of Allotment **Zero Coupon Optionally Convertible Warrants Converted** **Equity Share Issued**
- | | | |
|-------------|--------|--------|
| 19-Jun-2008 | 569000 | 569000 |
| 30-Jul-08 | 350000 | 350000 |
| 29-Aug-08 | 322000 | 322000 |
- The Proceeds of preferential allotments was fully utilised towards the capital expenditure/projects/investments undertaken by the company.
- 24 Capital Work in Progress includes expenses pending capitalisation Rs. 186.61 Lac (Previous Year 184.35) as detailed below:

DESCRIPTION	Rs./Lacs			
	OP BAL	ADDITIONS	CAPITALISED	BAL
INTEREST COST	92.14	572.00	556.22	107.92
UPFRONT/PROCESSING FEES	0.00	49.35	49.35	0.00
SALARY & WAGES	77.96	355.37	417.73	15.60
LEGAL & PROFESSIONAL	10.00	63.09	10.00	63.09
TRAVELLING & CONVEYANCES	3.07	2.41	5.48	0.00
ELECTRICITY CHARGES	0.00	36.52	36.52	0.00
SECURITY EXPENSES	0.00	0.00	0.00	0.00
OFFICE EXPENSES	1.18	0.92	2.10	0.00
TOTAL	184.35	1079.66	1077.40	186.61
PREVIOUS YEAR	0.00	593.43	409.08	184.35

- 25 Sundry creditors of Rs 11696.39 Lacs include creditors having debit balance of Rs. 349.11 lacs for projects & services.
- 26 Sundry Debtors & Loans and Advances includes Rs. 2669.40 Lacs (Previous year Rs. 1587.40 Lacs) & Rs.2297.04 Lacs as debtors and loans respectively (Previous year 3263.97 Lacs) recoverable from companies under the same management. PI Refer to Notes No 7 of Notes to Accounts
- 27 As at the Balance Sheet Date, Company has Unhedged Foreign Currency Exposure (Net) to the tune of US \$/Mn Nil (Previous Year \$/Mn 11.32, Rs. 45.26 crore).
- 28 In compliance with AS-28, During the year, company has identified fixed assets amounting to Rs.415.20 Lac for impairment. The Net Realisable Value of such fixed assets has been estimated at Rs. 85.48 lac. Accordingly Impairment Loss of Rs.252.60 Lac has been charged to Profit & Loss Account during the year.
- 29 In compliance with AS-15, During the year, company has provided Rs. 20.67 Lac as additional provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- 30 During the year, the Company has incurred foreign currency revenue expenditure of RMB 473570 on its China Office and GBP 8000 on its U.K office Operation. Such Foreign Currency Expenditure has been translated in Indian Currency @ One RMB equivalent to Rs.6.83 and One GBP equivalent to Rs. 71.99 at the year end on the basis of average exchange rate during the year computed as per cross currency reference rates published by RBI.
- 31 Capital Reserve includes Rs. 20.40 Lacs being Subsidy for DG Set which is net of Rs 1.12 Lacs amortised and treated as income during the year.
- 32 Loans & Advances include Rs. 3.87 lacs (Previous Year 3.81 lacs) due from Company Secretary. Maximum amount due during the year is Rs. 3.87 Lacs (Previous Year 3.81 Lacs)
- 33 Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.
- 34 Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 is as under :

A. Particulars of Capacity & Production :

SR. NO.	Product	Licensed Capacity	Installed Capacity
1	Bulk Drugs, Intermediates, Solvents & Others	N.A.	348400 Kg (318180 Kgs)
2	Mint Derivatives	N.A.	840000 Kg (100000 Kg)

The installed capacity is as certified by the management on which auditors have placed reliance being a technical matter.

B-I Production, Turnover & Stocks :

SR. NO.	Product	Opening Stock		Production/ Purchase	Turnover		Closing Stock	
		Qty	Value		Qty	Value	Qty	Value
		(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	
1	Bulk Drugs, Intermediates etc.	62,014 (8,663)	100,617,058 (55,101,995)	1,014,797 (413,078)	829,799 (359,727)	3,424,025,223 (2,457,689,501)	247,012 (62,014)	417,936,975 (100,617,058)
2	Contract Research Income					(81,729,750)		
TOTAL			100,617,058 (55,101,995)			3,424,025,223 (2,539,419,251)		417,936,975 (100,617,058)

The stock of Finished Goods include 246052.79 Kg (Previous Year 60710.42 Kg) of the goods which are under test amounting to Rs 4076.07 Lacs (Previous Year Rs. 933.33 Lacs)

B-II Trading Goods (Intermediates & Chemicals etc) :

SR. NO.	Product	Opening Stock		Purchase		Turnover		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
		(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)
	Trading Goods (Intermediates & Chemicals etc.)	22,734 (10,865)	13,247,018 (5,864,764)	6,696,644 (11,875,986)	2,486,457,138 (1,964,590,615)	6,656,408 (11,864,117)	2,503,397,078 (1,984,838,267)	62,970 (22,734)	12,227,621 (13,247,018)

Figures in brackets are in respect of Previous year.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

C. Detail of Consumption of material

Sr. No.	Raw Material Consumed	2008-09		2007-08	
		Quantity (Kgs.)	Value (Rs.)	Quantity (Kgs.)	Value (Rs.)
1	TIOC	236,038	645,831,795	250,786	480,523,687
2	BETA	323	21,070,962	400	26,101,344
3	Others		1,553,473,447		746,106,292
4	Trading Goods (Intermediates & Chemicals etc.)		2,487,476,534		1,957,208,361
	TOTAL		4,707,852,738		3,209,939,684

D. Detail of Raw Material, Stores & Spares Consumed

Particulars	Raw Material				Stores & Spares			
	2008-09		2007-08		2008-09		2007-08	
	Value Rs.	% of Total Consumption	Value Rs.	% of Total Consumption	Value Rs.	% of Total Consumption	Value Rs.	% of Total Consumption
Imported	1,349,750,833	28.67%	1,416,455,450	44.13%	NIL	NIL	NIL	NIL
Indigenous	3,358,101,905	71.33%	1,793,484,235	55.87%	13,987,414	100.00%	15,324,537	100.00%
Total	4,707,852,738	100.00%	3,209,939,685	100.00%	13,987,414	100.00%	15,324,537	100.00%

E. C.I.F. Value of Imports :

	2008-09	2007-08
(i) For Raw Materials	1,690,818,607	1,457,785,054
(ii) For Capital Goods	4,035,497	28,650,523

F. Expenditure in Foreign Exchange :

Interest	30,673,848	71,477,120
Others	69,436,200	41,997,557
Total	100,110,048	113,474,677

G. Earnings in foreign exchange

FOB Value of Goods	2,245,893,210	1,697,949,215
FOB Value of Services	NIL	24,229,750

35 Schedule I to XVI form an integral part of Balance Sheet and Profit & Loss Account and have been duly authenticated.

AUDITOR'S REPORT

As per our separate report of even date

For **JAIN & ASSOCIATES**
Chartered Accountants

R.K GULATI

Partner
Membership No. 11999

Date: 29.06.09
PLACE: CHANDIGARH

S.R MEHTA
Chairman

Dr. G. Munjal
Director

Dr. J.K. Kakkar
Director

N.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors

N.R.MUNJAL Vice-Chairman
V.K. MEHTA Managing Director

Dr. V.R. MEHTA Director
K.M.S. NAMBIAR Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. State Code:

Balance Sheet Date
Date Month Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000)

Public Issue Rights Issue

Bonus Issue Private Placement

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. '000)

Total Liabilities Total Assets

Sources of Funds

Application of funds

Paid-up Capital Net Fixed Assets

Reserves & Surplus Net Currents Assets

Secured Loans Investments

Unsecured Loans Misc. Expenditure

Deferred payment liabilities

IV PERFORMACE OF COMPANY (AMOUNT IN RS. '000)

Turnover & other income Total Expenditure

Profit/Loss Before Tax Profit/Loss After Tax

Earning per Share(Basic) in Rs. Dividend Rate %

V GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY

Product Description Item Code NP.

i) Clarithromycin

ii) Betamethsone Salt

AUDITOR'S REPORT

As per our separate report of even date

For **JAIN & ASSOCIATES**
Chartered Accountants

R.K GULATI

Partner
Membership No. 11999

Date: 29.06.09
PLACE: CHANDIGARH

S.R MEHTA
Chairman

Dr. G. Munjal
Director

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Director

N.K BANSAL
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For and on behalf of the Board of Directors

N.R.MUNJAL Vice-Chairman
V.K. MEHTA Managing Director

Dr. V.R. MEHTA Director
K.M.S. NAMBIAR Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

STATEMENT PURSUANT TO THE SECTION 212 OF THE COMPANIES ACT, 1956

1 Name of the Subsidiary Company	Ind Swift Laboratories Inc.
2 Financial Year of the Subsidiary Company	01-01-2008 to 31-12-2008
3 Share of Subsidiary Company held by Ind Swift Laboratories Limited	
(i) No of Shares (Common Stock)	100
(ii) Face Value	N.A.
(iii) Paid up value	Rs. 49390
(iv) Additional Paid up Capital	Rs. 53877996
(v) Extent of Holding	100%
	Rs./Lac
4 Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited not dealt with in the accounts of the Ind Swift Laboratories Limited amount to:	
(a) For the subsidiary Company's financial year ended on 31.12.2008.	60.52
(b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	(223.46)
5 Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited dealt with in the accounts of the Ind Swift Laboratories Limited amount to:	
(a) For the subsidiary Company's financial year ended on 31.12.2008	Nil
(b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	Nil
6 Holding Company's interest as at March 31, 2008 incorporating changes since close of the financial year of the subsidiary company	No Change
Note: The Profit & Loss figures of Subsidiary company has been translated on the basis of average rate of Balance sheet items are translated at closing exchange rate applicable to Subsidiary Company as at 31.12.2008. Non Monetary items are translated at the historical rates. Balance Sheet Monetary items are translated at closing exchange rate as at 31.12.2008. Profit & Loss items are translated at yearly average exchange rate.	

AUDITOR'S REPORT
As per our separate report of even date
For **JAIN & ASSOCIATES**
Chartered Accountants

R.K GULATI
Partner
Membership No. 11999

Date: 29.06.09
PLACE: CHANDIGARH

S.R MEHTA
Chairman

Dr. G.Munjali
Director

Dr. J.K. Kakkar
Director

N.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors

N.R.MUNJAL
Vice-Chairman

Dr. V.R.MEHTA
Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

V.K. MEHTA
Managing Director

K.M.S. NAMBIAR
Director

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the fifth report on the operations of your company and annual financial statements of the company for the financial year ended 31st December, 2008.

Principal Activity

The Company is primarily engaged in the supply of key APIs to the pharmaceutical companies in USA. The Company has filed three additional US Drug Master Files (DMF's) this year. The Company is progressing with its plans in North America and also entered into the supply agreements with North American Generic Pharmaceutical Companies.

Financial Results

The US subsidiary of the Company Viz. Ind-Swift Laboratories Inc, recorded a net Profit of \$ 137833/- as compared to \$ 96169/- recording a growth of 43.32% for the year 31.12.2008. During the year the total income of the Company were US\$ 4045065 as compared to US\$ 3045130 in the previous year.

Board of Directors

There has been no change in the directorship of the company.

Directors' Responsibility Statement

The directors confirm that while preparing the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures. They further confirm that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year. They also confirm that proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and that the annual accounts have been prepared on going concern basis.

Auditors

Mr. Arun C. Sarkar, Certified Public Accountant acted as the auditors of the company during the period.

Appreciations

Your Directors wish to place on record their appreciation of valuable services rendered by all the employees of the company and to all the business associates of the company for their continued support.

Date : 30.04.2009
Place : Chandigarh

N.R. MUNJAL
(Director)

V.K. MEHTA
(Director)

INDEPENDENT AUDITORS' REPORT

To the Stockholders
Ind-Swift Laboratories, Inc

I have audited the accompanying balance sheet of Ind-Swift Laboratories, Inc. (a development stage company) as of December 31, 2008, and the related statements of operation and accumulated deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ind-Swift Laboratories, Inc. (a development stage company) as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Dayton, NJ
April 30, 2009

ARUN C. SARKAR
CERTIFIED PUBLIC ACCOUNTANT

BALANCE SHEET

PARTICULARS	AS AT DECEMBER 31, 2008		AS AT DECEMBER 31, 2007	
	US \$	INR	US \$	INR
ASSETS				
Current assets				
Cash in bank	20790	1007277	114547	4514297
Accounts receivable - Trade	1321875	64044844	1915860	75504043
Security deposit	3165	153344	3070	120989
Notes Receivable	660	31977	660	26011
Total current assets	1346490	65237442	2034137	80165339
FIXED ASSETS				
Automobile, Furniture & Equipment	60494	2705013	58709	2633149
Less: Accumulated Depreciation	42662	1890611	36825	1630830
Net Fixed Assets	17832	814402	21884	1002319
Total Assets	1364322	66051845	2056021	81167659
LIABILITIES & SHAREHOLDER'S EQUITY				
Current Liability				
Accrued Expenses	648058	31398428	1557591	61384661
Tax Payable	1000	48450	1000	39410
Total Current liability	649058	31446878	1558591	61424071
Stockholder's equity				
Capital Stock	1100	49390	1100	49390.0
Common Stock, no par value, 1500 shares authorised, 100 shares issued and outstanding				
ADDITIONAL PAID UP CAPITAL	1203750	53877996	1123750	50346796
Accumulated Deficit	-489586	(22346444)	(627420)	(28398811)
Total Stockholder's Equity	715264	31580942	497430	21997375
Translation Reserve		3024025		(2253787)
Total Liabilities and Stockholder's equity	1364322	66051845	2056021	81167659

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

PARTICULARS	AS AT DECEMBER 31,2008		AS AT DECEMBER 31,2007	
	US \$	INR	US \$	INR
Net Sales	4045065	177719931	3045130	127301660
Cost of Sales	3128492	137450314	2388625	99856468
Gross profit	916573	40269616	656505	27445192
Expenses:				
Selling,General & Administrative	770177	33837748	552089	23080089
PROFIT/(LOSS) FROM OPERATION	146395	6431869	104416	4365103
OTHER EXPENSES				
Depreciation	5837	259781	7247	306715
Total Other expenses	5837	259781	7247	306715
NET PROFIT/(LOSS) BEFORE STATE INCOME TAX EXPENSE	140558	6172088	97169	4058388
State Income tax	2725	119723	1000	41805
NET PROFIT/ (LOSS)	137833	6052365	96169	4016583
ACCUMULATED DEFICIT-BEGINNING	(627419)	(28398809)	(724667)	(32460460)
PREVIOUS YEAR ADJUSTMENT	0	0	1078	45066
ACCUMULATED DEFICIT-ENDING	(489586)	(22346444)	(627420)	(28398811)

STATEMENT OF CASH FLOW

	AS AT DECEMBER 31,2008		AS AT DECEMBER 31,2007	
	US \$	INR	US \$	INR
Cash Flows From Operating Activities :				
Net income	137,833	6,052,365	96,169	4,016,583
Adjustments to reconcile net income to net cash provided by operating activities:				
Prior year Adjustment	0	0	1,078	45,066
Depreciation and amortization	5,837	259,781	7,247	306,715
Changes in:				
Security deposits	(95)	(32,355)	0	14,797
Notes Receivable	0	(5,966)	0	3,181
Accounts Receivable	593,985	11,459,199	(1,915,860)	(75,504,043)
Accrued expenses	(909,533)	(29,977,193)	1,507,908	59,182,362
Net Cash Used by Operating Activities	(171,973)	(12,244,170)	(303,458)	(11,935,339)
Cash Flows from Investing Activities				
Purchase of furniture and equipment	(1,785)	(71,864)	0	0
Cash Flows from Financing Activities				
Proceeds from issuance of common stock	0	0	0	0
Repayment of note payable	0	0	0	0
Additional Paid up Capital	80,000	3,531,200	34,850	1,538,197
Proceeds from note payable	0	0	0	0
Net Cash Provided by Financing Activities	80,000	3,531,200	34,850	1,538,197
Net Increase in Cash	(93,758)	(8,784,834)	(268,608)	(10,397,142)
Translation Reserve		5,277,812		(2,035,507)
Cash - Beginning of Year	114,547	4,514,297	383,155	16,946,946
Cash -End of Year	20,789	1,007,275	114,547	4,514,297

NOTES TO FINANCIAL STATEMENTS

- 1. Organization and Business:**
Ind-Swift Laboratories, Inc, a Delaware Corporation, was formed on January 2, 2004. The Company is a wholly owned subsidiary of Ind-Swift Laboratories Ltd. (India). At present, the Company is engaged in the sale of raw materials to pharmaceutical Companies. During 2008 the Company purchased 100% of its merchandise from its parent Company.
- 2. Summary of Significant Accounting Policies:**
- a. Method of Accounting**
The company employs accrual method of accounting for its revenues and expenses.
- b. Cash and Cash Equivalents**
The Company considers all liquid investments maturing in 90 days or less to be cash equivalents.
- c. Revenue Recognition**
Revenue from sales is recognized when the risk and rights of ownership have passed to the customers. The Company, under certain conditions, permits its customers to return or exchange. A provision for sales returns is recorded concurrently with revenue recognition.
- d. Furniture and Equipment**
Furniture and Equipments are carried at cost and are depreciated using the straight line method based on the estimated useful life ranging from three to seven years.
- e. Use of Estimates**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.
- f. Development Stage**
The Company has been in the Development stage since its formation on January 2, 2004. The operations of the company since then consisted of raising capital and the legal process for importing raw materials from a foreign country.
This year the Company has filed three additional US Drug Master File (DMF) with US FDA. Also, in the year 2008, ISL INC. has started shipping commercial supply of Clarithromycin in North America. Also, the Company's three additional products are being actively reviewed by regulatory agencies. The Company is progressing with its plans in North America and also entered into the supply agreements with North American generic pharmaceutical companies.
- 3. Furniture and Equipment:**
Furniture and Equipment at cost consisted of the following on December 31, 2008 and 2007:

	2008	2007
Furniture	\$ 5,018	\$ 5,018
Office Equipments	11,365	9,580
Vehicle	44,111	44,111
	60,494	58,825
Less: Accumulated Depreciation	42,662	36,825
	<u>\$ 17,832</u>	<u>\$21,884</u>

Depreciation expenses for the year ended December 31, 2008 and 2007 amounted to \$ 5,837 and \$ 7,247 respectively.

CONSOLIDATED AUDITORS' REPORT

The Members,
Ind-Swift Laboratories Limited
Chandigarh

We have audited the attached Consolidated Balance Sheet of Ind Swift Laboratories Limited ("the Company) and its subsidiary as at March 31, 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

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

We did not audit the financial statements of Ind Swift Laboratories Inc USA (wholly owned subsidiary) which has been considered for consolidation, whose financial statements reflect total assets of Rs 660.52 Lacs and the total revenue of Rs 1777.20 Lacs for the year then ended. These financial statements and other financial information have been audited by another auditor whose report has been furnished to us, and our opinion is based solely on the report of the other auditor.

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

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

- a) In case of the Consolidated Balance sheet of the consolidated state of affairs of Ind Swift Laboratories Limited and its Subsidiary as at March 31, 2009.
- b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of Ind Swift Laboratories limited and its Subsidiary for the year ended on that date, and
- c) In the case of the Consolidated Cash flow Statement of the consolidated cash flows of Ind Swift Laboratories limited and its Subsidiary for the year ended on that date.

FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K.GULATI)
PARTNER
Membership No.11999

PLACE: CHANDIGARH
DATE: 29.06.2009

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

PARTICULARS	SCHEDULE	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
I.SOURCES OF FUNDS			
(1) Shareholder's Funds			
Share Capital	I	252729500	240319500
Reserves & Surplus	II	3360489140	3062241193
Share Application money		17760000	31635000
(2) Loan Funds			
Secured Loans	III	3536754380	2743679415
Unsecured Loans	IV	257281977	387105856
(3) Deferred Tax Liability			
		475071322	328989817
TOTAL		7900086321	6793970780
II.APPLICATION OF FUNDS			
(1) Fixed Assets (Cost/Revalued Cost)			
Gross Block	V	5703968624	4700586759
Less: Depreciation		781621793	486870824
Net Block		4922346832	4213715935
Assets held for Disposal		14599412	11484569
*Capital Work In Progress		486739153	450799943
		5423685397	4676000447
(2) Investments			
		179297269	179297268
(3) Current Assets, Loans and Advances			
(a) Inventories	VI	2052794802	1131109311
(b) Sundry Debtors		1133928443	1053930909
(c) Cash and Bank Balances		229784787	122150065
(d) Loans and Advances		577340628	880947278
		3993848660	3188137563
Less			
Current Liabilities & Provisions	VII		
(a) Current Liabilities		1614602951	1191070289
(b) Provisions		86441262	72327631
Current Liabilities & Provisions	VII	1701044213	1263397920
Net Current Assets		2292804447	1924739643
(4) MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	VIII	4299208	13933423
TOTAL		7900086321	6793970780
Significant Accounting Policies & Notes on Accounts	XVI		

AUDITOR'S REPORT
As per our separate report of even date
For JAIN & ASSOCIATES
Chartered Accountants

R.K GULATI
Partner
Membership No. 11999

Date:29.06.09
PLACE: CHANDIGARH

S.R MEHTA
Chairman

Dr.G.Munjaj
Director
Dr. J.K. Kakkar
Director

N.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors
N.R.MUNJAL
Vice-Chairman

Dr. V.R.MEHTA
Director
K.M.S. NAMBIAR
Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT MARCH 31, 2009

PARTICULARS	SCHEDULE	Year Ended 31.03.2009 (Rs.) TOTAL	Year Ended 31.03.2008 (Rs.) ISLL INC
INCOME			
Gross Sales & Operating Income	IX	6,010,588,269	4,657,110,655
Less: Excise Duty		108,626,442	79,303,757
Net Sales & Operating Income		5,901,961,827	4,577,806,898
	Total-A	5,901,961,827	4,577,806,898
EXPENDITURE			
Cost of Materials Consumed	X	3,917,847,076	3,065,880,337
Manufacturing Expenses	XI	336,930,667	261,408,392
Administrative & Other Expenses	XII	159,488,741	141,291,168
Selling and Distribution Expenses	XIII	118,588,623	70,718,527
Financial Charges	XIV	469,549,558	292,719,911
Research & Development Expenses	XV	49,381,178	36,836,189
Loss on Sale of Fixed Assets		8,993,270	2,860,138
Depreciation		268,828,996	151,674,871
Misc. Expenditure Written Off		-	114,304,924
Impairment of Assets		25,260,155	47,420,836
Foreign Exchange Fluctuation		44,632,077	(47,586,843)
Provision for Doubtful Debts		2,852,714	-
	Total-B	5,402,353,056	4,185,115,292
Profit For the Year Before Tax (A-B)		499,608,770	392,691,606
Previous Year Income		4,812,009	1,480,534
Previous Year Expenses		656,652	928,090
Extra ordinary item (Loss on Insurance claim)		8,105,565	-
Profit for the year before Tax		495,458,562	393,244,050
Provision for Income Tax		56,125,482	43,930,316
Income Tax Adjustment of Previous Years		495,607	21,660,350
Fringe Benefit Tax		3,078,192	1,775,099
Profit Before Deferred Tax		435,759,281	325,878,285
Provision for Deferred Tax		31,842,490	11,664,684
Profit available for appropriation		403,916,791	314,213,601
Profit available for appropriation		403,916,791	314,213,601
Profit available for Equity Shareholders		403,916,791	314,213,601
Provision for dividend on Equity Shares		25,972,950	24,031,950
Provision for Equity dividend tax		4,414,103	4,085,432
Transfer to General Reserve		19,893,221	15,507,598
Retained Profit transferred to Balance Sheet		353,636,517	270,588,622
Basic Earning per share		16.22	13.63
Diluted Earning per share		15.31	13.43
Nominal Value of each share		10.00	10.00

AUDITOR'S REPORT
As per our separate report of even date
For JAIN & ASSOCIATES
Chartered Accountants

R.K GULATI
Partner
Membership No. 11999

Date:29.06.09
PLACE: CHANDIGARH

S.R MEHTA
Chairman

Dr.G.Munjaj
Director

Dr. J.K. Kakkar
Director

N.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors

N.R.MUNJAL
Vice-Chairman

Dr. V.R.MEHTA
Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

V.K. MEHTA
Managing Director

K.M.S. NAMBIAR
Director

CONSOLIDATED CASH FLOW STATEMENT

PARTICULARS	Year ended 31.03.2009	Year ended 31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra-Ordinary Items	4953.38	3932.44
ADJUSTMENTS FOR:		
i) Depreciation/Impairment	2940.88	1990.96
ii) Misc Expenditure W/Off	0.00	1143.05
iii) Exchange (profit)/loss	446.32	(475.06)
vi) Interest on term loans	2336.43	1626.28
vii) Interest received	(464.34)	(537.33)
viii) Provision for Doubtful Debts	28.53	0.00
ix) Loss on sale of fixed assets	89.93	28.60
x) Employee Stock Option Expense	43.56	13.90
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENTS FOR	10374.69	7722.84
i) Trade & Other Receivables	(1471.79)	(2542.37)
ii) Inventories	(9019.95)	(2565.02)
iii) Loan & advances	3211.76	(1985.22)
vi) Current Liabilities	4508.08	5060.73
vii) Working Capital Borrowing	2681.59	835.84
v) Income taxes (Including Advance Tax/TDS)	(273.35)	(849.10)
	(363.66)	(2045.14)
Net Cash flow from operating Activities	10011.03	5677.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of fixed Assets	(6499.00)	(3864.13)
ii) Sale of fixed assets	1817.52	279.18
iii) Purchase of Investments	0.00	(22.20)
iv) Product Technology Development Expenditure	(5674.73)	(3504.72)
v) Interest Received on Fixed Deposits	114.36	537.33
Net Cash from investing activities	(10241.85)	(6574.54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Share Capital	161.37	119.60
ii) Advance agst Share Capital	(138.75)	143.80
iii) Proceeds from Securities Premium	754.96	717.60
iv) Proceeds from Term Loans From Banks & Financial Institutions	21447.96	6657.86
v) Repayment of Term Loans to Banks & Financial Institutions	(15746.98)	(6605.30)
vi) Proceeds from Short Term Loans from Others	0.00	2750.00
vii) Repayment of Short Term Loans from others	(2000.00)	(1000.00)
viii) Interest paid on term loans	(3192.94)	(1731.14)
ix) Proceeds from Fixed deposit	788.30	687.21
x) Repayments of Fixed deposit	(538.39)	(511.81)
xi) Equity Dividend Paid	(240.32)	(228.36)
xii) Equity Dividend Tax Paid	(40.85)	(38.81)
Net Cash flow from Financing Activities	1254.36	960.65
Net increase in Cash or Cash Equivalents	1023.58	63.82
Cash & Cash Equivalents as on 31.3.2008	1221.50	1157.68
Cash & Cash Equivalents as on 31.3.2009	2245.08	1241.86
Add Unrealised gain/(loss) in Foreign Currency	52.78	(20.36)
Closing Balance of cash & cash equivalents as on 31.03.09	2297.86	1221.50

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
SCHEDULE - I SHARE CAPITAL		
Authorised		
3,50,00,000 Equity Shares of Rs.10/- Each	350,000,000	350,000,000
TOTAL	350,000,000	350,000,000
Issued, Subscribed & Paid Up		
2,52,72,950 (Previous Year 2,40,31,950) Equity Shares of Rs.10/-each fully called up and paid up.	252,729,500	240,319,500
TOTAL	252,729,500	240,319,500
SCHEDULE - II RESERVES & SURPLUS		
(a) Capital Reserves :		
Capital Redemption Reserve	2,000	2,000
Share Warrants forfeited Account	5,882,113	5,686,113
Equity share forfeited Account	866,500	866,500
State subsidy on DG Set	2,039,643	1,03,525
(b) Securities Premium	1,191,916,900	1,117,456,900
(c) Revaluation Reserve	940,402,710	977,137,605
(d) Employee Stock Option Outstanding	13,069,200	13,069,200
(e) General Reserve		
As per Last Balance Sheet	88,342,295	72,834,697
Add Transfer during the year	19,893,221	15,507,598
Less Impairment of assets of earlier years		
(f) Profit & Loss Account		
As per Last Balance Sheet	858,677,057	729,992,185
Less Deferred Tax Liability of Previous Years	114,239,015	114,903,752
Less Transfer to General Reserve	19,893,221	15,507,598
Add Transfer from Profit & Loss Account	373,529,738	286,096,220
TOTAL	3,360,489,140	3,062,241,193
SCHEDULE - III SECURED LOANS		
(A) Loans and Advances from Banks		
(a) Borrowings for Working Capital.	987,560,766	719,401,862
(b) Term Loans	2,401,148,202	1,952,596,299
(c) Other Loans	46,314,087	33,145,701
(B) Other Loans and Advances	101,731,325	38,535,553
TOTAL	3,536,754,380	2,743,679,415

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

DESCRIPTION	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE : IV UNSECURED LOANS		
(a) Fixed Deposits	169,397,406	144,405,856
(b) Short Term Loan & Advances		
From Banks	-	-
From Others	87,884,571	42,700,000
(c) Other Loans & Advances		
From Banks	-	200,000,000
From Others	-	-
TOTAL	257,281,977	387,105,856

SCHEDULE : V FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	AS ON 01/04/2008	ADDITION	SALE/ TRANSFER	AS ON 31/03/2009	AS ON 01/04/2008	DURING THE PERIOD	DURING THE YEAR WRITTEN BACK	AS ON 31/03/2009	AS ON 31/03/2009	AS ON 31/03/2008
TANGIBLE ASSETS										
LAND FREE HOLD	457,572,530	68,420	113,669,643	343,971,307	-	-	-	343,971,307	457,572,530	
LAND LEASE HOLD	17,120,450	68,940	-	17,189,390	439,864	177,210	-	16,510,380	16,680,586	
FACTORY BUILDINGS	477,345,284	85,719,402	-	563,064,686	43,892,059	16,749,371	-	546,315,315	433,453,225	
OFFICE BUILDINGS	32,925,939	4,727,800	-	37,653,739	2,833,540	560,662	-	37,093,077	30,092,399	
R&D BUILDINGS	145,588,240	-	-	145,588,240	6,706,777	4,862,647	-	140,725,593	138,881,462	
BUILDINGS - PILOT PLANT	17,021,567	-	-	17,021,567	1,432,163	568,520	-	15,589,047	15,589,404	
PLANT/MACHINERY	2,126,124,069	391,781,996	59,663,521	2,458,242,444	281,124,896	114,885,838	9,817,817	2,343,356,635	1,844,999,173	
R&D MACHINERY	390,446,155	11,691,327	-	402,137,482	39,629,354	20,876,052	-	381,261,430	350,816,800	
PLANT & MACHINERY - PILOT PLANT	39,233,698	-	-	39,233,698	5,165,426	2,071,539	-	34,062,159	34,068,272	
ELECTRIC INSTALLATIONS	261,899,233	43,713,127	-	305,612,360	28,851,916	13,215,183	-	276,745,161	233,047,318	
ELECTRIC INSTALLATIONS - PILOT PLANT	3,439,389	-	-	3,439,389	405,783	163,371	-	3,033,618	3,033,606	
FURNITURE & FIXTURES	29,958,205	2,401,119	-	32,359,324	4,694,081	2,255,637	-	29,103,687	25,264,124	
OFFICE EQUIPMENTS	67,631,459	5,076,758	-	72,708,217	25,308,575	10,079,655	-	62,628,562	42,322,884	
VEHICLES	66,627,809	17,646,020	8,419,316	82,654,513	15,063,885	6,962,841	1,578,761	75,623,891	51,563,924	
INTANGIBLE ASSETS										
R&D TECHNOLOGY- GOODWILL	563,595,078	625,770,736	-	1,189,365,814	31,322,501	112,719,016	-	1,157,646,303	532,272,577	
	4,057,653	(3,531,200)	-	526,453	-	-	-	526,453	4,057,653	
TOTAL	4,700,586,759	1,185,134,345	181,752,480	5,703,968,624	486,870,823	306,147,548	11,396,578	5,416,821,326	4,213,715,937	
PREVIOUS YEAR	3,931,687,470	879,337,466	110,438,177	4,700,586,759	314,173,787	188,636,727	15,939,891	4,416,821,326	3,617,513,683	

Note: Depreciation provided during the year includes depreciation on Revalued Fixed Assets Rs. 3,67,34,895/- which is deducted from Revaluation Reserve.

CAPITAL WORK IN PROGRESS	AS ON 01/04/2008	ADDITION	CAPITALISATION	AS ON 31/03/2009					AS ON 31/03/2009	AS ON 31/03/2008
DESCRIPTION										
(a) BUILDINGS	37,208,115	37,967,375	68,608,640	6,566,850	-	-	-	6,566,850	37,208,115	
(b) PLANT & MACHINERY	135,711,802	195,743,795	308,750,565	22,705,032	-	-	-	22,705,032	135,711,802	
(c) ELECTRICAL FITTINGS	19,994,922	15,434,625	34,939,507	490,040	-	-	-	490,040	19,994,922	
(d) EXPENSES PENDING CAPITALISATION	18,435,333	107,965,907	107,739,928	18,661,312	-	-	-	18,661,312	18,435,333	
INTANGIBLE ASSETS										
(e) PRODUCT TECHN. DEVELOPMENT EXP IN PROGRESS	217,910,043	567,473,439	600,770,736	184,612,746	-	-	-	184,612,746	217,910,043	
(f) ADVANCE FOR CAPITAL GOODS	21,539,729	-	-	253,703,173	-	-	-	253,703,173	21,539,729	
TOTAL	450,799,944	924,585,141	1,120,809,376	486,739,153	-	-	-	486,739,153	450,799,944	
PREVIOUS YEAR	210,330,630	1,237,297,870	808,037,655	450,799,943	-	-	-	450,799,943	210,330,630	

CONSOLIDATED CASH FLOW STATEMENT

AUDITOR'S REPORT
As per our separate report of even date

For and on behalf of the Board of Directors

For JAIN & ASSOCIATES
Chartered Accountants

R.K. GULATI
Partner
Membership No. 11999

Date: 29/06/09
PLACE: CHANDIGARH

S.R. MEHTA
Chairman

Dr. G. Munjal
Director

Dr. J.K. KAKKAR
Director

N.K. BANSAL
Chief Financial Officer

N.R. MUNJAL
Vice Chairman

Dr. V.R. MEHTA
Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

V.K. MEHTA
Managing Director

K.M.S. NAMBIAR
Director

AUDITORS' CERTIFICATE

We have verified the above cash Flow Statement of Ind-Swift Laboratories Limited, derived from the audited financial statements for the year ended 31st March 2009 and found the same to drawn in accordance therewith and also with requirements of clause 32 Listing Agreement with the Stock Exchange.

for JAIN & ASSOCIATES
Chartered accountants

R.K. GULATI
Partner,
Membership No. 11999

Date : 29/06/09
Place: CHANDIGARH

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE : VI		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
I) INVENTORIES		
(As per inventories taken, valued & certified by the Management)		
Stores & Consumable	19,734,149	13,428,556
Raw Materials	502,159,086	376,784,851
Work in Process	1,093,274,591	640,278,846
Finished Goods	437,626,975	100,617,058
TOTAL	2,052,794,802	1,131,109,311
II) SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	28,716,798	29,092,473
- Considered doubtful	8,635,836	5,783,122
Other Debts	1,105,211,645	1,024,838,436
	1,142,564,279	1,059,714,031
Less: Provision for Doubtful Debts	8,635,836	5,783,122
TOTAL	1,133,928,443	1,053,930,909
III) CASH AND BANK BALANCES		
Cash in hand	21,261,790	3,209,097
Bank balances with Scheduled Banks :		
Fixed deposits	163,626,845	82,436,791
Interest accrued but not due on fixed deposits	7,909,360	3,346,191
Current Accounts	36,987,681	33,157,985
TOTAL	229,785,675	122,150,064
IV) LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in Cash or in Kind or for value to be received		
	523,278,773	804,624,099
Advance Tax/ TDS	42,157,184	59,591,884
Prepaid Expenses	4,994,913	9,962,497
Security deposits	6,909,758	6,768,798
TOTAL	577,340,628	880,947,278

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTE :

a) Bank borrowings for working capital Rs. 98.76 crores (p.y. Rs. 71.94 crores) are secured by a Pari Passu, first charge by way of hypothecation of the Company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to plant and Machinery (Consumable Stores & Spares), Bills Receivable and Book Debts and all other movables of the Company both present and future excluding such movables as may be permitted by the said Banks from time to time. The said facility is further secured by way of pari passu second charge on the Company's immovable and movable properties (other than current assets) and personal Guarantees of Mr. S.R.Mehta, Mr. V.K.Mehta, Dr. V.R. Mehta, Mr. N.R. Munjal, Dr. G. Munjal & Mr. Himanshu Jain.

b) Term Loan Rs. 210.92 crores (p.y. 176.12 crores) from State Bank of India, Axis Bank, State Bank of Patiala, Bank of India, Catholic Syrian Bank, Export Import Bank of India, Industrial Development Bank of India, South Indian Bank, ABN Amro Bank, Standard Chartered Bank, Bank of Rajasthan, State Bank of Hyderabad are secured by first pari passu charge by way of Joint Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at Derabassi Punjab & E-V, industrial Focal Point, Mohali and first charge by way of hypothecation of all its movable assets, including machinery, machinery spares, tools and accessories present and future, subject to the charges created /to be created, in favour of the company banker for working capital. The above loan include term loan from State Bank of India which are further secured by Corporate Guarantee of Ind Swift Ltd. These loans are further secured by the personal guarantee of Promoter Directors.

The Term loan of Bank of India Rs. 2.66 Crores (p.y Rs. 4.64 crores) is secured only on the movable fixed assets including plant and machinery located at company's plant at Samba, Jammu.

Term Loan from State Bank of Indore Rs.4.03 Crores (p.y. Rs. 7.00 crores), Barclays Bank Rs. 7.50 Crores (p.y. Rs. 7.50 crores), IDBI Rs. 10.00 crore (p.y. 10.00 crore) and state Bank of Hyderabad Rs.5.00 crores (p.y. nil) are secured by subservient charges on the assets of the company and are additionally secured by personal guarantees of three Promoter Director respectively.

c) Other loan & advances Rs. 10.17 crores (p.y. 3.85 crores) includes Term Loans from Technology Development Board Rs. 0.53 crores (p.y. Rs. 0.80 crores) is secured by way of charge on the movable assets & Rs. 9.40 crores (p.y. 2.80 crores) is secured by way of charges on movable fixed assets & personal Guarantee of two promoter Directors of the company.

ICICI Home Loan Rs. 0.24 crores (p.y. 0.25 crores) is in the name of Mr. N.R.Munjal, and is secured against the office premises in Mumbai.

d) Other loan & advances Rs. 4.63 crores (p.y. 3.31 crores) are secured against hypothecation of the vehicles under the hire purchase agreement.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE : VII		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors	-	-
Total outstanding dues to small scale	-	-
Industrial undertakings	2,970,627	3,344,403
Outstanding dues of Creditors other than	1,487,615,277	1,037,458,702
Small Scale Industrial Undertaking	-	-
Statutory Liabilities	14,604,904	7,543,850
Expenses Payable	89,979,270	94,839,478
Interest accrued but not due	19,432,873	47,883,856
SUB TOTAL	1,614,602,951	1,191,070,289
B) PROVISIONS :		
Income Tax	56,054,209	44,210,250
Equity Share Dividend	25,972,950	24,031,950
Tax on proposed equity share dividend	4,414,103	4,085,432
TOTAL	1,701,044,213	1,263,397,920
SCHEDULE : VIII		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
1. Deffered Employee Compensation Expenses	7,323,233	11,679,633
2. Foreign Currency Translation	(3,024,025)	2,253,790
TOTAL	4,299,208	13,933,423
SCHEDULE -IX		
Gross Sales & Operating Income		
Domestic	3,760,761,529	2,760,301,954
Exports	2,187,240,388	1,791,400,756
Operating Income	62,586,351	57,821,103
TOTAL	6,010,588,269	4,609,523,812
SCHEDULE -X		
COST OF MATERIAL CONSUMED/SOLD		
Opening Stock	373,224,999	264,883,305
Purchases	4,835,155,608	3,318,281,379
	5,208,380,607	3,583,164,684
Less:Closing Stock	500,527,868	373,224,999
Total (A)	4,707,852,738	3,209,939,685
INCREASE /DECREASE IN INVENTORY		
Opening Stock		
Work in Process	640,278,846	541,734,561
Finished Goods	100,617,058	55,101,995
	740,895,904	596,836,556
Work in Process	1,093,274,591	640,278,846
Finished Goods	437,626,975	100,617,058
	1,530,901,566	740,895,904
Total (B)	790,005,662	144,059,348
TOTAL (A-B)	3,917,847,076	3,065,880,337

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE -XI		
MANUFACTURING EXPENSES		
Job Work Charges	80,522,169	68,300,236
Wages	100,914,153	70,315,528
P.F. & other funds	4,439,968	3,955,051
Power, Fuel & Water Charges	130,521,909	100,839,083
Stores & Spares	13,987,414	15,324,537
Repair & Maint. :	-	-
Plant & Machinery	4,580,612	943,903
Buildings	490,243	205,642
Electrical	1,274,474	1,084,826
Excise Duty Paid	-	-
Other manufacturing Expenses	199,727	439,585
TOTAL	336,930,667	261,408,392
SCHEDULE -XII		
ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneration		
--Salary & Allowances	15,000,000	12,600,000
--Contribution to P.F.	18,720	18,720
Salary & Allowances	45,703,733	45,893,772
P.F. & other funds	2,558,007	1,796,818
Gratuity Premium	3,554,066	4,452,475
Travelling & conveyance	15,509,691	13,240,021
Payment to Auditors:	-	-
Audit Fees	330,900	337,080
Taxation Matters	-	45,000
Certification Fees	150,000	-
Out of pocket exp	21,500	26,990
Office Rent	5,640,745	5,383,813
Rate & Taxes	2,629,115	1,906,003
Insurance	9,856,313	7,952,388
Legal &Professional Charges	4,468,930	3,925,225
Printing & Stationary	6,972,315	6,634,648
Vehicle Running & Maint.	11,835,152	11,431,514
Telephone & Postage	8,013,933	7,145,838
Office Expenses	5,402,191	5,652,158
Charity & Donation	217,689	196,702
Listing Fees	426,293	137,686
Books & Periodicals	626,599	544,982
Meeting, Membership & Subscription Fees	1,046,768	957,078
Security Expenses	3,361,367	2,985,794
Staff Welfare	4,785,616	4,212,429
Training & Development Exp	823,105	435,619
Repair & Maintenance Gen.	2,112,690	1,958,464
Recruitment Exp	765,799	799,044
Other Expenses	7,657,504	647,895
TOTAL	159,488,741	141,318,158

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.09 Rs.	AS AT 31.03.08 Rs.
SCHEDULE -XIII		
SELLING & DISTRIBUTION EXPENSES		
Advertisement & publicity	694,444	676,433
Business Promotion	8,868,122	2,512,488
Commission on Sales	56,940,658	25,578,900
Packing Material	14,887,691	11,133,186
Rebate & Discount	1,576,550	1,247,470
Freight Outward	30,091,177	25,933,382
Insurance Charges	1,503,792	656,201
ECGC Premium	3,172,010	2,950,961
Bad Debts w/off	-	11,286
Other Expenses	854,179	18,222
TOTAL	118,588,623	70,718,527
SCHEDULE -XIV		
INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans	233,642,835	162,627,967
Interest on Working Capital from Banks	150,527,952	98,584,792
Bank Charges & Others	83,036,528	29,887,244
Brokerage & Commission	2,342,242	1,619,909
Diff in Foreign Ex Fluctuation	44,632,077	-
TOTAL (A)	469,549,558	292,719,911
SCHEDULE -XV		
RESEARCH & DEVELOPMENT EXPENSES		
Salary & Wages & Other Allowances	23,355,680	18,849,545
Administration Exp	121,232	680,793
Consumables & Chemicals & Regents	22,667,712	14,417,683
Consumables & Maintenance	-	-
Repair & Maintenance - Machinery	1,504,620	1,528,078
Lab chemicals & Other Charges	-	-
Technical Study & Consultancy	1,731,934	1,360,090
TOTAL	49,381,178	36,836,189

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE : XVI

A. SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES UNIFORMLY FOLLOWED BY ALL THE ENTITIES TO THE CONSOLIDATION

1 BASIS OF PREPARATION

a) Company has wholly owned subsidiary in USA which was incorporated on Jan 2, 2004. The financial year of Parent Company is from April 08 to March 09 whereas the financial year of Subsidiary Company is from Jan 08 to Dec 08. Accordingly, subsidiary's audited financial statements for the year ended on 31-12-2008 are considered for the purpose of consolidation. Effect for significant transactions or events that have occurred in the subsidiary for period Jan 01, 2009 to March 31, 2009 have been accounted for.

b) The Parent Company maintains its records and prepares its financial statements under the historical cost convention, in accordance with Generally Accepted Principles in India. While the foreign subsidiary maintain their records and prepare their financial statements in conformity with Generally Accepted Principles prevalent in the country of their domicile. No adjustments are made in these consolidated financial statements for inconsistencies in accounting policies.

2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise of the financial statements of Parent Company and its wholly owned subsidiary (Ind Swift Laboratories Inc USA). The consolidated financial statements have been prepared on the following basis.

a) The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after elimination of intra-group transactions, intra-group balances and the unrealised profits/(losses).

b) The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies for the like transactions and other events in similar circumstances except as specifically mentioned.

c) The excess of the cost to the Parent Company of its investment in the subsidiary over the company's portion of equity of the subsidiary is recognised in the financial statements as goodwill or capital reserve.

3 USE OF ESTIMATES

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

4 FIXED ASSETS & DEPRECIATION

In relation to the Parent Company

(a) COST OF FIXED ASSETS

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

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

(b) DEPRECIATION/AMORTISATION

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

Lease hold Land is amortised over the period of lease.

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

(c) INTANGIBLE ASSETS (OTHER ASSETS)

Cost of product development for which the company becomes entitled to a patent/DMF filed with regulatory authorities is recognised as other assets.

The Policy of Company is to amortise such assets incurred upto 31.03.2008 on straight-line basis in five subsequent years and those acquired during the year 2008-09 and onwards in eight subsequent years from the year in which these are incurred.

In relation to the Subsidiary Company

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

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

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalised. Expenditure for maintenance and repairs are charged to expenses as incurred

5 BORROWING COSTS

In relation to the Parent Company

Borrowing costs that are directly attributable to the acquisition, construction of qualifying assets have been capitalised as part of cost of assets.

Other Borrowing costs are recognised as an expense in the period in which they are incurred.

6 INVENTORIES

In relation to the Parent Company

Inventories are valued as under :

Stores & spares are valued at cost.

Raw Materials are valued at cost on FIFO basis

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

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

7 RECOGNITION OF INCOME AND EXPENDITURE

In relation to the Parent Company

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

In relation to the Subsidiary Company

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

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

8 FOREIGN CURRENCY TRANSACTIONS

In relation to the Parent Company

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

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

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

In relation to the Subsidiary Company

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

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

9 OTHER SIGNIFICANT ACCOUNTING POLICIES

Other accounting policies adopted for preparation of consolidated financial statements are same as set out in the part A of Schedule XVI 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.

B: NOTES ON ACCOUNTS :

1	Contingent liabilities not provided for:	2008-09	2007-08	(Rs.in lacs)
a.	Letter of Credit against purchase of raw material:	13125.63		1426.57
b.	Export obligation in respect of custom duty :	200.93		171.60
c.	Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained		Unascertained
d.	Corporate guarantees given on behalf of Ind Swift Land Ltd	Nil		2500.00
	Essix Biosciences Ltd	1050.00		Nil
	Kiran Flour Mills Industries Ltd*	8200.00		7100.00

* Corporate Gurantee given to State Bank of India and ICICI Bank Ltd. against the Working Capital Facilities sanctioned to Kiran Flour Mills Industries Pvt Ltd. The Extent of working capital limit released by the SBI & outstanding amount against that is Rs. 2870.24 Lac as on 31.03.09

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- 2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 675.87 lacs (Previous year Rs. 320.11 Lacs)
- 3 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.

- 4 Company has revalued its assets Comprising of Land, Building, Machinery of Derabassi Unit by the approved External Valuer to reflect the market value and accordingly the appreciation amounting to Rs.10138.73 Lac have been credited to Capital Reserve Account (Re-valuation Reserve A/c) as on 31.03.2007. Depreciation amounting to Rs. 367.35 Lac has been provided during the year & the same is reduced from Revaluation Reserve.

5 DIRECTOR REMUNERATION INCLUDES

	2008-09	2007-08
A SALARY		
Managing Director	7,505,040	6,300,000
Jt. Managing Director	7,505,040	6,300,000
B CONTRIBUTION TO PROVIDENT FUND		
Managing Director	9,360	9,360
Jt. Managing Director	9,360	9,360
C PERQUISITES		
Managing Director	337,972	452,079
Jt. Managing Director	337,973	214,452
Total	15,704,745	13,285,251

Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956

	2008-09	2007-08
Profit for the year before taxation as per P&L Account	495,458,562	393,244,050
Add: Directors' Remuneration	15,704,745	13,285,251
Loss on sale of Fixed Assets	8,993,270	2,860,138
Provision for Doubtful Debts	2,852,714	-
Eligible Profit for Computation of Director Remuneration	523,009,291	409,389,439

- 6 Other expenses under head administrative expenses includes Rs. 37,000 (Previous Year Rs.35000) paid to directors as sitting fee.
- 7 In accordance with Accounting Standard 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company has compiled the following information :

a. List of related parties and their relationship

Associates	Ind Swift Limited Essix Biosciences Limited Ind swift communications (p) ltd Ind Swift Land Ltd Hakim Farayand Chemi Co (Iran) Kiran Flour Mills Industries Pvt Ltd.
Key Management personnel- Directors	Mr. N.R.Munjal Mr.V.K.Mehta
Subsidiary	Ind Swift Laboratories Inc. USA

b. Related party transactions

Name of related party	Ind Swift Limited		Essix Biosciences Limited		Ind Swift Laboratories Inc USA		Kiran Flour Mills Ind Ltd		Ind Swift Land Ltd.		Hakim Farayand Chemi Co. (Iran)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Nature of transactions												
(i) Transactions during the year.												
Purchases	1747.52	2256.15	89.40	28.67			3528.75	1502.01	0.00	1.78	379.77	254.38
Sales	1837.55	2883.16	322.08	411.98	203.92	297.82	17.90	NIL				
Purchased DEPB									0.00	26.95		
Interest Receivable	348.57	450.95	270.56	nil								
Expenses	7.50	2.85	1050.00	nil			8200.00	7100.00	0.00	2500.00		
Corporate Guarantee Given												
(ii) Outstanding balances as on 31.03.09												
Share Capital Investment	649.97	623.07	115.48	18.28					482.00	482.00	413.47	413.47
Loans & Advances	1803.27	3238.20	375.80	nil					117.97	25.77		
Debtors	1264.23	530.30	681.21	359.13	264.89	686.20	3.91	NIL	11.77	11.77	443.39	225.72
Creditors	36.01	30.74	809.56	nil			728.16	NIL				

Details of remuneration to Directors (Key management Personnel) are as given in Note no 5.

8.Earning per share is calculated as shown below:

	2008-09	2007-08
Profit available for Equity Shareholders	403916791	314213601
For Basic Earning No of weighted average equity shares	24902399	23045087
For Diluted Earning Effect of diluted equity shares equivalent to (Equity Share Warrants 2500000 (Previous Year 3769000) pending for conversion)	1472603	344852
No of weighted average of Diluted Equity Shares	26375002	23389939
Nomial Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
Basic	16.22	13.63
Diluted	15.31	13.43

9 Deferred Tax: The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2009 is as under:

	2008-09	2007-08
Deferred Tax Liabilities		
Timing Difference on account of : Depreciation	7983.78	6026.28
Total	7983.78	6026.28
Deferred Tax Assets		
Timing Difference on account of : Provision for Doubtful Debts Carried Forward Losses as per Income Tax Act	29.35 3203.72	19.66 2701.74
Total	3233.07	2721.39
Deferred Tax Liabilities net	4750.71	3304.89
Deferred Tax Liabilities (Assets) Charged to Revenue Reserve	1142.39	1419.03
Deferred Tax Liabilities (Assets) Charged to P&L A/c	318.42	131.64

Short provision of Deferred Tax Liability amounting Rs 1142.39 lacs of earlier years upto 31.03.2008 is deducted from Reserve & Surplus of current year ending on 31.03.2009

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- 10 The balance in the parties accounts whether in debit or credit are subject to confirmation and resultant adjustment.
- 11 Operating Income consists of following Rs./Lac
- | Particulars | FY 2008-09 | FY 2007-08 | |
|------------------------------|---------------|----------------|--|
| Interest Income (Gross) | 464.34 | 537.33 | |
| Foreign Exchange Fluctuation | 0.00 | 475.87 | |
| Other Operating Income | 161.52 | 40.88 | |
| Total | 625.86 | 1054.08 | |
- TDS Deducted on Interest Income 101.64 119.30
- 12 Fixed deposits with banks of Rs. 1320.08 Lacs (Previous year Rs.655.20 Lacs) are pledged with banks as margin money for working capital facilities.
- 13 Company has not received intimation from supplier regarding the status under Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act have not been given.
- 14 The company operates only in one business segment viz. Bulk Drugs & Pharmaceutical. However the figures in Segment reporting is based on geographical location of its customers.
15. Investment of Rs. 1792.97 Lac (Previous Year 1792.97 Lac) Unquoted-Long Term are at Cost.
- a) Units of Principle Global Opportunities Fund Rs. 5.00 Lac (Previous Year Rs.5.00 Lac)
- b) Investment in Vardhman Chemtech Pvt Limited is Rs.100.00 Lac (Previous Year Rs. 100.00 Lac) 10,00,000 Equity Share of Rs. 10/- each fully paid up.
- c) Investment in Nimbua Green Field (Punjab) Ltd 207200 (Previous Year 207200) Equity Share of Rs. 10/- each fully paid Rs. 2072000 (Previous Year Rs 2072000)
- d) Investment in Swift Land Limited 48,20,00 (Previous Year 482000) Equity Share of Rs.10/- each fully paid up. Rs. 482.00 Lac (Previous Year Rs. 482.00 Lac)
- e) Investment in Essix Bioscience Limited 3,00,000 (Previous Year 300000) Equity Share of Rs.10/- each fully paid up issued at a premium of Rs. 90/-per share, Rs. 300.00 Lac (Previous Year Rs. 300 Lac) Share Application Money Rs. 467.50 Lac (Previous Year Rs.467.50 Lac).
- f) Investment in Farayand Chemi Hakim Company Ltd (Iran)
- Common Stock RS. 27.17 Lac (Previous Year Rs. 27.17 Lac)
- Share Application Money Rs. 386.30 Lac (Previous Year Rs. 386.30 Lac)
- 16 As at the Balance Sheet Date, Company has Unhedged Foreign Currency Exposure (Net) to the tune of US \$/Mn Nil, (Previous Year \$/Mn 11.32, Rs. 45.26 crore).
- 17 In compliance with AS-28, During the year, company has identified fixed assets amounting to Rs.415.20 Lac for impairment. The Net Realisable Value of such fixed assets has been estimated at Rs. 85.48 lac. Accordingly Impairment Loss of Rs.252.60 Lac has been charged to Profit & Loss Account during the year.
- 18 In compliance with AS-15, During the year, company has provided Rs. 20.67 Lac as additional provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.
- 19 Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.
- 20 Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Sch VI of the Companies Act, 1956 is as under:

AUDITOR'S REPORT
As per our separate report of even date
For JAIN & ASSOCIATES
Chartered Accountants

R.K GULATI
Partner
Membership No. 11999

Date: 29.06.09
PLACE: CHANDIGARH

S.R MEHTA
Chairman

Dr. G.Munjaj
Director

Dr. J.K. Kakkar
Director

N.K BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors
N.R.MUNJAL
Vice-Chairman

Dr. V.R.MEHTA
Director

HIMANSHU JAIN
Director

PARDEEP VERMA
Company Secretary

V.K. MEHTA
Managing Director

K.M.S. NAMBIAR
Director

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

CONSOLIDATED SEGMENT REPORTING

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

	Rs./Lac		
	In India	Outside India	Total
REVENUE-EXTERNAL	36521	21872	58394
	(26810)	(17914)	(44724)
RESULTS	5019	9638	14657
	(2942)	(7737)	(10679)
Less: Financial Expenses			4695
			(2927)
Less: Unallocated Expenses			5105
			(4873)
Add: Operating Income			626
			(1054)
Less: Extra Ordinary Exp & Flctuation in Foreign Exchange			527
			(Nil)
Less: Income Tax Provision including FBT			597
			(674)
Less: Deferred Tax			318
			(117)
Profit after Tax			4039
			(3142)
OTHER INFORMATION			
SEGMENT ASSETS	4059	7280	11339
	(3393)	(6391)	(10539)
UNALLOCATED ASSETS			84672
			(70034)
TOTAL ASSETS			96011
			(80574)
SEGMENT LIABILITIES	12751	3395	16146
	(7902)	(3395)	(11911)
UNALLOCATED LIABILITIES			43555
			(35321)
TOTAL LIABILITIES			59702
			(47232)
CAPITAL EXPENDITURE			54237
			(46760)
DEPRECIATION			2688
			(1517)
NON CASH EXPENSES OTHER THAN DEPRECIATION			281
			(1617)

NOTES:

- 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.
- Segment assets & liabilities**
Segment assets consists of debtors & the segment liabilities consists of creditors and accrued liabilities.
- The figures in brackets are in respect of previous year.**



Ind-Swift

Ind-Swift Laboratories Limited
 Redg. Office: SCO: 850, Shivalik Enclave, NAC Manimajra, Chandigarh – 160 101
 Website: www.indswiftlabs.com
 Share Transfer Agent: Alankit Assignments Ltd., 205-208, Anarkali Complex,
 Jhandewalan Extension, New Delhi -110 055

ATTENDANCE SLIP

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

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

I/We hereby record my/our presence at the 14th Annual General Meeting of the Company held at PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh on 24th September, 2009 at 10.15 a.m.

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

If Shareholder(s) please sign here

If proxy, please mentioned and sign here

Note:

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



Ind-Swift

Ind-Swift Laboratories Limited
 Redg. Office: SCO: 850, Shivalik Enclave, NAC Manimajra, Chandigarh – 160 101
 Website: www.indswiftlabs.com
 Share Transfer Agent: Alankit Assignments Ltd., 205-208, Anarkali Complex,
 Jhandewalan Extension, New Delhi -110 055

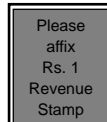
FORM OF PROXY

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

I/We _____
 of _____ being a Member/Members of Ind-Swift Laboratories Limited, hereby appoint
 _____ of _____ of failing him/her _____ of
 _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting of
 the Company to be held on 24th September, 2009 at 10.15 A.M. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2009

Signature _____



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