

Corporate Information

Board of Directors

Dr. Gopal Munjal Chairman N.R. Munjal Managing Director Jt. Managing Director V.K.Mehta S.R. Mehta Director Dr. V.R. Mehta Director Himanshu Jain Director K.M.S. Nambiar Director Dr. J.K.Kakkar Director Director Dr S.D Nanda

Committees of the Board

Audit Committee K.M.S. Nambiar Chairman Dr. G. Munjal Member Dr. J.K. Kakkar Member Dr. S. D. Nanda Member

Remuneration Committee

K.M.S. Nambiar Chairman Dr. S. D. Nanda Member S.R. Mehta Member Permanent Invitee N.R. Munial V.K. Mehta Permanent Invitee

Share Transfer & Shareholder /Investor Grievance Committee

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

Compensation Committee

Dr. J.K. Kakkar Chairman K.M.S. Nambiar Member Member Dr. S. D. Nanda Member N.R. Munial V.K. Mehta Member

REGISTERED OFFICE

S.C.O. 493-94, Sector 35-C, Chandigarh-160 022 Telephone:91-172-2660918.2604934 Fax: 91-172 -2660920

Share Department

S.C.O: 850, Shivalik Enclave, NAC, Manimajra, Chandigarh 160 101 Tele: - 91-172- 2730503, 2730920 Fax: - 91-172 2730504, 2736294 Email: info@indswift.com Website: www.indswiftlabs.com

Solicitors

P.K. Goklaney & Company Advocate & Solicitors #38, Sector 16-A, Chandigarh 160016

Management

N.R. Munial V.K.Mehta Dr .Lalit K. Wadhwa N.K. Bansal Vijay Kumar Vikas Narendra G.K. Sharma Subodh Gupta S.C. Srinivasan R.S. Dhaliwal Pardeep Verma

Managing Director Jt. Managing Director Chief Technical Officer (CTO) Chief Financial Officer (CFO) President - International Marketing President - US Operations Sr. Vice President - Production Sr. Vice President - Commercial Vice President - R & D Vice President - Human Resources

Company Secretary

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

Website: www.indswiftlabs.com

NOTICE OF 12th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting of the Members of Ind-Swift Laboratories Limited will be held on Saturday, the 29th day of September, 2007, at 11:00 A.M. at B.M.S. Lobana Bhawan, Sector 30-A, Chandigarh, 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, 2007, 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, 2007.
- 3. To appoint Director in place of Dr. J.K. Kakkar, who retires by rotation and being eligible, offers himself for re-appointment.
- 4. To appoint Director in place of Sh. K.M.S. Nambiar, who retires by rotation and being eligible, offers himself for reappointment.
- 5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval from the Central Government, Mr. Sahil Munjal, a son of Mr. N.R. Munjal, Managing Director of the Company, be and is hereby appointed to hold an office/place of profit under the Company as a Manager (IT) or such other positions as the Board may decide, with effect from the date on which his appointment is approved by the Central Government, on a monthly pay scale including perquisites of Minimum Rs.45,000 subject to Maximum of Rs.2,00,000 per month on the terms and conditions applicable as applicable in the Company.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation or re-enactment by the Central Government to Section 314 of the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including the salary, perquisites, allowances, etc. within such prescribed limit or ceiling without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

NOTES

- 1. AMEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2. The dividend as recommended by the board of directors, if declared at this Annual General Meeting will be paid on or after 3rd October, 2007 to those members whose names stand registered in the Register of Members as on Friday, September 28th, 2007 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 24th, 2007.
- 3. The Register of members and the Share Transfer Books of the Company will remain closed from Tuesday, 25th September, 2007 to Friday, 28th September, 2007 (both days inclusive) pursuant to provisions of section 154 of the Companies Act, 1956 and clauses of listing agreement entered into with Stock exchanges.
- 4. 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 By Order of the Board

Date: 28th August, 2007

PARDEEP VERMA
COMPANY SECRETARY

Registered Office:

SCO 493-94, Sector 35-C Chandigarh

ANNEXURE TO NOTICE

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

Item No. 6

Mr. Sahil Munjal is an engineering graduate in the field of Computer Science and Technology from Kurukshetra University, Haryana.

The Company is in the process of implementation of ERP/ SAP (Entrepreneur Resources Planning/ System Analysis and Programme Development) at all its locations. ERP and SAP systems will facilitate the timely dissemination of the information which will enhance the efficiency and effective decision making. Considering the education and background of Mr. Sahil Munjal, the Board of directors feel that it will be in the best interest of the Company to appoint him as Manager- IT or such other positions as the Board may deem fit, on a monthly pay scale including perquisites of Minimum Rs. 45,000 subject to Maximum of Rs.2,00,000 per month on the terms and conditions as applicable in the Company. Since Mr. Sahil Munjal is a son of Mr. N.R. Munjal, Managing Director of the Company, so as per the provisions of Section 314 of the Companies Act, 1956, approval of the shareholders is necessary.

The Board of Directors recommends the Resolution for the approval of the Members.

Mr. N.R. Munjal and Dr. G. Munjal being the relatives of Mr. Sahil Munjal are deemed to be concerned or interested in the resolution

None of the other Directors of the Company are concerned or interested in the said resolution.

By Order of the Board

Registered Office: SCO 493-94, Sector 35-C, Chandigarh.

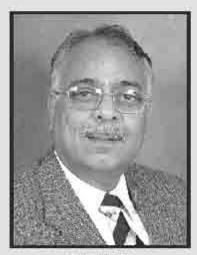
PARDEEP VERMA
COMPANY SECRETARY

Dated: 28th August, 2007

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	Mr. K.M.S. Nambiar	Dr. J.K. Kakkar
Date of Birth	03.01.1943	10.06.1936
Date of Appointment	30.10.2001	9.01.1997
Expertise in specific functional Area	Finance and Accounts	Health Management & Administration
Qualifications	MA, FCS	MBBS, DPH, FISCD
Details of Share held	Nil	Nil
List Company in which outside Directorships held as on 31.03.2007 (excluding Private & Foreign Companies)	Ind-Swift Limited	N/A
Chairman / Member of the Committees of other Company on which he is director as on 31.3.07	Ind-Swift Limited Chairman - Audit Committee and Shareholders Grievance Committee	N/A

From the M.D. & J.M.D. Desks



N.R. Munjal Menaging Director



V.K. Mehte Jt. Managing Director

Dear Share Owners.

The environment of the global generics business remained dynamic marked equally by opportunities and challenges across the globe. Over the last few years the Company has focused its efforts to seek these opportunities and face the challenges, as a result of which it has rapidly evolved from an india focus to Global presence with progressive investments in marketing set-up, and the state of the Art infrestructure.

To realize its true potential as a global value driven pharmaceutical Organization, the Company recognized that it would not be anough to merely scale its product portfolio but to supplement it with a wide, deep and consistent presence across the key global markets. Today your Company is present across all the regions of the globe. In line with the vision of the Company to have a progressive shift to the regulated markets, a substantial share of export revenues came from the European Markets. Company also received the first USFDA approval of its facilities in addition to the TGA and COS accredition thus paying the way for its entry to the most stringent and regulated markets of the US.

Our sustained investments of over the years in creating the manufacturing facilities meeting Global Standards have been ploneers of the high quality standards.

While our journey to becoming a discovery-led global pharmaceutical Company continues unabated, it is fact that we performed well below par during the year. There can be little doubt that 2006-07 has been a very challenging year for your Company.

Heavy Capital expansion in 2005-08, Intense competition and severe pricing pressures resulted in low margins. Your Company suffered a fall in EBIDTA and PAT—for the first time in its history. Although we managed to keep the revenues at PAR but overall increase in operational costs and finance cost eroded the margins, which fell by nearly 44%.

The old products sustained the pricing pressures and continued to support the bottom line. The impressive new product taunches and new product pipeline re-enforced the Company's focus on launching new Blockbuster drugs in the coming years.

We have consistently felt that the only viable way of securing higher growth and profits and thereby reaching global scale of operations is through successful R&D. Therefore, despite short-term market reversals, we ectually raised R&D investments by almost 28% percent, from Rs. 458.58 million in 2005-08 to Rs. 585.04 million in 2006-07. Today, R&D investments account for 16 percent of the total revenue of your Company, which is not only the highest among all indian pharmaceutical players but also is proportionately in line with global best-in-class.

From a purely short-term perspective, the fall in margins combines with higher R&D investments contributed to a sharp, unprecedented drop in your Company's profits. However, we need to emphasize that it is a short-term phenomenon. For one, we have put corrective processes in place to further reduce operational costs and gain markets, which ought to reverse what occurred in 2006-07. The effective steps being taken are that:

- The Iran project has been operationalised and put on a fast track which would give the Company an enhanced presence in the Middle East.
- The Company is in the process of setting up a new containment facility for oncology products which will give additional and sustained revenues to the Company.
- The Successful USFDA of the Clarithromycin has triggered the opening of the Regulated markets for the Company; the Company thru its US Subsidiary has inked key exclusive supply contracts which will begin from the 2009 onwards.

4. The opening up of a separate R&D centre has boosted the Research efforts of the Company, a number of new products are in pipeline for launching in the domestic and international markets

Growth is imperative for enterprise success. We are constantly scouting for and evaluating new opportunities of growth that will take your Company to new heights. As we write we are structuring a model for attaining in-organic growth it will be pre-mature to share the details at this stage but proper information will be disseminated as and when the deals are finalized.

The year 2006-07 was more of a year for introspection, consolidation and making each of us to be more determined than ever before . With the support of our dedicated Human Resources we endeavour to achieve new targets in the coming years .

(V.K. MEHTA)
JT. MANAGING DIRECTOR

(N.R. MUNJAL)
MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

As per IMS Health, the 2006 global pharmaceutical market grew 7.0 percent, to \$ 643 billion. Arebound in growth to 8.3 percent in the U.S fueled by an increase in prescribing volume due to Medicare Part D and innovations in oncologics that drove strong 20.5 percent global growth in that therapeutic class, were key contributors to the market's expansion.

In 2006, specialist-driven products contributed 62 percent of the market's total growth, compared with just 35 percent in 2000. A number of primary care classes are experiencing slowing or below market-average growth due to the entry of lower-cost, high-quality generics and switches to over-the-counter product. These classes include proton pump inhibitors, and antidepressants. Last year, generics represented more than half of the volume of pharmaceutical products sold in seven key world markets - U.S., Canada, France, Germany, Italy, Spain, and the U.K. This trend reflects the changing balance between new and old products and the growing "genericization" of many primary care categories.

In 2006, North America, which accounts for 45 percent of global pharmaceutical sales, grew 8.3 percent to \$290.1 billion, up from 5.4 percent the previous year. This strong growth was due to the impact in the U.S. of the first year of the Medicare Part D benefit and the resulting increase in prescribing volume, as well as solid 7.6 percent growth in Canada. The five major European markets (France, Germany, Italy, Spain and the U.K.) experienced 4.4 percent growth to \$123.2 billion, down from 4.8 percent growth in 2005, the third year of slowing performance. Sales in Latin America grew 12.7 percent to \$33.6 Billion, while Asia Pacific (outside of Japan) and Africa grew 10.5 percent to \$66 billion.

Japan experienced a 0.4 percent decline from a year earlier, to \$64.0 billion, the result of the government's biennial price cuts. Pharmaceutical sale in China grew 12.3 percent to \$13.4 billion in 2006, compared with a 20.5 percent pace the prior year. This slowdown in growth was due to the government's introduction of a campaign to limit physician promotion of pharmaceuticals. India was one of the fastest growing markets in 2006, with pharmaceutical sales increasing 17.5 percent to \$7.3 billion.

Last year, India transitioned from a 'developing' market to an emerging one, with many multi-national pharmaceutical companies tapping into the huge potential this market offers. Several factors, including the acceptance of intellectual property rights, a robust economy and the country's burgeoning healthcare needs have contributed to accelerated growth in India.

Overall, 27 percent of total market growth is now coming from countries with a per-capita Gross National Income of less than \$20,000. As recently as 2001, these lower-income countries contributed just 13 percent of growth.

Opportunities

Demand for effective medicines is rising, as the population ages, new medical needs emerge and the disease burden of the developing world increasingly resembles that of the developed world. The E7 countries Brazil, China, India, Indonesia, Mexico, Russia and Turkey are also becoming much more prosperous, with real gross domestic product (GDP) projected to triple over the next 13 years. By 2020, the E7 could account for as much as one-fifth of global sales.

Despite continued expansion of the pharmaceutical market, underlying dynamics continue to alter the landscape. In 2006, products with sales in excess of \$18 billion lost their patent protection in seven key markets - - including the U.S., which represents more than \$14 billion of these sales. With high uptake of lower-cost therapies replacing branded products in classes such as lipid regulators, antidepressants, platelet aggregation inhibitors, antiemetics and respiratory agents, generics will assume a more central role as payers seek to restrict the growth of healthcare expenditures. Another factor influencing the market is the increasingly active role of patients as they take charge of their health and demand greater access to therapies that will improve or prolong their lives.

These shifts are placing new demands on pharmaceutical and biotech companies of all sizes. The most successful manufacturers will be those that focus on payers and patients, without losing perspective on the crucial role of physicians.

To sustain growth, pharmaceutical companies need to stay ahead of the dynamics that are rebalancing the marketplace worldwide. This requires a sharper focus on realizing productivity gains from their sales, marketing and launch investments, a comprehensive assessment of their R&D and portfolio strategies to support opportunities in both emerging and mature markets, and a commitment to better demonstrate the value of the medications among key interest holders.

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.

In line with the requirement of the amended Clause 49 of the Listing Agreement which came into force on 1st January, 2006 the company had appointed a firm of Consultants to do a complete review of risks faced by the company and to help put in place a Risk management framework. Risk Management as a formal concept is an integral part of the business process and the recommendations are being implemented.

Segment wise performance

The company operates only in the pharmaceutical segment.

Human Resources

During the year Company cultivated a work environment that encouraged high performance, team efforts, work culture and up gradation of talent and capabilities.

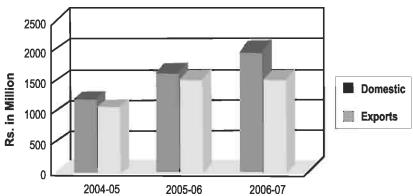
Human resources management is a key focus area for the Company and there has been a constant endeavor to attract and retain the best talent.

The Company is regularly conducting Training and Workshops to meet the training and development needs of its employees.

Financial Performance with respect to Operational Performance Sales

The gross sales revenue increased from Rs. 3234.16 Million in 2005-06 to Rs. 3561.06 Million in 2006-07 recording a growth of 10.11% over the previous financial year.

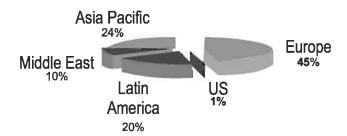
Revenue from Domestic sales increased from Rs.1674.07 Million to Rs. 2017.43 Million recording a growth of 20.51%. The revenue from exports decreased by 1.06%, ie., from Rs.1560.09 Million in the previous year to Rs. 1543.63 Million in the year 2006-07.



The Company experienced pricing pressure on its products during the year. In volume terms the sales increased from 194.04 Tonnes in 2005-06 to 227.51 Tonnes in 2006-07.

Exports constitute about 43.35% of the company's gross sales. The company has presence in 45-50 countries-principally European countries, Asian Countries, Latin American countries and Middle East.

Composition of the export income



Review of the Key Export Markets

USA

US continues to be a major thrust area for the Company. Ind Swift Laboratories Inc. (ISL, Inc.), a wholly owned subsidiary of Ind-Swift Pharmaceuticals, Ltd., was incorporated in USA in March, 2004 to facilitate the entry of the Company to the regulated markets. ISL Inc. has been instrumental in triggering and completion of USFDA for the Company.

Company has thru its subsidiary tied up for 8 of its products in the US markets the supplies will commence after the patent expiry. Company has also bagged an agreement with a biotech company to supply API's on an exclusive basis for their ongoing NDA project. In next 4-5 years, Company expects US to contribute to 20% of the Revenues

Latin America

In the last few years, the world has witnessed the great pace of economic development in Latin American region wherein, majority of the countries have demonstrated a record economic boom. In the light of exploring more business opportunities, Ind-Swift has thus, been able to effectively carve out a niche for itself within this region, with its ability to provide a strong technical support to its customers.

Brazil

Brazil has the distinction of being the largest pharmaceutical market in Latin America. Last fiscal year witnessed, Ind Swift, consolidating its position for its products mainly, Fexofenadine, Clarithromycin powder & Granules with the leading generic companies. With patents nearing expiry for few products from our range in Brazil, we have successfully been able to enter into the tie-ups with generic companies with Ind-Swift Labs as the exclusive primary source. The strategy of laying focus on the specific customer has been the key to our consistent growth in this market.

Mexico

In the year 2004-2005, we started our operations in Mexico, which has started yielding results. With a turn over of more than 1 million USD, within the first year of operation, the market further, opens up new avenues of growth. We have attained the position of market leader for our macrolide range of products, and with the considerable interest developing on Clopidogrel and Nitazoxanide, we aim to maximize business from other products in the years to come.

Argentina

Despite economic slowdown in Argentina, Ind Swift has continued to strengthen its position in the market. The market has a huge potential for all the products manufactured by Ind swift. Besides our existing marginal market share for Clarithromycin Powder, Clarithromycin Granules & Atorvastatin, Ind Swift has positioned its new range of products viz Letrozole, Nitazoxanide & Clopidogrel. In Chile, the pharmaceutical industry is mainly dominated by three local pharma companies with which Ind-Swift has entered into alliances for its range of products. The market share in Columbia has further grown considerably, in the last fiscal year.

Uruguay and Paraguay

Although Uruguay and Paraguay are not very big markets but the countries offer good potential for our range of products. Thus, in the year 2006-2007, the company made a strategic move of entering Paraguay and within a year, Ind-Swift emerged as a strong API player has been able to firm up its presence in these markets within a short span of time.

Ind swift has been able to successfully mark its presence in the Central American markets of Guatemala, & Costa Rica, as well and making inroads in the other countries in the region.

Europe

In line with the vision of the company to have a progressive shift to the regulated markets, the year witnessed a substantial share of revenues from the European markets.

The European markets mainly include the 27 member states of the European Union. Most countries in the European Union follow similar rules and regulations pertaining to the Pharmaceutical sector. Whereas in 2004 the European Union added 10 states including countries like Poland, Cyprus, Hungary, Slovenia, beginning of 2007, two more countries Bulgaria and Romania joined the European Union.

Ind-Swift recorded US\$ 12 million in sales during the fiscal year with a large part of it coming from the Central and Eastern European markets (CEE). Though the sales from this region have grown over the years are the company has filed more DMF's in the last few years and established new plants consistent with the standards set by the European Union, the best is yet to be seen in the next few years.

The grant of the Certificate of Suitability (COS) for Clarithromycin, company's paramount product, opened many more opportunities not only in CEE but also West Europe.

Ind-Swift is now exporting to more than 15 member states of the EU including some of the highly potential markets such as Germany, France, Greece, Spain, Poland, Romania and Slovenia. With an array of new product developments and patents for several of our range of products expiring in the next 5 years, this region promises to offer the necessary impetus to growth and expansion of the company. The company is scheduled to file DMFs in CTD format for several new products in Europe throughout next year.

West Asia, North Africa & Gulf Countries.

The West Asia which is also sometimes referred to as the Middle East,

which also includes certain states of the African Continent has been the mainstay for the company for past several years.

Turkey

Turke, one of the prime markets for the company witnessed many uncertainties in the Pharmaceutical Industry, mainly due to economic and political decisions, pertaining to the very important Social Security Health Insurance schemes. Despite this, the company has maintained its share owing to the strong customer base and long term contracts. The company recorded exports of US\$ 7 Million in the Turkish market. Things have already started looking-up for the current year and we hope to cross the 10 Million Dollar mark during the next financial year.

Iran

Iran will now be the next focus market for the company. With successful audits from the Ministry of Health and Medical Education (MHME, Iran), the company is all set to have a manifold increase in revenues from this very potential market. The company shall also expand its product line through the newly setup Joint Venture Company in Iran for the manufacture of APIs where a host of products shall be manufactured in multi purpose plants, to cater to the growing demands from the local and the Middle-East markets.

Jordan and Syria

Jordan and Syria are the other important markets in this region. Despite being highly price sensitive, we continue to hold the leadership position for our main APIs in these markets.

North Africa (Egypt, Tunisia & Morocco)

North Africa, comprising of Egypt, Tunisia & Morocco are markets which are more dependent on low priced pharmaceuticals owing to their Socio-Economic conditions. Some of our products such as Nitazoxanide which is an anti-diarrheal product and Roxithromycin, a macrolide antibiotic hold good promise in these markets.

UAE, Oman, Yemen and Saudi Arabia

The company has also established its customer base in the Gulf countries such as UAE, Oman, Yemen and Saudi Arabia with regular supplies to the Top generic companies in these markets. The company relies and lays great importance to this region which has all along contributed to the revenues, before the company entered the highly regulated markets of Europe and the US. The customers in these markets now enjoy the advantage of receiving their product at competitive prices from a fully regulated manufacturing facility.

Asia Pacific

Asia Pacific Pharmaceutical market is a unique mix of non-regulated, soft regulated and regulated markets. In line with the vision of leveraging maximum business opportunities existing in the Asian Market, Ind-Swift Laboratories, has not only, effectively penetrated in non-regulated market segment which comprises of Pakistan, Bangladesh, Malaysia, Taiwan, Singapore and Philippines, but it is also now, venturing into the Japanese market, which is a highly regulated market.

With the increasing dominance of Chinese manufacturers, due to the low price advantage which they offer to the market, Ind-Swift has efficiently emerged as a strong contender. Despite of its strong focus on quality and stress on meeting delivery time lines, Ind-Swift too has been offering a competitive advantage. The company has thus, created a niche for itself in the market and in the years to come, it aims to capture the maximum market share.

Когеа

Korea has presented itself as another key market in the year 2006-2007, wherein we were able to successfully register our macrolide range of products. We are the leading suppliers of Clarithromycin granules and are actively working with major companies in Korea.

Japan

The last financial year also witnessed our entry into the Japanese market with our Clarithromycin powder. We have reached the final stages of negotiations with the major Japanese generic companies to get ourselves approved, either as primary or secondary sources of Clarithromycin powder. Japan and Korea are also the markets, which hold tremendous potential for CUSTOM SYNTHESIS and CONTRACT MANUFACTURING. Ind-Swift with its strong R&D and core production capabilities has generated substantial interest in some of the companies in these markets.

Vietnam, Malaysia, Indonesia & Philippines

Vietnam, Malaysia, Indonesia & Philippines are the other countries where we have put in increased efforts to enter into strategic alliances with strong local companies for the promotion of our API's.

Backed with the efficient support from our R&D and quality control team, Ind-Swift has been able to build a favorable image and a trustworthy reputation with its customers. Today, our client list includes some of the highly reputed and well established pharma companies. In spite of the cut throat competition in highly price sensitive markets such as Pakistan and Bangladesh, Ind-Swift has been able to dominate the market and has further, been successful in creating a strong customer base in these markets

Operating Expenses

The company's total expenditure increased 43.39% from Rs. 694.87 millions to Rs.996.37 Million over the previous year.

Expenses break-up (as percentage to total income)

Particulars	2006-07	2005-06
Material Cost	64.47	64.98
Power	2.38	1.99
Other manufacturing expenses	5.55	4.23
Administration and selling expenses	5.23	5.77
R & D Expenses	1.55	2.01
Other expenses	0.10	0.18
Operating profit	20.73	20.84

Material consumed

The cost of materials consumed during the year has increased during the year by 10.86% over the previous financial year. 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 have increased by 33.09% over the previous year, largely due to increase in scale of operation. However, the company has taken a number of initiatives during the year to reduce its power costs.

- i. Higher rating motor of Boiler ID Fan and FD fan replaced with proper rating motors resulting in 40% energy saving and 50% reduction in connected load.
- Optimized the flow rate of cooling water pumps with variable frequency drives resulting in 40% energy saving.
- iii. Traditional lamps replaced by CFL, Metal Halide and Energy efficient tube light fitting thereby reducing the energy consumption by 65% without affecting the illumination level.
- iv. Fuel cost saved by 70% in steam generation by arrangement of low cost fuel (Pet Coke) in place of furnace oil.
- v. Fan fitted induced draft cooling tower replaced with fan less Jet water cooling tower of DG Sets result in 100% energy saved consumed by fans.

Personnel Costs

The Personnel cost increased by 41.86% from Rs.64.00 Millions in 2005-06 to Rs.90.79 Million in 2006-07. Increase in personnel cost was mainly due to new staff recruitments and Annual wages increase for all he employees of the Company.

The total number of employees at the end of the year stands at 695.

Research and Development expenses

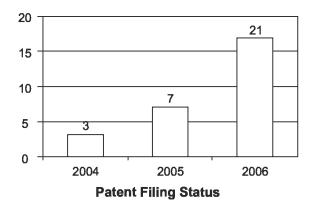
The total expenditure towards R & D have increased by 27.57% over previous year.

(Rs. In Millions)

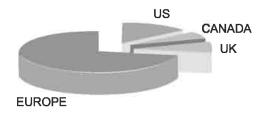
		2006-07	2005-06
a.	Capital	507.75	376.78
b.	Revenue	77.29	81.81
	Total	585.04	458.59
C.	Total R&D expenditure as percentage of total turnover	16.43%	14.18%
d.	Turnover	3561.06	3234.16

Increase in expenditure on R & D is primarily due to :

- Capital expenditure incurred at new R & D Centre at Mohali (Punjab).
- An increase in the research activity towards the development of new drugs, preparation and filing of DMFs and patents in India and abroad.
- During the year Company has filed 21 process patents in India and in PCT format, taking the total patent filed to over 31.



The Company has also filed over 72 DMFs with the US, Canadian, UK and European Drug Authorities. The DMF filing will facilitate the launching of the drugs by the Company upon the patent Expiry in those countries.



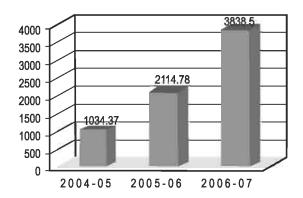
Regionwise Status of DMF filing

Manufacturing, Administration, Selling and Distribution expenses

Manufacturing expenses during the year increased by 42.31% to Rs.279.06 Million from Rs. 196.09 Million in the previous year. The Administration expenses increased by 13.93% from Rs. 96.66 Million to Rs.110.12 Million. Selling & distribution expenses decreased from Rs.85.21 Million to Rs.73.95 Million.

Fixed Assets:

Fixed Asset during the end of the Financial Year 2006-07 stood at 3838.57 Million mainly on account of addition of Rs.1467.4 Million on account of revaluation of fixed assets of the Company situated at its Derabassi facility. Revaluation was carried out mainly to take into account the appreciation in the value of the fixed assets of the Company.



Fixed Assets

Loan Funds and costs

In 2006-07, the company repaid borrowed funds worth Rs. 525.55 Million as against Rs. 336.98 Million in 2005-06. It has added Rs. 981.49 Million to its long term debt portfolio at an average cost of 9.5%.

Profits and Margins

The PBITDA (Profit before interest, tax, depreciation and amortization) increased from Rs.656.64 Million in 2005-06 to Rs. 729.89 Million in 2006-07. The PBITDA margin was down at 20.73% in 2006-07 and the PAT was down by 44.33% to Rs.193.64 Million from Rs.347.86 Million in 2005-06.

Shareholders' funds

The shareholders fund as on 31st March, 2007 stood at Rs.1803.52 millions. The company's share capital comprises of equity share capital of Rs. 228.36 Millions.

The equity share capital was increased by Rs. 13.16 Million over the previous year on account of issue of 380950 equity shares upon conversion of 350520 preference shares and issue of 335000 equity shares upon conversion of optionally convertible warrants.

Reserves

In 2006-07, the company's reserves increased substantially from Rs. 1681.02 Million to Rs. 2901.41 Million (including the revaluation reserves of Rs.1013.87 millions)

Capital employed:

Capital employed of the company has increased from Rs.3536.82 Million to Rs. 4085.48 Millions over the previous financial year. The commissioning of this capital investment is expected to facilitate broad basing of the capital base of the company.

Working capital:

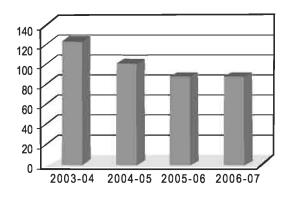
In the pharmaceutical business, working capital is critical for a number of reasons; investment in volatile raw raw materials, a long production cycle and the disbursement of credit to dealers and customers. The company strengthened its working capital management by prudently ensuring regular flow of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

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

*International markets: Exports were adequately protected as transactions were conducted primarily through banks although the margins were under pressure during the year.

Working capital increased from Rs. 969.24 Million in 2005-06 to Rs. 1051.58 Million in 2006-07,

Inventory: The company's total inventory increased both in absolute numbers from Rs. 826.46 Million to Rs. 874.61 Million and in terms of the proportion of employed capital on account of the increased operational scale.



No. of Days & Inventory

Debtors:

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

- * Its revenue accrues from more than 45 locations around the globe.
- * Each working day generates a revenue of approx. Rs. 1.18 Crore.

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 however increased from Rs. 671.14 Million in 2005-06 to Rs. 842.97 Million in 2006-07. Provision for Doubtful Debts increased from Rs. 4.84 Million as on 31st March, 2006 to Rs. 5.78 Million as on 31st March, 2007. More than 75% of the debtors were less than 90 days old.

Creditors:

Simultaneously the company has been able to increase its creditors' cycle from 87 days in 2005-06 to 108 days in 2006-07.

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 a robust product pipeline of 25 products which includes blockbuster drugs like Clarithromycin (Macrolide Anti-biotic), Atorvastatin (Anti-Cholestrol), Fexofenadine (Anti-Histamine), Clopidogrel (Anti-Cholestrol) Nitazoxanide (Anti-Diarrheal), Pioglitazone (Anti-Diabetic), Letrozole & Anastrozole (Anti-Cancer) Venlafaxine (Anti-Depressants) Quetipine & Aripirazole (Anti-Pshychotic)
- 8 new products were successfully Developed in the R&D which included products from the Anti-Obesity, Anti-ischemic, Anti-migrane, Anti-diabetic, Anti-cholestrol therapeutic segments.
- The Company will be launching two new products-thus becoming the third company, globally, to launch these APIs (STATINS range) with a combined market size in excess of US\$ 15bn expected to drive the Company's business significantly.

Accreditions

- During the year Company received USFDA approval for its API manufacturing facility at Derabassi Punjab for Clarithromycin. The Company has already received the TGA and COS approval for its facilities. This will pave the way for Company's entry into the regulated markets.
- The FDA inspection for Company's other API's are also expected shortly. The Company is hopeful of getting 3-4 USFDA approvals for its product by the year 2009-10.

Pharmaceutical Services

- The new R&D centre which has been commissioned at a total cost of over \$ 5 mns has further strengthened the Company's research capabilities and its presence in the Regulated and other markets
- The Company has successfully filed 10 DMFs in US and over 50 DMFs in European and other Countries for its Products.
- The Company has also filed 50 patents in India and PCT formats, out of these one patent for Cardiovascular drug has been granted till date.

International Business Strengthening Alliances

- The Company's Joint Venture with reputed international pharmaceutical major in Iran has commenced commercial operations and going forward the Company expects to have an increased presence in the market of Middle East through this Joint Venture.
- The Company has also entered into an agreement with a number of leading generic companies based in US. This will enable the Company to consolidate its foothold in the regulated markets.
- The Company expects the regulated markets to contribute about 30% of export revenues by 2009-10.

Risks & Concerns:

The Company's risk management revolves around:

Risk identification and risk measurement: Facilitated through corporate policies that provide risk standards and guidelines (credit, market, liquidity, funding and operational).

Risk management: Facilitated through the involvement of senior management for approval, reviews and other policy measures. The end-point responsibility in risk-management is vested with the senior management, which approves the initiatives and makes a continuous review of risk assessment

Risk control: Facilitated through an ongoing check of whether the risk taken is in line with the Company's risk appetite The important risks faced by the bulk drug segment of the pharmaceutical industry in general and the Company in particular as well as their mitigation initiatives are enumerated below.

The Company has implemented appropriate processes to review risk, mitigate risk and to safeguard its interest.

Directors' Report

Dear Shareowners.

Your Directors have great pleasure in presenting the Twelfth Annual Report together with audited statement of accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended 31st March 2007 is summarized below:

Rs. in Millions

PARTICULARS	Year Ending 31st March 2007	Year Ending 31st March 2006
Sales (net of excise) and other Income	3520.68	3151.27
Profit before Interest, Depreciation, Tax & Amortisation	723.68	651.28
Less: -Interest	258.76	124.52
- Depreciation	122.43	81.09
-Amortisation	87.57	36.84
Profit before Tax	254.36	408.83
Less: - Provision for Taxation	32.00	36.11
- Provision for Fringe Benefit Tax	1.41	0.64
- Provision for Deferred Tax	27.31	24.21
Profit after Tax (A)	193.64	347.87
Amount B/F from Previous year (B)	695.21	411.64
Profit after Tax available for Appropriations (A+B)	888.85	759.51
Provision for Dividend on Preference shares	Nil	0.35
Provision for Preference shares Dividend Tax	Nil	0.05
Provision for Dividend on Equity shares	22.84	33.18
Provision for Equity Dividend Tax	3.88	4.66
Transfer to General Reserve	9.68	26.06
Balance carried forward to Balance sheet.	852.45	695.21

OPERATIONS AND BUSINESS PERFORMANCE

Your company has achieved a turnover of Rs.3520.68 millions registering a growth of 11.72% over the previous year's turnover of Rs. 3151.27 Millions. Profit before tax decreased from Rs. 408.83 millions to Rs.254.36 millions and profit after tax also decreased from Rs.347.87 millions to Rs.193.64 millions. A provision for fringe benefit tax and deferred tax to the tune of Rs.1.41 million and Rs. 27.31 million was made during the financial year 2006-2007. The Earning per share decreased to Rs.8.72 per share from Rs.17.52 per share.

Its exports during the financial year ending 31st March, 2007 were Rs.1543.63 millions as compared to Rs.1560.09 million

recorded in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% (i.e Re.1/- per equity share) on equity shares of Rs.10/- each for the financial year 2006-07. The dividend, if approved at the ensuing annual general meeting, will be paid on or after 3rd October, 2007 to those shareholders whose names appear on the register of members of the company as on 24th September, 2007.

The dividend would be tax-free in the hands of the shareholders.

EMPLOYEE STOCK OPTION SCHEME

Pursuant to approval by the Shareholders in the last annual general meeting to the ESOP scheme of the Company, the Company has got all necessary approvals for launching its ESOP scheme. However till date no options has been granted to any of the Employee of the Company.

CAPITAL STRUCTURE

During the year, your Company has converted 3,50,520, 1% Non-cumulative Preference shares into equity shares at a price of Rs. 92/- per share and accordingly 3,80,950 equity shares were allotted to the holders of these Preference Shares.

In March 2007, your Company allotted 28,00,000 optionally convertible warrants to the Promoters Group at a price of Rs.70/- per warrant. Out of these warrants 3,35,000 warrants were converted into equal number of equity shares before 31st March, 2007. All the new equity shares stands duly listed at the Indian Stock Exchanges.

The paid-up equity share capital of your company now stands increased to Rs. 228.36 Millions.

The funds raised through the preferential allotment were utilized for Fresh Expansion at the Derabassi Facility and to meet the Product Development Expenditure at the New R&D centre of the Company.

SUBSIDIARY, IND-SWIFT LABORATORIES INC.

The US subsidiary of the Company Viz. Ind-Swift Laboratories Inc. continued in development stage. During the year, the total income and Net Loss after providing provision for taxes of the company were US\$ 3,30,128 and US\$ 2,52,025 as compared to US\$2,04,980 and US\$ 2,89,011 in the previous year. The Annual accounts and reports of the US Subsidiary along with statements 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 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 M/s Jain & Associates., as Statutory Auditors of the Company for the financial year 2007-08 for shareholders approval.

COSTAUDIT

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 Accountant as Cost Auditors of the Company for the financial year 2006-07. The Cost Audit is under process and the Company will submit the Cost Auditors' report to the Central Government in time.

DEPOSITS

The aggregate amount of fixed deposit as accepted by the Company under Section 58 of the Companies Act,1956 is Rs.12.69 crores approx (previous year Rs. 10.43 crores) and there was no unclaimed deposit as on that date.

DIRECTORS

In accordance with the articles of association of the company, Dr. J.K. Kakkar and Sh. K.M.S. Nambiar, directors retire by rotation at the company's forthcoming annual general meeting and being eligible offer themselves for reappointment. The brief profiles of these Directors are given in the Annexure to the Notice of the Annual General Meeting for the reference of the members.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed Management Discussion and Analysis Report is provided in the Annual Report.

SEBIREGULATION & LISTING FEES

Since SEBI has stipulated electronic filing of Annual Report, Corporate Governance Report, Shareholding Pattern, etc. on website www.sebiedifar.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) Rule, 1988 are set out in the Annexure Ato the Directors' Report.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure B to the Directors' Report.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of the Corporate Governance as prescribed in the Clause 49 of the Listing Agreement with the stock exchanges. A detailed report on the Corporate Governance is given in a separate section in this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- 1. In the preparation of annual accounts, the applicable accounting standards have been followed. There are no material departures from prescribed accounting standards.
- 2. 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 2006-07 and of profit of the Company for that period;
- 3. 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

4. We have prepared the annual accounts on an on going concern basis.

ACKNOWLEDGMENT

Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work, active involvement and devoted services rendered. The Directors would also like to thank all other stakeholders, Investors including bankers and other business associates, who have extended their valuable sustained support and encouragement. This has, understandably, been critical for the Company's success. The Directors look forward to their continued support and understanding in the years to come. On behalf of the Board of Directors.

On behalf of the Board of Directors

Dr. Gopal Munjal Chairman Chandigarh, 28th August, 2007.

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 :
- Higher rating motor of Boiler ID Fan and FD fan replaced with proper rating motors resulting in 40% energy saving and 50% reduction in connected load.
- ii. Optimized the flow rate of cooling water pumps with variable frequency drives resulting in 40% energy saving.
- iii. Traditional lamps replaced by CFL, Metal Halide and Energy efficient tube light fitting thereby reducing the energy consumption by 65% without affecting the illumination level.
- iv. Fuel cost saved by 70% in steam generation by arrangement of low cost fuel in place of furnace oil.
- v. Fan fitted induced draft cooling tower replaced with fan less Jet water cooling tower of DG Sets result in 100% energy saved consumed by fans.

- b) Additional investments/proposals, if any, for the reduction of energy consumption.
- Continues improvements are being made to further reduce the expenditure on power and fuel.
- ii. To replace other cooling tower fitted with fan to natural draft.

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

а	ELECTRICITY AND FUEL CONSUMPTION	2006-07	2005-06
	1. Electricity		
	A Purchase Unit (KWH)	11395166	8622248
	Total amount (Rs.)	45142107	35745585
	Average Rate (Rs.)	3.96	4.15
	B Own Generation		
	I Through Diesel Generator set (KWH)	2085753	1724808
	Unit per Litre of diesel Oil	3.33	3.43
	Cost of fuel per unit	10.33	7.39
	II Through Steam Turbine/Generator	NIL	Nil
	2. Coal (specify quantity and where used)	NIL	Nil
	3. Furnace Oil/L.D.O. (Quantity)	135059	131012
	Total amount (Rs.)	2423292	1488738
	Average Rate (Rs. Per liters)	17.94	11.36
	4. Other/Internal Generation (please give details)	NIL	NIL

b CONSUMPTION PER UNIT OF PRODUCTION

Unit	Standard	2006-07	2005-06
Electricity	(KWH)	59.25	52.05
Furnace Oil/L.D.O	(Ltr./ Kg.)	0.59	0.66
Diesel	(Ltr.)	2.75	2.53
Petroleum Coke	(Kg.)	17.98	16.07

B) TECHNOLOGY ABSORPTION

I) RESEARCH & DEVELOPMENT (R&D)

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

- 1. Development of commercially viable non-infringing processes for APIs for entry into regulated markets (USA, Europe etc.)
- 2. Development of commercially viable processes for APIs for non-regulated markets.
- 3. Creating Intellectual Property assets by filing patents.

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

- 1. Reduction in cost of production of many products.
- 2. New products developed and successfully commercialized in semi-regulated markets.
- 3. 21 process patents have been filed in the year 2006-07 (Indian 16: PCT 5).
- 4. Green technology developed for some existing products.
- 5. DMFs filed in US, European and other Countries.

c) Future plan of action

- 1. Collaborative research with CSIR laboratories / Universities.
- 2. Filing of atleast 5 DMFs every year.

d) Expenditure on R & D during the year 2006 - 2007

	llio	
ın		

		2006-07	2005-06
a.	Capital	507.75	376.78
b.	Revenue	77.29	81.81
	Total	585.04	458.59
C.	Total R&D expenditure as percentage of total turnover	16.43%	14.18%
d.	Turnover	3561.06	3234.16

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

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

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.1543.63 millions. 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.123.34 million and the earnings in foreign exchange were Rs.1561.01 million. Details have been given at Point No. F & G of Note 28 of Notes on Accounts.

Annexure 'B'

The statement pursuant to section 217(2A) of the Companies, Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' report is given below.

Name	Designation	Age	Qualification	Experience	Date of Appointment	Gross Remuneration (Rs. In lacs)	Last Employme nt
N.R Munjal	Managing Director	54	Graduate	30 years	1995	58.33	Ind-Swift Limited
V.K Mehta	Jt. Managing Director	46	B.Com	24 years	1995	59.32	Ind-Swift Limited

Note:

Gross remuneration comprises basic salary, allowances, monetary value of perquisites as per the rules under the Income Tax Act, 1961 and contribution to Provident fund.

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON 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 nine directors, out of which 7 are non-executive directors. The company has a non-executive chairman and 3 independent directors which comprises of 1/3rd strength of the Board, thus complying with the Corporate Governance Regulations as to the composition of the Board.

The Managing Director and Joint 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 14 times during the financial year on the following dates:

26.04.2006	31.08.2006	24.01.2007
23.05.2006	30.09.2006	23.02.2007
31.05.2006	12.10.2006	10.03.2007
17.06.2006	28.10.2006	28.03.2007
29.07.2006	08.01.2007	

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 2006-07 attendance		As on 31.3.2007			Share
		вм	Last	No. of	Com	mittees	holding
			AGM	D'ships*	Member	Chairman	
Dr. G. Munjal	Non Executive	14	Yes	3	1	Nil	60900
	Chairman, Promoter						
Mr. N.R. Munjal	Managing Director,	13	Yes	2	2	Nil	105000
	Promoter						
Mr. V.K. Mehta	Jt. Managing Director,	14	Yes	4	1	Nil	233600
	Promoter						
Dr. V.R. Mehta	Non Executive Director,	11	No	2	1	Nil	52900
	Promoter						
Mr. S.R. Mehta	Non Executive Director,	10	Yes	2	2	Nil	233600
	Promoter						
Mr. Himanshu Jain	Non Executive Director,	13	No	2	1	Nil	43325
	Promoter						
Dr. J.K. Kakkar	Independent Director	14	Yes	Nil	3	1	Nil
Mr. K.M.S. Nambiar	Independent Director	11	Yes	1	6	5	Nil
Dr. S.D. Nanda	Independent Director	6	Yes	2	3	Nil	Nil

^{*} excludes private limited companies.

Directors, Mr. K.M.S. Nambiar and Dr. J.K. Kakkar 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 12th 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 2006-07, four Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of quarterly financial results by the Board:

17.06.2006	28.10.2006
29.07.2006	24.01.2007

The constitution of the	a gudit committee	and the attendance	of each member of the	ne committee are given below:
i ne constitution of th	e audit committee	e and the attendance	or each member of tr	ie committee are diven below:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during 2006-2007	No. of Committee Meeting attended
Mr. K.M.S Nambiar	Chairman	Independent/ Non-Executive	4	3
Dr. J.K Kakkar	Member	Independent/ Non-Executive	4	4
Dr S.D Nanda	Member	Independent/ Non-Executive	4	3
Dr. G. Munjal	Member	Non-Executive	4	4
Mr. N.R Munjal	Permanent Invitee	Permanent Invitee	4	4
Mr. V.K Mehta	Permanent Invitee	Permanent Invitee	4	4
Mr. N.K. Bansal	Permanent Invitee	Permanent Invitee	4	4

The Committee meetings are usually held at the company's head 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:

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

- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management polices.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k. Any other matter, which the committee may deem fit to review in the Audit Committee Meeting.

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

During the year ended 31st March, 2007 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 Managing director and Jt. Managing Director 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

As on date, the members of the Committee are:

Name	Designation	Executive/Non-Executive/ Independent
Mr. K.M.S Nambiar	Chairman	Independent/ Non-Executive
Dr S.D Nanda	Member	Independent/ Non-Executive
Mr. S.R. Mehta	Member	Non-Executive
Mr. N.R Munjal	Permanent Invitee	Permanent Invitee
Mr. V.K Mehta	Permanent Invitee	Permanent Invitee

Remuneration of Directors

Executive Directors

The remuneration of Managing Director and Jt. Managing Director is recommended by the Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances to its Managing Director and Jt. Managing Director as approved by the shareholders. Remuneration of the Executive Directors paid in respect of the financial year 2006-07 is given below:

(Rs. In lacs)

Name of Director	Designation	Business Relationship with Company				
			Salary	Perquisites	Total	
Mr. N.R. Munjal	Managing Director	Promoter	54.00	4.33	58.33	
Mr. V.K. Mehta	Jt. Managing Director	Promoter	54.00	5.32	59.32	

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 2006-07 is given below:

(Rs. In lacs)

Name of Director	Designation	Business Relationship with Company	Sitting Fees	Other Expenses	Total
Dr. J.K. Kakkar	Independent Director		0.18	-	0.18
Mr. K.M.S. Nambiar	Independent Director		0.16	-	0.16
Dr. S.D. Nanda	Independent Director		0.09	0.125	0.215

The company is in the process of Launching the ESOP Scheme as approved by the members in their AGM held on 30.09.2006.

(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, 2007 Committee met 20 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	Executive/Non-Executive Independent	No. of meeting Attended
Mr. K.M.S. Nambiar	Chairman	Independent/Non Executive Director	20
Dr. J.K. Kakkar	Member	Independent/Non Executive Director	20
Mr. S.R. Mehta	Member	Non Executive Director	12
Mr. N.R. Munjal	Member	Executive Director	20

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 2006-07 was 7200.
- As on 31st March, 2007 there were no equity shares pending for transfer.

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, interalia 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 2006-07 all of which have been resolved during the year. There was no complaint pending as on 31st March, 2007.

Status of Complaints	2006-07
Opening as on 1.4.2006	Nil
Received during the year	25
Resolved during the year	25
Closing as on 31.03.2007	Nil

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

(d) Compensation Committee

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

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

- Administration and superintendence of Employees' Stock Option Scheme (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options. During the year 2006-07, one meeting of the Compensation Committee was held.

The Composition of the Compensation Committee is given below.

Member Director	Position	Category
Dr. J.K. Kakkar	Chairman	Independent Non-Executive
Sh. K.M.S. Nambiar	Member	Independent Non-Executive
Dr. S.D. Nanda	Member	Independent Non-Executive
Sh. N.R.Munjal	Member	Executive
Sh. V.K. Mehta	Member	Executive

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	Resolution
2006-07	EGM	Bal Bhawan Sector – 23, Chandigarh	23.02.2007	10.00 A.M.	1
2006-07	11th AGM	Tagore Theatre Sector – 18, Chandigarh	30.09.2006	10.00 A.M	6
2005-06	10th AGM	Tagore Theatre Sector – 18, Chandigarh	28.09.2005	11:30 A.M	5
2005-06	EGM	Bal Bhawan Sector – 23, Chandigarh	27.4.2005	10.00 A.M	1
2004-05	EGM	Bal Bhawan Sector – 23, Chandigarh	20.11.2004	11:00 A.M	4
2004-05	9TH AGM	Bal Bhawan Sector – 23, Chandigarh	29.09.2004	10:00 A.M	5

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 2006-07 the following mentioned Resolutions were passed seeking approval of shareholders.

- 1. In the EGM held on 23rd February, 2007, the shareholders approved the:
 - Issue of Zero Coupon Convertible Warrants
- 2. In the AGM held on 30th September, 2006, the shareholders approved the:
 - Re-appointment of Sh. N.R. Munjal, Managing Director.
 - Re-appointment of Sh. V.K. Mehta, Jt. Managing Director
 - Conversion of Non-Cumulative Redeemable Preference Share into equity shares.
 - Issue of equity shares upon conversion of Non-Cumulative Redeemable Preference Share.
 - Issue of equity shares under Ind-Swift Employees Stock Option Scheme 2006
 - Issue of equity shares under Ind-Swift Subsidiary Companies Employees Stock Option Scheme 2006.

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, 2007.

N. R. Munjal

CEO & Managing Director

Chandigarh

August 28, 2007

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

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer (V.P. Finance) on the financial statements and other matters of the Company for the Financial year ended 31st March,2007, was placed before the Board at its meeting held on 28th August, 2007.

7. DISCLOSURES

A. Related Party Transactions

Transactions with related parties are disclosed in Note No. 7b of Schedule XVI (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 29th September, 2007

- Time 11.00 A.M.

Venue B.M.S. Lobana Bhawan, Sector-30-A

Chandigarh

II Financial Calendar

Financial reporting for the financial year 2007-08 for

 Quarter ending June 30, 2007

already adopted on 30th July, 2007

- Quarter ending

September 30, 2007 By 31st October 2007

- Quarter ending

December 31, 2007 By 31st January 2008

Year ending

March 31, 2008 By 30th June 2008

(As Audited Results will be considered)

 Annual General Meeting for the year ending March 31, 2008

In September 2008.

III Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from 25th day of September, 2007 to 28th day, September, 2007 (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 3rd October, 2007 to those members whose names stand registered in the Register of Members as on Friday, September 28th, 2007 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 24th, 2007.

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 2007-08 have already been paid to all Stock Exchanges.

VI Stock Market Data

Stock Code: The Stock Code for the Company's shares is 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 Sh	are Price Mo	ovement during	2006-07	at BSE & NSE

MONTH	BSE				NSE	
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April 2006	128.50	109.00	1995057	129	105.5	3010415
May 2006	125.80	76.25	1930014	126.7	75.55	3144494
June 2006	87.90	50.00	2240443	88	51.1	3246865
July 2006	74.00	59.00	394217	73.95	59	608278
August 2006	81.90	60.60	1975223	81.8	60.35	2908050
September 2006	79.00	68.00	1034268	79.2	68.05	1395434
October 2006	78.40	65.10	881549	77.8	65.1	943415
November 2006	75.00	55.50	2662723	75.45	51	3246329
December 2006	60.70	51.20	1639458	60.5	51.1	1494902
January 2007	73.40	53.70	2749272	74	53.9	3209335
February 2007	85.05	58.00	3525432	85.2	54.5	5043814
March 2007	64.40	53.80	913851	64.25	51.15	1172935
Total			21941507			29424266

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

VII) Registrar and Share Transfer Agent

Transfer Agent for physical transfers and Demat shares:

Alankit Assignments Limited 205-208, Anarkali Market, Jhandewalan Extension, New Delhi - 110055

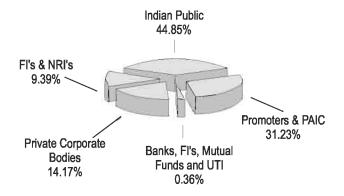
Tel:- +91-11-42541965,42541953

Fax: - +91-11-41540064 E-mail: alankit@alankit.com Website: www.alankit.com

VIII) Distribution of Equity Shareholding as on 31st March 2007

Category	No. of Shares Held	%age of Shareholding
Promoters & PAIC	7131356	31.23
Banks,Fl's, Mutual Funds and UTI	82192	0.36
FII's & NRI's	2143677	9.39
Private Corporate Bodies	3236733	14.17
Indian Public	10241992	44.85
Total	22835950	100.00

Shareholding Pattern as on 31.03.2007



IX Distribution Schedule as on 31st March 2007

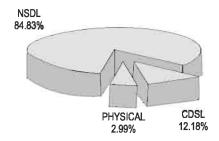
Shares holding of Nominal Value of	No. of Share Holders	% age of Total Holders	Shares Amount	% age of Total Equity
Upto 5000	25379	86.118	41182290	18.034
5001 to 10,000	2221	7.536	17919210	7.847
10,001 to 20,000	981	3.329	14991470	6.565
20,001 to 30,000	303	1.028	7875900	3.449
30,001 to 40,000	160	0.543	5713220	2.502
40,000 to 50,000	113	0.383	5300540	2.321
50,001 to 1,00,000	160	0.543	11448780	5.014
1,00,000 and above	153	0.519	123927190	54.269
TOTAL	29470	100.00	228359500	100.00

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 2007, 22153666 equity shares of the company, forming 97.01% of the share capital of the company, stand dematerialized.

Mode of Shares	Number of Shares	%
Physical	682284	2.99
NSDL	19371887	84.83
CDSL	2781779	12.18
Total	22835950	100.00

Shares held in Physical Form and Dematerialised Form as on 31.03. 2007



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, 2007, 141213 GDR's were outstanding.

The Company had also issued 28,00,000 Zero Coupon optionally Convertible Warrants to promoter group at a price of Rs. 70/- per warrant on 10.03.2007. Out of these warrants 3,35,000 warrants were converted into 335,000 Equity Shares as on 31.03.2007.

The company had 24,65,000 Zero Coupon Optionally Convertible Warrants outstanding as on 31st March, 2007.

XII Registered office

Ind-Swift Laboratories Limited

SCO 493-94,

Sector 35 C,

Chandigarh 160 022

Tele: - +91-172-2660918, 2604934

Fax: - +91-172 2660920

XIII Plant Locations

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

XIV Research and Development Facility

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

XV Compliance Officer

Pardeep Verma

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@indswiftlabs.com

XVI Investor Services

Email: investorservices@indswiftlabs.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 2007 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, 2007.

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

Place: Chandigarh (S.C. PATHAK) Date: 28.8.2007

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 2007 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) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, the Company has kept proper books of accounts as required by law, so far as appears from our examination of the books.
- c) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, 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.
- e) On the basis of the written representations received from the Directors as on 31.3.2007 & 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.
- f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view.
- i) In the case the Balance Sheet, of the state of affairs of the Company as at 31st March 2007.
- 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
Membership No. 11999

PLACE: CHANDIGARH DATE: 30.07.2007

ANNEXURE TO THE AUDITORS' REPORT

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

- I. In respect of its fixed assets:
- 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.
- 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 to IND SWIFT LTD. CHD. Amounting to Rs.3279.27 lacs 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&d) As per information provided the repayment of principal and interest is not due till 31.03.2007.
- 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 31.03.2007 except Income Tax Department 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: 30.07.2007

BALANCE SHEET AS AT MARCH 31, 2007

PARTICULARS	SCHEDU		As at 1.03.2007	As at 31.03.2006
			(Rs.)	(Rs.)
I .SOURCES OF FUNDS				
(1) Shareholder's Funds				
Share Capital	I		3,359,500	250,252,000
Reserves & Surplus	II	2,901	1,411,355	1,681,022,580
Share Application money		17	7,255,000	12,586,113
(2) Loan Funds				
Secured Loans	<u> </u>		1,492,336	1,945,819,222
Unsecured Loans	IV		3,280,579	273,922,895
(3) Deferred Tax Liability			5,421,381	148,110,552
		TOTAL 6,235	5,220,151	4,311,713,362
II. APPLICATION OF FUNDS				
(1) Fixed Assets (Cost/Revalued Cost	st) V			
Gross Block	<i>v</i>	3 928	3,534,296	2,114,778,239
Less: Depreciation			2,849,670	222,806,137
Net Block			6,684,626	1,891,972,102
Assets held for Disposal			2,550,500	
Capital Work In Progress			,330,629	479,153,176
			3,565,755	2,371,125,278
(B) I		-		
(2) Investments		228	3,455,718	173,985,179
(3) Current Assets, Loans and Adva	nces VI			
(a) Inventories		874	1,607,344	826,464,054
(b) Sundry Debtors			7,189,945	666,299,537
(c) Cash and Bank Balances			3,821,551	104,948,364
(d) Loans and Advances			9,198,600	416,147,733
		2,459	3,817,441	2,013,859,688
Less				
(a) Current Liabilities		717	7,313,207	589,142,510
(b) Provisions			5,098,389	73,765,540
Current Liabilities & Provisions	VII		2,411,595	662,908,049
Net Current Assets		1 697	7,405,845	1,350,951,639
(4) MISCELLANEOUS EXPENDITUR	E VIII		2,792,832	415,651,266
(To the extent not written off or adju		102	-,102,002	110,001,200
(•	TOTAL 6,235	5,220,151	4,311,713,362
Cignificant Accounting Delicios 9	XVI			
Significant Accounting Policies & Notes on Accounts	AVI			
AUDITOR'S REPORT				
As per our separate report of even date		For and	on behalf of t	the Board of Directors
For JAIN & ASSOCIATES	Dr. G. MUNJAL	N.R. MUNJAL	,	V.K. MEHTA
Chartered Accountants	Chairman	Mg. Director		Jt. Mg. Director
R.K GULATI	Dr. V.R. MEHTA	K.M.S. NAMBIA	R I	Dr. J.K. KAKKAR
Partner	Director	Director		Director
Membership No. 11999				
B-4 00 07 0007	HIMANSHU JAIN	N.K. BANSAL	-	PARDEEP VERMA
Date: 30.07.2007 Place: Chandigarh	Director	V.P. Finance	(Company Secretary
riace. Chandigam				

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

PARTICULARS	SCHEDULE	Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
INCOME			
Gross Sales & Operating Income	IX-A	3,561,057,678	3,234,161,925
Less: Excise Duty		68,992,341	93,234,612
Sales net of excise		3,492,065,337	3,140,927,313
Other Income	IX-B	28,619,944	10,340,762
	Total-A	3,520,685,281	3,151,268,075
EXPENDITURE			
Cost of Materials Consumed	X	2,269,961,203	2,047,564,869
Manufacturing Expenses	XI	279,058,511	196,094,330
Administrative & Other Expenses	XII	110,115,123	96,655,513
Selling and Distribution Expenses	XIII	73,950,978	85,216,503
Financial Charges	XIV	258,757,154	124,520,403
Research & Development Expenses	XV	54,451,166	63,318,730
Loss on Sale of Fixed Assets	XV	6,814,435	5,360,208
Depreciation		122,432,525	81,087,672
Misc. Expenditure Written Off		87,525,502	36,839,037
Provision for Doubtful Debts		943,415	1,569,277
Provision for Doubtidi Debts	Total-B	3,264,010,011	2,738,226,542
Profit For the Year Before Tax (A-B)	_	256,675,270	413,041,533
Previous Year Income		194,083	512,429
Previous Year Expenses		2,510,26 7	4,719,885
Profit for the year before Tax		254,359,085	408,834,077
Provision for Income Tax		28,381,469	34,403,388
Income Tax Adjustment of Previous Years		3,623,827	1,711,032
Fringe Benefit Tax			638,315
Profit Before Deferred Tax		1,404,817	
Provision for Deferred Tax		220,948,972	372,081,343
		27,310,829	24,213,692
Profit available for appropriation Provision for dividend on Preference Shares		193,638,143	347,867,650
		-	350,520
Provision for preference dividend tax		400 000 440	49,160
Profit available for Equity Shareholders		193,638,143	347,467,970
Provision for dividend on Equity Shares		22,835,950	33,180,000
Provision for Equity dividend tax		3,880,970	4,653,495
Transfer to General Reserve		9,681,907	26,060,098
Retained Profit		157,239,316	283,574,377
Profit B/F from Previous Year		695,213,329	411,638,954
Profit C/o to Balance Sheet		852,452,646	695,213,331
Basic Earning per share		8.72	17.52
Diluted Earning per share		8.62	17.00
Nominal Value of each share		10.00	10.00

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board of Directors

N.R. MUNJAL For JAIN & ASSOCIATES Dr. G. MUNJAL V.K. MEHTA **Chartered Accountants** Chairman Jt. Mg. Director Mg. Director **R.K GULATI** Dr. V.R. MEHTA K.M.S. NAMBIAR Dr. J.K. KAKKAR Partner Director Director Director Membership No. 11999 **HIMANSHU JAIN** N.K. BANSAL PARDEEP VERMA Date: 30.07.2007 V.P. Finance Company Secretary Director Place: Chandigarh

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - I SHARE CAPITAL			
Authorised 2,75,00,000 Equity Shares of Rs.10/- Each		275,000,000	275,000,000
7,50,000 Preference Shares of Rs.100/- each		75,000,000	75,000,000
Issued, Subscribed & Paid Up	Total _	350,000,000	350,000,000
2,28,35,950 (Previous Year 2,15,20,000)Equity Share of Rs.10/- each fully called up and paid up.	S	228,359,500	215,200,000
Nil (Previous Year 3,50,520) 1% Non Cumulative Preference Share of Rs.100/- each fully paid up		-	35,052,000
redeemable at par in September, 2015.	_	228,359,500	250,252,000
SCHEDULE - II RESERVES & SURPLUS (a) Capital Reserves: Capital Redemption Reserve Share Warrants forfeited Account Equity share forfeited Account (b) Securities Premium (c) Revaluation Reserve (d) General Reserve As per last Balance Sheet Add Transfer during the year Less Impairment of Assets of Earlier Years (e) Profit & Loss Account As per last Balance Sheet Less Transfer to General Reserve Add Transfer from Profit & Loss Account	Total _	2,000 5,686,113 866,500 1,045,696,900 1,013,872,500 53,581,749 99,681,907 80,428,959 852,452,646 695,213,329 90,000,000 157,239,316 2,901,411,355	2,000 - 866,500 931,359,000 - - 27,521,652 26,060,097 - 695,213,331 411,638,954 - 283,574,377 1,681,022,580
SCHEDULE - III SECURED LOANS (A) Loans and Advances from Banks (a) Borrowings for working capital. (b) Term Loans (c) Other Loans (B) Other Loans and Advances Term Loans from (a) Financial Institutions (b) Others	Total [–]	635,817,812 1,860,665,455 16,909,176 107,720,309 13,379,583 2,634,492,336	381,710,942 1,380,373,333 21,426,931 146,348,077 15,959,939 1,945,819,222

Note

- a) Bank borrowings for working capital are secured by a Pari Passu, first charge by way of hypothecation of the Company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to plant and Machinery (Consumable Stores & Spares), Bills Receivable 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), Corporate Guarantee of Ind Swift Ltd. 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 Loans from Banks and Financial Institutions are secured by a 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 and a first charge by way of hypothecation of all its movable assets (save & except book debts), including machinery, machinery spares, tools and accessories present and future, subject to the charges created/to be created, in favor of the company' banker for working capital. The term loan from State Bank of India is further secured by way of Equitable mortgage of the land and building of the company situated at E-V Ph-II, Mohali. The term loan of Bank of india (Rs. 8.25 crores) is secured on movable fixed assets including Plant and Machinery at Company plant at Samba, Jammu. The term loans from State Bank of India, Exim Bank, Bank of India and financial institutions are further secured by Corporate Guarantee of Ind Swift Ltd and are additionally secured along with charges of UTI Bank, Catholic Syrian Bank, South Indian Bank by 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.
- c) Term loans from State Bank of Bikaner & Jaipur (Rs.300.00 Lac), Bank of India (Rs. 1000 lacs) State bank of Indore (Rs.1000 lacs) are secured by subservient charge on the assets of the Company.
- d) Term Loan from Technology Development Board is secured by whole of the moveable properties of the Company in respect of project for development of Anastrazole & Letrazole situated at Derabassi Plant.
- e) ICICI Home Loan is in the name of Mr. N.R.Munjal, Managing Director of the Company is secured against the office premises in Mumbai.
- f) Loan against vehicles are secured against hypothecation of the vehicles under the hire purchase agreement.

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - IV UNSECURED LOANS			
(a) Fixed Deposits (b) Short Term Loan & Advances		126,866,141	104,347,831
From Banks		31,914,438	54,425,064
From Others (c) Other Loans & Advances		19,500,000	45,150,000
From Banks		100,000,000	70,000,000
	Total	278,280,579	273,922,895

Short Term Loan & Advances from banks Rs. 319.14 Lac (Previous Year Rs. 461.35 Lac) being bill factoring facility from ABN Amro Bank against accepted hundies, bills & other instruments duly endorsed and personal guarantees of directors and corporate guarantees of other Companies.

Other Loans & Advances from Bank includes Rs.500.00 Lac (Previous Year Rs.500.00 Lac) Loan from Yes Bank which are secured by the personal guarantees of Mr S.R.Mehta, Mr. V.K.Mehta, Mr. N.R.Munjal, Dr G.Munjal, Mr. Himanshu Jain and Mr.V.R.Mehta.

SCHEDULE - V FIXED ASSETS

Amt. in Rs.

			GROSS BLOC	:K			DEPREC	IATION/AMORTISATION	ı	NET B	LOCK
PARTICULARS	AS ON	ADDITIONS	ADDITIONS	SALE/	AS ON	AS ON	DURING THE	DURING THE YEAR	AS ON	AS ON	AS ON
	1/04/2006		DUE TO	TRANSFER	31/03/2007	1/04/2006	PERIOD	WRITTEN BACK	31/03/2007	31/03/2007	31/03/2006
			REVALUATION								
TANGIBLE ASSETS											
LAND FREE HOLD	58,086,194	143,591,442	254,474,014	-	456,151,650	-	-	-	l -l	456,151,650	58,086,194
LAND LEASE HOLD	7,257,339	3,490,261	-	-	10,747,600	122,748	120,329	-	243,077	10,504,523	7,134,591
FACTORY BUILDINGS	257,389,101	45,987,971	127,781,391	-	431,158,463	20,841,133	9,101,329	-	29,942,462	401,216,002	236,547,968
OFFICE BUILDINGS	21,491,205	218,952	10,735,116	-	32,445,273	1,953,528	351,133	-	2,304,661	30,140,612	19,537,677
R&D BUILDINGS	9,308,995	135,029,478	4,136,001	-	148,474,474	1,521,568	323,277	-	1,844,845	146,629,629	7,787,427
PLANT&MACHINERY	1,397,258,023	301,246,297	498,278,138	138,611,785	2,058,170,673	146,471,877	78,054,407	31,665,141	192,661,143	1,865,509,530	1,250,786,146
R&D MACHINERY	108,217,138	218,053,867	41,049,663	-	367,320,668	14,065,609	6,303,881	-	20,369,490	346,951,178	94,151,529
ELECTRIC INSTALLATIONS	109,053,005	49,258,955	77,418,177	-	235,730,138	12,350,917	5,447,557	-	17,798,474	217,931,663	96,702,088
FURNITURE & FIXTURES	11,442,514	14,659,921	-	-	26,102,435	1,893,192	799,788	-	2,692,980	23,409,455	9,549,322
OFFICE EQUIPMENTS	34,796,265	24,911,587	-	-	59,707,852	10,096,529	5,545,227	-	15,641,755	44,066,097	24,699,737
VEHICLES	37,929,923	4,687,389	-	2,640,779	39,976,533	7,185,950	3,875,890	523,850	10,537,990	29,438,542	30,743,972
INTANGIBLE ASSETS											
R&D TECHNOLOGY	62,548,537	-	-	-	62,548,537	6,303,086	12,509,707	-	18,812,793	43,735,744	56,245,451
	· ·					,					
TOTAL	2,114,778,239	941,136,120	1,013,872,501			222,806,137	122,432,524	32,388,991	312,849,670	3,615,684,626	1,891,972,101
PREVIOUS YEAR	1,034,369,634	1,099,181,524	-	18,772,919	2,114,778,239	148,768,680	81,220,095	7,182,638	222,806,137	1,891,972,102	885,600,954

CAPITAL WORK IN PROGRESS	AS ON 1/04/2006	ADDITIONS	CAPITALISATION	AS ON 31/03/2007				AS ON 31/03/2007	AS ON 31/03/2006
DESCRIPTION									
(a) BUILDING	75,769,077	97,361,244	173,130,321	-		-	-	-	75,769,077
(b) PLANT & MACHINERY	107,206,109	397,742,391	504,948,500	-		-	-	-	107,206,109
(c) ELECTRICAL FITTINGS	16,613,581	29,942,917	46,556,498	-		-	-	-	16,613,581
(d) ADVANCE FOR CAPITAL GOODS	252,353,988	-	-	210,330,629		-	-	210,330,629	252,353,988
(e) EXPENSES PENDING CAPITALISATION	27,210,420	66,345,487	93,555,907	-		-	-	-	27,210,420
TOTAL PREVIOUS YEAR	479,153,176 521,468,391	591,392,038 659,089,694	818,191,226 853,113,658	210,330,630 451,120,327	-	-		210,330,630 479,153,176	479,153,176 74,044,203

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - VI CURRENT ASSETS, LOANS & ADVANCES A) CURRENT ASSETS I) INVENTORIES (As per inventories taken, valued & certified by the Manager	ment)		
Stores & Consumable		11,811,584	11,676,597
Raw Materials		265,959,205	343,366,703
Work in Process		541,734,561	418,070,572
Finished Goods		55,101,995	53,350,182
	TOTAL	874,607,344	826,464,054
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	65,453,016 5,783,122 771,736,929 842,973,067 5,783,122 837,189,945	47,911,582 4,839,707 618,387,955 671,139,244 4,839,707 666,299,537
Cash in hand Bank balances with Scheduled Banks: Fixed deposits Interest accured on fixed deposits Current Accounts	TOTAL	4,392,537 68,292,234 1,281,194 24,855,586 98,821,551	3,675,164 71,598,413 2,798,318 26,876,469 104,948,364
IV) LOANS AND ADVANCES (Unsecured ,Considered good) Advances recoverable in Cash or in Kind or for value to be received Cenvat/ Vat Recoverable Advance Custom Duty Paid Advance Tax/ TDS Prepaid Expenses Security deposits	TOTAL	475,099,715 128,881,007 1,370,547 26,498,993 8,046,563 9,301,775 649,198,600	247,867,710 139,527,458 283,265 14,897,551 5,612,780 7,958,970 416,147,733

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - VII CURRENT LIABILITIES & PROVISIONS A) CURRENT LIABILITIES Sundry Creditors			
Total outstanding dues to small scale Industrial undertakings		993,058	1,879,460
Outstanding dues of Creditors other than		,	
Small Scale Industrial Undertaking		639,127,779	541,605,751
Statutory Liabilities Expenses Payable		7,078,562 29,164,558	4,578,760 23,402,835
Interest accured but not due		40,949,250	17,675,703
	SUB TOTAL	717,313,207	589,142,510
B) PROVISIONS : Income Tax		28,381,469	35,532,365
Preference Share Dividend			350,520
Tax on proposed preference share dividend		-	49,160
Equity Share Dividend		22,835,950	33,180,000
Tax on proposed equity share dividend	TOTAL	3,880,970 772,411,595	4,653,495 662,908,049
SCHEDULE - VIII MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
1 Capital Enhancement Expenses		220,500	360,500
2. Seed Marketing Expenditure		-	303,412
3 Research & Development (upto 31.03.03)		540,995	4,244,712
4. Development Expenditure		460,763,928	393,318,682
5. Development Expenditure not adjusted		21,267,409	17,423,960
	TOTAL	482,792,832	415,651,266

PARTICULARS		Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
SCHEDULE - IX-A			
GROSS SALES & OPERATING INCOME		0.047.400.457	4 074 000 000
Domestic		2,017,428,157	1,674,069,269
Exports	TOTAL —	1,543,629,521 3,561,057,678	1,560,092,656 3,234,161,925
	IOIAL _	3,301,037,076	3,234,101,923
SCHEDULE - IX-B			
OTHER INCOME			
Interest Income		19,923,538	9,202,409
Other Income		8,696,405	1,138,353
	TOTAL _	28,619,944	10,340,762
SCHEDULE - X			
COST OF MATERIAL CONSUMED/SOLD			
Opening Stock		343,366,703	377,345,609
Purchases		2,316,893,607	2,173,112,694
		2,660,260,310	2,550,458,303
Less: Closing Stock		264,883,305	343,366,703
	TOTAL (A)	2,395,377,005	2,207,091,600
INCREASE /DECREASE IN INVENTORY			
Opening Stock			
Work in Process		418,070,572	257.092.663
Finished Goods		53,350,182	54,801,360
	_	471,420,754	311,894,023
Closing Stock	_		- , ,-
Work in Process		541,734,561	418,070,572
Finished Goods	_	55,101,995	53,350,182
		596,836,556	471,420,754
	TOTAL (B)	125,415,802	159,526,731
	TOTAL (A-B)	2,269,961,203	2,047,564,869
SCHEDULE - XI			
MANUFACTURING EXPENSES			
Job Work Charges		70,813,717	82,135,159
Wages		49,996,632	30,696,514
P.F. & other funds		4,185,326	3,200,435
Power, Fuel & Water Charges		83,658,145	62,858,278
Stores & Spares		12,777,108	14,931,596
Repair & Maint. : Plant & Machinery		055 070	776 100
Buildings		955,978 916,401	77 6,199 338,466
Electrical		374,107	651,431
Excise Duty Paid		54,567,660	-
Other manufacturing Expenses		813,436	506,252
<u> </u>	TOTAL	279,058,511	196,094,330
	_	· · ·	
SCHEDULE - XII			
ADMINISTRATIVE & OTHER EXPENSES			
Directors Remuneration		40.000.000	40,000,000
Salary & AllowancesContribution to P.F.		10,800,000	10,800,000
Salary & Allowances		18,720 31,892,005	18,720 24,959,020
P.F. & other funds		1,854,963	2,292,829
Gratuity Premium		1,431,558	1,095,870
winding i romain		1, 101,000	.,000,070

PARTICULARS		Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
Travelling & conveyance		12,824,138	15,010,043
Payment to Auditors			
- Audit Fees		300,000	280,600
- Taxation Matters		180,000	180,000
Rent		1,756,581	1,675,585
Rate & Taxes		2,826,462	2,865,966
Insurance		6,656,130	4,884,719
Legal &Professional Charges		1,560,818	2,450,000
Printing & Stationary		5,545,824	5,757,475
Vehicle Running & Maint.		9,52 7 ,511	7,980,144
Telephone & Postage		8,211,440	6,559,688
Office Expenses		3,466,784	1,823,421
Charity & Donation		282,263	219,041
Listing Fees		369,318	158,199
Books & Periodicals		374,576	329,960
Meeting, Membership & Subscription Fees		1,096,706	472,676
Security Expenses		2,739,945	2,642,666
Staff Welfare		2,995,612	847,259
Training & Development Expenses		1,026,182	949,522
Repair & Maintenance General		1,458,397	1,140,819
Recruitment Expenses		387,142	789,303
Other Expenses		532,050	471,990
COLLEGE VIII	TOTAL	110,115,123	96,655,513
SCHEDULE -XIII			
SELLING & DISTRIBUTION EXPENSES		4 440 000	050 400
Advertisement & publicity		1,148,362	656,480
Business Promotion		3,897,024	3,899,813
Commission on Sales		33,230,123	44,010,922
Packing Material		7,749,871	8,980,774
Rebate & Discount		88,600	57,433
Freight Outward		22,526,956	22,302,576
Insurance Charges		569,879	625,341
ECGC Premium		2,391,632	3,140,800
Bad Debts w/off	TOTAL	2,348,532	1,542,364
SCHEDULE -XIV	TOTAL	73,950,978	85,216,503
INTEREST AND FINANCIAL CHARGES			
Interest on Term Loans		170 710 676	72 206 724
		172,713,676	72,286,724
Interest on Working Capital from Banks		61,934,322	33,146,263
Bank Charges & Others Brokerage & Commission		20,114,440	16,537,345 1,208,916
Diff in Foreign Exchange Fluctuation		3,977,671	
Dill ill Foreign Exchange Fluctuation	TOTAL	17,045 258,757,154	1,341,155 124,520,403
SCHEDULE -XV	TOTAL	230,737,134	124,520,405
RESEARCH & DEVELOPMENT EXPENSES			
Salary & Wages & Other Allowances		15,600,977	13,861,832
Administration Exp		431,676	1,512,648
Consumables & Chemicals & Regents		35,216,357	45,608,283
Repair & Maintenace - Machinery		591,137	1,266,383
Technical Study & Consultancy		2,611,019	1,069,584
recrimical cities a consultancy	TOTAL	54,451,166	63,318,730
	IOIAL	54,451,100	03,310,730

SCHEDULE -XVI

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 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.

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.

INTANGIBLE 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 recognized 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 accural 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 recognised 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.

7 RETIREMENT BENEFITS

The Retirement benefits of the employees include Gratuity ,Provident Fund & Leave Encashment . The Gratuity is funded through the group insurance scheme of Life Insurance Corporation of India. 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 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.

9 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.

10 MISCELLANEOUS EXPENDITURE

Amortization of Miscellaneous expenditure:

Capital Enhancement expenses, Seed Marketing Expenditure, Research & Development exp (upto 31.03.03) & Development Expenditure are written off over a period of five subsequent years.

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 INVESTMENTS

Long term Investments 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 assest'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.

B NOTES ON ACCOUNTS

1

Co	ontingent liabilities not provided for:	2006-07	(Rs.in lacs) 2005-06
a.	Letter of Credit against purchase of raw material:	958.00	347.37
b.	Bank Guarantees	NIL	31.80
C.	Export bills purchased by bank :	NIL	167.68
d.	Export obligation in respect of custom duty:	300.43	320.72
e.	Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained	Unascertained
f.	Corporate guarantees given on behalf of Ind Swift Ltd.	9.90	Nil
g.	Corporate guarantees given on behalf of Ind Swift Infrastructure & Developers Ltd of which , this company is principal shareholder having 49% holding in Equity Share Capital.	3000.00	Nil

- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 426.07 lacs (Previous year Rs. 261.38 Lacs)
- 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.
- During the year, Assets Comprising of Land, Building, Machinery of Derabassi Unit have been revalued 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. No Depreciation for the year has been provided on such amount since the re-valuation has been made on 31.03.2007.

5	DIRECTOR REMUNERATION INCLUDES		
а	SALARY Managing Director Jt. Managing Director	2006-07 5,400,000 5,400,000	2005-06 5,400,000 5,400,000
b	CONTRIBUTION TO PROVIDENT FUND Managing Director Jt. Managing Director	9,360 9,360	9,360 9,360
С	PERQUISITES Managing Director Jt. Managing Director	424,120 522,530	52,200 78,000
	Total	11,765,370	10,948,920
	Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956	2006-07	2005-06
	Profit for the year before taxation as per P&L Account Add: Directors' Remuneration Loss on sale of Fixed Assets Provision for Doubtful Debts Eligible Profit for Computation of Director Remuneration	254,359,085 11,765,370 6,814,435 943,415 273,882,305	408,834,077 10,948,920 5,360,208 1,569,277 426,712,482

6 Other expenses under head administrative expenses includes Rs.55,500 (Previous Year Rs.22000) 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 Infrastructures & Developers 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		Ind-Swift Infrastructure & Developers Ltd	
		2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
(1)	Nature of transactions Transactions during the year. Purchases. Sales Purchased DEPB Interest Receivable Expenses Corporate Gurantee Given	112.64 1287.11 170.45 4.09 9.90	151.23 1020.43 4.48 52.34 Nii	430.21		83.58	73.66	9.99	Nii
(ii)	Outstanding balances as on 31.03.07 Share Capital Investment Advances Debtors Creditors Unsecured Loans	503.47 3279.27 1024.45 55.96	447.37 1366.48 554.92 163.80	17.88 767.50 31.50	2.39 767.50 19.16	544.53 55.67	365.35 6.45	482.00 4.93 9.99	482.00 2.88

Fixed Deposits from Public includes Rs.3.76 Lac (Previous Year Nil) being deposit made by directors Details of remuneration to Directors (Key management Personnel) are as given in Note no 5.

8. Earning per share is calculated as shown below:(Equity Shares of Rs. 10/- each)

	2006-07	2005-06
Profit available for Equity Shareholders(in Rs.)	193638143	347467970
For Basic Earning No of weighted average equity shares	22203514	19834602
For Diluted Earning Effect of diluted equity shares equivalent to (2465000 Equity Share Warrants pending for conversion)	249877	0
Previous year (6,00,000 equity share warrants pending for conversion)	0	6,00,000
No of weighted average of Diluted Equity Shares	22453390	20434602
Nominal Value of Equity Share Earning Per Share (Rs.)	10.00	10.00
Basic Diluted	8.72 8.62	17.52 17.00

9 Deferred Tax:

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2007 is as under:

Rs. In lacs

Deferred Tax Liabilities	2006-07	2005-06
Timing Difference on account of :		
A: Depreciation	3392.81	2348.18
B:Deferred amounts in respect of	3332.0	
a) Research & Development Exp (upto 31.03.2003)	1.84	14.29
b) Seed Marketing Expenditure	0.75	9.51
c) Development Expenditure	1638.42	975.72
Total B	1641.01	999.52
Total A+B	5033.82	3347.69
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	19.66	16.30
Carried Forward Loss as per Income Tax Act	3259.94	1850.30
Total	3279.60	1866.60
Deferred Tax Liabilities net	1754.21	1481.10
Deferred Tax Liabilities Charged to P&L A/c	273.12	242.14

- 10 The balance in the parties accounts whether in debit or credit are subject to confirmation and resultant adjustment.
- Interest received includes interest on Fixed deposits amounting to Rs.26.29 Lac (previous year RS.37.67 Lac) and Interest from Others amounting to Rs.172.94 Lac (Previous Year Rs. 54.34 Lac) .
 The tax deducted on fixed deposit Rs. 7.45 Lac (previous year Rs.6.04 Lac) .
- 12 Fixed deposits with banks of Rs. 470.33 Lacs (Previous year Rs.435.58 Lacs) are pledged with banks as margin money for working capital facilities.
- 13 Fixed Deposits from Public includes Rs.3.76 Lac (Previous Year Nil) being deposit made by directors
- 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.

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.

angules in degine it reporting is based on geogr	apinicai iocatioi	or its customers.	Rs./Lac
	In India	Outside India	Total
REVENUE-EXTERNAL	19484 (16741)	15436 (15601)	34921 (32342)
RESULTS	2746 (1886)	5891 (6235)	8638 (8122)
Less: Financial Expenses	(1000)	(0200)	2588 (1245)
Less: Unallocated Expenses			3793 (2892)
Add: Other Income			286 (103)
Less: Income Tax Provision including FBT			334 (368)
Less: Deferred Tax			273 (242)
Profit after Tax			1936 (3479)
OTHER INFORMATION SEGMENT ASSETS	3540 (2002)	4832 (4661)	8372 (6663)
UNALLOCATED ASSETS			61704 (43083)
TOTALASSETS			70076 (49746)
SEGMENT LIABILITIES	5335 (3091)	1838 (2801)	7173 (5891)
UNALLOCATED LIABILITIES			31433 (24416)
TOTAL LIABILITIES			38606 (30308)
CAPITAL EXPENDITURE			38386 (23711)
DEPRECIATION			1224 (811)
NON CASH EXPENSES OTHER THAN DEPRECIATION lotes:			885 (384)

Notes:

1 Geographical Segments

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

2 Segment assets & liabilities

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

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

- Total amount of Term Loans installments payable during twelve months following 31-03-2007 are Rs. 4739.25 Lacs
- 16 Expenditure on Research & Development

F	2006-07	(Rs. in lacs) 2005-06
a) Addition in Fixed Assets	3530.83	869.10
b) Development Expenditure (Incl Dev Exp not adj.)	1546.67	2898.74
c) Debited to Profit & Loss Account as per Annexure XV	544.51	633.19
d) Depreciation	191.37	126.60
e) Misc Exp W/off	37.04	58.30

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

17 Misc Expenditure Includes the Development Expenditure Rs. 4607.64 Lacs, (Previous Year Rs.3933.19 Lac) comprises of following.

Rs. in lacs

DESCRIPTION	OPENING BAL.	ADDITIONS	AMORTISED	TRF FIXED ASSETS	BALANCE
Consumables, lab chemicals & regents Salary & Wages	3714.23 218.95	1449.00 59.24	787.59 46.19	0.00	4375.64 232.00
Total	3933.19	1508.24	833.79	0.00	4607.64
PREVIOUS YEAR	1459.76	3001.58	277.67	250.49	3933.19

- 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:

 Sood Plastics Pvt Ltd., Niranjan Containers Pvt Ltd., Ammonia Supply Co.
- Obligations/Entitlements on account of advance license not recognised at the time of export during the year amounts to Rs. 792.62 Lac (Previous year Rs.1181.32 Lac) . The above treatment has no impact on the profit & loss account.
- 20 Investment of Rs. 2264.56 Lac (Previous Year 1738.85 Lac Unquoted-Long Term) are at Cost.
- a) Investment in Ind Swift Laboratories Inc. USA

Common Stock Rs. 0.45 Lac (Previous Year Rs. 0.45 Lac)

Share Application Money

Rs. 544.09 Lac (Previous Year Rs. 364.90 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

42800 Equity Share of Rs. 10/- each fully paid

Rs. 4.28 Lacs (Previous Year Rs. 4.28 Lacs)

Share Application Money Rs. 20.72 Lacs(Previous Year Rs. 20.72 Lacs)

e) Share Application Money deposited with Ind Swift Infrastructure & Developers Limited Rs 482.00 Lac (Previous Year Rs. 482.00 Lac).

- f) Share Application Money deposited with Essix Biosciences Limited Rs 767.50 Lac (Previous Year Rs. 767.50 Lac)
- g) Investment in Farayand Chemi Hakim Company Ltd (Iran)

Common Stock RS. 27.17 Lac (Previous Year Nil)

Share Application Money Rs. 313.35 Lac (Previous Year Nil)

21 Office Building includes Mumbai 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.

Additions to Freehold Land includes Rs.13.68 crore being purchase of Lands situated at Barwala (Haryana) & Derabassi (Punjab) for which agreement to sell has been executed and the property is yet to be registered in the name of the Company.

- 22 Other Income includes Rs 77.50 Lacs (Previous Year Nil) as income arised from Difference in Foreign Exchange Fluctuations.
- 23 Out of 1% non-cumulative redeemable preference shares of Rs.100 each 350,474 preference shares have been converted into 380,950 fully paid up Equity Shares and the balance 46 shares have been redeemed during the year.
- 24 During the year, Company has made following preferential allotments.

 Date of Allotment
 Zero Coupon Optionally Convertible Warrants
 Equity Share Issued

 5/31/2006
 600000
 600000

 3/28/2007
 335000
 335000

The Proceeds of preferential allotments was fully utilised towards the capital expenditure/projects/investments undertaken by the company.

25 Capital Work in Progress includes expenses pending capitalisaton Rs. Nil (Previous Year 272.10 Lac) as detailed below:

Rs In Lacs

				I to III Equa
DESCRIPTION	OP BAL	ADDITIONS	CAPITALISED	BAL
INTEREST COST	73.38	334.10	407.48	0.00
UPFRONT FEES	56.29	37.85	94.14	0.00
SALARY & WAGES	72.85	268.32	341.17	0.00
LEGAL & PROFESSIONAL	22.60	9.03	31.63	0.00
TRAVELLING & CONVEYANCES	1.94	0.00	1.94	0.00
RENT	0.00	0.35	0.35	0.00
REPAIR & MAINT.	0.00	9.64	9.64	0.00
ELECTRICITY CHARGES	16.02	65.47	81.48	0.00
SECURITY EXPENSES	3.88	4.83	8.72	0.00
OFFICE EXPENSES	15.88	16.61	32.49	0.00
FREIGHT CHARGES	0.00	1.91	1.91	0.00
RATES,TAXES & FEES	5.98	0.01	5.99	0.00
OTHERS	3.27	7.25	10.52	0.00
TOTAL	272.10	755.38	1027.48	0.00
PREVIOUS YEAR	330.92	882.05	940.86	272.10

- 26 A sum of Rs. 30 Lac is recoverable from State Govt of Punjab as Punjab State Investment Subsidy.
- 27 Sundry Debtors & Loans and Advances includes Rs. 1024.45 Lacs (Previous year 554.92 Lacs) & Rs.3279.271 Lacs as loans (Previous year 1366.48 Lacs) recoverable from Ind Swift Limited, a company under the same management.
- As at the Balance Sheet Date, Company has Unhedged Foreign Currency Exposure (Net) to the tune of US \$/Mn 10.94, (Rs. 47.38 crore).
- 29 During the year, the Company has considered the impairment of assets amounting to Rs. 1167.43 Lac acquired/put to use prior to 01.04.2004 and accordingly the impairment loss for the same as on 31.03.07 has been dedcuted from General Reserve in compliance to AS-28 issued by ICAI.
- 30 Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.

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 and Production

	SR No	Product	Licensed Capacity	Installed Capacity
Ī	1.	Bulk Drugs, Intermediates, Solvents & others	NA	255880 kgs (237030 kgs)

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	Product	Openi	ng Stock	Production/Pruchase	Turnover		Production/Pruchase Turnover Closing Stock		ng Stock
No		Qty	Value	Qty	Qty	Value	Qty	Value	
		(Kgs.)	(Rs.)	(Kgs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	
				Production					
1.	Bulk Drugs, Intermediates etc.	9,816	53,350,182	226,358	227,511	2,172,046,666	8,663	55,101,995	
		(5,048)	(54,801,360)	(198,808)	(194,040)	(2,145,214,595)	(9,816)	(53,350,182)	
2.	Contract Research Income	1	-	-	<u>-</u>	83,224,020 (69,080,050)	-	<u>-</u>	
	Total		53,350,182 (54,801,360)			2,255,270,686 (2,214,294,645)		55,101,995 (53,350,182)	

[#] The stock of finished goods include 8292.66 Kg (Previous Year 9330.52 Kg) of the goods which are under test amounting to Rs.491.97 Lac (Previous Year Rs.492.25 Lac)

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

Opening		ng Stock	tock Purchase		Turnover		Closing Stock	
Product	Qty	Value	Qty	Value	Qty	Value	Qty	Value
	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)
Trading Goods (Intermediates &Chemicals etc.)	4,500 (4,758)	8,508,990 (30,611,200)	Production 11,336,658 (539,800)	1,293,503,961 (996,838,992)		1,305,786,992 (1,019,867,280)	,	5,864,764 (8,508,990)

Figures in brackets are in respect of previous year

C Detail of Consumption of material

Sr. No.		200	6-07	2005-06		
	Raw Material Consumed	Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)	
1. 2. 3. 4.	TIOC BETA OTHERS Trading Goods (Intermediates & Chemicals etc.)	303,521 361 - -	581,938,806 21,904,556 495,385,455 1,296,148,187	253,279 391 - -	584,382,953 24,314,917 579,452,528 1,018,941,202	
	Total		2,395,377,004		2,207,091,600	

D Detail of Raw Material, Stores & Spares Consumed

	Raw Material				Stores And Spares			
Particulars	2006-	2006-07 2005-06		2006-07		2005-06		
	Value Rs	% of Total Consumption	Value Rs	% of Total Consumption	Value Rs	% of Total Consumption	Value Rs	% of Total Consumption
Imported	987,407,959	41.22%	1,084,739,947	49.15%				
Indigenous	1,407,969,045	58.78%	1,122,351,654	50.85%	12,777,108	100.00%	14,931,596	100.00%
Total	2,395,377,004	100.00%	2,207,091,601	100.00%	12,777,108	100.00%	14,931,596	100.00%

Е	C.I.F. Value of Imports :		
	(i) For Raw Materials (ii) For Capital Goods	2006-07 1,149,600,495 24,706,946	2005-06 978,312,047 56,506,178
F	Expenditure in Foreign Exchange : Interest Others Total	72,782,433 50,557,966 1 23,340,399	52,385,329 70,630,875 123,016,204
G	Earnings in foreign exchange FOB Value of Goods FOB Value of Services	1,553,281,014 7,724,020	1,507,068,468 35,283,050

32 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 and on behalf of the Board of Directors

For JAIN & ASSOCIATES Dr. G. MUNJAL **N.R. MUNJAL** V.K. MEHTA **Chartered Accountants** Chairman Mg. Director Jt. Mg. Director R.K GULATI Dr. V.R. MEHTA K.M.S. NAMBIAR Dr. J.K. KAKKAR Partner Director Director Director Membership No. 11999

Date: 30.07.2007 Director V.P. Finance Company Secretary
Place: Chandigarh

CASH FLOW STATEMENT

PAR	TICULARS	Year Ended	Year Ended
		31.03.2007 (Rs.)	31.03.2006 (Rs.)
A.	CASH FLOW FROM OPERATING ACTIVITIES Net Profit before tax and Extra-Ordinary Items ADJUSTMENTS FOR:	2543.59	3959.37
i)	Depreciation	1224.33	815.01
ii)	Preliminary, Issue & Deferred Expenses amortised	875.26	368.39
iii)	Exchange (profit)/loss	(77.33)	13.41
iv)	Interest on term loans	1727.14	722.87
v) vi)	Interest received Preference Share Dividend Provision	(199.23)	(92.01) 3.51
vii)	Dividend Tax	0.00	0.49
viii)	Provision for Doubtful Debts	9.43	15.69
ix)	Loss on sale of fixed assets	68.14	53.60
I)	OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENTS FOR: Trade & Other Receivables	6171.33	5860.33
i)	Trade & Other Receivables Trade & Other Receivables	(1615.82)	(1827.96)
ii)	Inventories	(481.43)	(1317.53)
iii)	Loan & advances	(2246.65)	(1823.82)
iv)	Current Liabilities	1227.63	1225.98
v) vi)	Working Capital Borrowing Income taxes (Including Advance Tax/TDS)	2047.64 (472.80)	1732.68 (325.17)
VI)	income taxes (including Advance Tax 100)	(1541.44)	(2335.82)
	Net Cash flow from operating Activities	4629.89	3524.51
В.	CASH FLOW FROM INVESTING ACTIVITIES		
i)	Purchase of fixed Assets	(6655.00)	(9848.51)
iĺ)	Sale of fixed assets	90.70	62.30
iii)	Purchase of Investments	(524.71)	(1425.63)
iv)	Development Expenditure Interest Received on Fixed Deposits	(1546.67) 199.23	(2674.93) 92.01
v)	interest Neceived of Frized Deposits	1.00.000000	
	Net Cash from investing activities	(8436.45)	(13794.75)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
i)	Proceeds from Share Capital	93.45	312.00
ii) iii)	Advance against Share Capital Proceeds from Securities Premium	46.69 831.00	(73.09) 4839. 7 4
iv)	Proceeds from Term Loans From Banks & Financial	9814.91	8930.57
,	Institutions	(5255.45)	(3369.72)
v)	Repayment of Term Loans to Banks & Financial Institutions	(1628.20)	(710.84)
vi)	Interest paid on term loans		
vii)	Proceeds from Short Term Loans from Banks and Financial Institutions		
viii)	Proceeds from Fixed deposit	600.71	992.89
ix)	Repayments of Fixed deposit	(375.53)	(623.09)
x)	Preference Dividend Paid	(3.51)	(3.51)
xi)	Preference Dividend Tax Paid	(0.46)	(0.46)
xii) xiii)	Equity Dividend Paid Equity Dividend Tax Paid	(331.80) (46.53)	(245.20) (32.04)
Alli	Net Cash flow from Financing Activities	3745.29	10017.25
	Net increase in Cash or Cash Equivalents	(61.27)	(128.16)
	Cash & Cash Equivalents as on 31.3.2006	1049.48	1177.64
	Cash & Cash Equivalents as on 31.3.2007	988.22	1049.48

CASH FLOW STATEMENT (Contd.)

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

Wellbership 140. 1199

Date: 30.07.2007 Place: Chandigarh **Dr. G. MUNJAL** Chairman

Dr. V.R. MEHTA Director

HIMANSHU JAIN

Director

N.R. MUNJAL Mg. Director

K.M.S. NAMBIAR Director

N.K. BANSAL V.P. Finance V.K. MEHTA Jt. Mg. Director

Dr. J.K. KAKKAR

Director

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 2007 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

R.K GULATI Partner

Membership No. 11999

Date: 30.07.2007 Place: Chandigarh

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE									
1. REGISTRATION DETAILS									
Registration No. 1 5 8 8 8 8 9 1 1 1 5 9 1 1 1 5 9 1 1 1 1 1 1 1 1 1	5 5 5 3	State Code	5 3						
II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000)									
Public Issue 9:	3 5 0	Rights Issue	NIL						
Bonus Issue	NIL	Private Placement							
III POSITION OF MOBILISATION AN	ND DEPLOYMENT OF	FUNDS (AMOUNT IN RS.	'000)						
Total Liabilities 6 2	3 5 2 2 0	Total Assets	6 2 3 5 2 2 0						
Sources of Funds		Application of Funds							
Paid-up Capital 2		Net Fixed Assets	3 8 3 8 5 6 6						
Reserves & Surplus 2 9	0 1 4 1 1	Net Currents Assets	1 6 8 7 4 0 6						
Secured Loans 2 6	Secured Loans 2 6 3 4 4 9 2 Investments 2 2 6 4 5 6								
Unsecured Loans 2	7 8 2 8 1	Misc. Expenditure	4 8 2 7 9 3						
Deferred payment liabilities 1	7 5 4 2 1								
IV PERFORANCE OF COMPANY (A	AMOUNT IN RS. '000)								
Turnover & other income	3 5 2 0 6 8 5	Total Expenditure	3 2 6 6 3 2 6						
Profit/Loss Before Tax	2 5 4 3 5 9	Profit/Loss After Tax	1 9 3 6 3 8						
Earning per Share(Basic) in Rs.	8 . 7 2	Dividend Rate %	1 0 %						
V GENERIC NAMES OF PRINCIPAL	PRODUCTS OF COM	IPANY							
Product Description		Item Code No.							
I) Clarithromycin		2 9 4	1 5 0						
ii) Betamethsone Salt	ii) Betamethsone Salt								
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	Dr. G. MUNJAL Chairman	N.R. MUNJAL Mg. Director	V.K. MEHTA Jt. Mg. Director						
R.K GULATI Partner Membership No. 11999	Dr. V.R. MEHTA Director	K.M.S. NAMBIAR Director	Dr. J.K. KAKKAR Director						
Date: 30.07.2007 Place: Chandigarh	HIMANSHU JAIN Director	N.K. BANSAL V.P. Finance	PARDEEP VERMA Company Secretary						

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

Name of the Subsidiary Company

2 Financial Year of the Subsidiary Company

3 Share of Subsidiary Company held by Ind Swift Laboratories Limited

i) No. of Shares (Common Stock)

- ii) Face Value
- iii) Paid up value
- iv) Additional Paid up Capital
- v) Extent of Holding

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 31.12.2006
- b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary

 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 ib 31.12.2006
- b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary
- Holding Company's interest as at March 31, 2007 incorporating changes since close of the financial year of the subsidiary company

Note:

Balance sheet items are translated at closing exchange rate of Subsidiary Company as at 31.12.2006.

Non Monetary items are translated at the historical rates.

Balance Sheet Monetary items are translated at closing exchange rate as at 31.12.2006.

Profit & Loss items are translated at yearly average exchange rate.

Ind Swift Laboratories Inc. 01-01-2006 to 31-12-2006

100 N.A.

Rs. 49390 Rs. 48808598

100%

Rs./Lac

(112.28) (212.10)

Nil Nil

No Change

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: 30.07.2007 Place: Chandigarh **Dr. G. MUNJAL** Chairman

Dr. V.R. MEHTA

HIMANSHU JAIN

Director

Director

N.R. MUNJAL Mg. Director

> K.M.S. NAMBIAR Director

N.K. BANSAL V.P. Finance V.K. MEHTA Jt. Mg. Director

Dr. J.K. KAKKAR Director

PARDEEP VERMA
Company Secretary

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the third report on the operations of your company and annual financial statements of the company for the financial year ended 31st December, 2006.

Principal Activity

The Company is primarily engaged in the supply of APIs to the pharmaceutical companies in USA. During the year Company has filed Five US Drug Master Files (DMF's) and entered into the supply agreements with North American Generic Pharmaceutical Companies.

Financial Results

The Company has been in the development stage since its incorporation. During the year, the Total Income was US\$ 330,128 (US\$ 204,980 in 2005) and Net Loss during the year after providing for taxes of the Company was US\$ 252,025 (US\$ 289,011 in 2005).

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 have 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.

Auditor

Mr. Arun C. Sarkar, Certified Public Accountant acted as the Auditor 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 for their continued support.

Date :25.5.2007 N.R. MUNJAL V.K. MEHTA
Place : Chandigarh (Director) (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, 2006, 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, 2006, 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 25, 2007 ARUN C. SARKAR CERTIFIED PUBLIC ACCOUNTANT

BALANCE SHEET

	AS AT DECEMBER 31, 2006		AS AT DECEMBER 31, 2005		
PARTICULARS	US\$	INR	US\$	INR	
ASSETS					
Current Assets					
Cash In bank	383,155	16,946,946	227,507	10,384,671	
Note Receivable	660	29,192			
Total Current Assets	383,815	16,976,138	227,507	10,384,671	
Furniture and Equipments					
Less depreciation of \$ 29,578 and \$15,493	29,131	1,309,034	42,698	1,914,877	
Other assets	3,070	135,786	2,593	118,336	
Total Assets	416,016	18,420,958	272,798	12,417,884	
Current Liabilities Accrued Expenses	50,183 500	2,219,594 22,115	18,759	856,264 22,823	
Taxes Payable Total Current Liabilities	50,683	2,241,709	500 19,259	879,087	
Notes Payable	-	-	4,831	220,513	
Stockholder's Equity Common Stock, no par value, 1500 shares					
authorized, 100 shares issued and outstanding	1,100	49,390	1,100	49,390	
Additional Paid-in Capital	1,088,900	48,808,599	720,250	32,066,046	
Accumulated Deficit	(724,667)	(32,460,460)	(472,642)	(21,210,064)	
	365,333	16,397,529	248,708	10,905,372	
 Total Liabilities and Stockholder's Equity	416,016	18,420,958	272,798	12,417,884	

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

	YEAR ENDED I	DECEMBER 31, 2006	YEAR ENDE	YEAR ENDED DECEMBER 31, 2005	
	US\$	INR	US\$	INR	
Net Sales	330,128	14,736,914	204,980	9,162,842	
Cost of Sales	97,969	4,373,336	106,000	4,738,322	
Gross profit	232,159	10,363,578	98,980	4,424,520	
Expenses :					
Selling, General and Administrative	483,684	21,591,654	386,896	17,294,696	
Loss from operation	(251,525)	(11,228,076)	(287,916)	(12,870,176)	
Interest Expense			(595)	(26,597)	
Loss before taxes	(251,525)	11,228,076	(288,511)	(12,896,773)	
Taxes on Income	500	22,320	500	22,351	
Net Loss	(252,025)	(11,250,396)	(289,011)	(12,919,124)	
Accumulated Deficit-beginning	(472,642)	(21,210,064)	(183,631)	(8,290,940)	
Accumulated Deficit-Ending	(724,667)	(32,460,460)	(472,642)	(21,210,064)	
		·	T .		

See notes to financial Statements

STATEMENT OF CASH FLOW

	AS AT DECEMBER 31, 2006		AS AT DEC	CEMBER 31, 2005
	US\$	INR	US\$	INR
Cash flows from operating activities				
Net Income (Loss)	(252,025)	(11,250,396)	(289,011)	(12,919,124)
Adjustment to reconcile Net Income to				
Net Cash provided by (used in)				
operating activities				
Depreciation and amortization	14,085	62,8754	9,242	413,128
Changes in :				
Security deposits	(477)	(17450)	879	37,557
Notes Receivable	(660)	(29,192)	-	-
Accrued expenses	31,424	1,362,622	(1,023)	(31,575)
Net Cash Used in Operating Activities	(207,653)	(9,305,661)	(279,913)	(12,500,014)
Purchase of furniture and equipments Cash Flow from Financing Activities:	(518)	(22,911)	(1,800)	(78,282)
Cash Flow from Financing Activities :				
Proceeds from issuance of common stock	0.5	# HOLD CO. CO.	-	-
Repayment of Note payable	(4,831)	(220,513)	(9,264)	(412,352)
Additional Paid-up capital	368,650	16,742,553	424,550	18,789,116
Net Cash provided by financing activities	363,819	16,522,040	415,286	18,376,763
Net Increase in Cash	155,648	7,193,468	133,573	5,798,467
Translation Reserve	THE STATE OF STATE OF THE STATE	(631,193)		368,567
Cash-Beginning of Year	227,507	10,384,671	93,934	4,217,637
Cash-End of Year	383,155	16,946,945	227,507	10,384,671
Supplemental Disclosures :				
Cash paid during the year for :				
Income Taxes	500		500	
Interest	-		595	

See notes to financial Statements

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 2006 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 state 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 five US Drug Master File (DMF) and 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, 2006 and 2005:

2005	2006	
\$4,500	\$ 5,018	Furniture
9,580	9,580	Office Equipments
<u>44,111</u>	44,111	Vehicle
58,191	58,709	
<u> 15,493</u>	<u>29.578</u>	Less: Accumulated Depreciation
\$ 42, 698	\$ 29,131	
	_ E A	Less. Accumulated Deprediation

 $Depreciation\ expense\ for\ the\ year\ ended\ December\ 31,2006\ and\ 2005\ amounted\ to\ \$14,085\ and\ \$\,9,242\ respectively.$

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, 2007, 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 statement 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 184.21 Lacs and the total revenue of Rs 147.37 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, 2007.
- 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: 30.07.2007

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

PARTICULARS	SCHED	ULE	As a 31.03.2007 (Rs.	31.03.2006
I .SOURCES OF FUNDS				
(1) Shareholder's Funds				
Share Capital			228,359,500	
Reserves & Surplus	II		2,868,950,896	
Share Application money Foreign Currency Translation Re			17,255,000) 12,586,113 - 412,912
(2) Loan Funds	336146			712,312
Secured Loans	III		2,634,492,336	1,946,039,736
Unsecured Loans	IV		278,280,579	
(3) Deferred Tax Liability			175,421,381	148,110,552
		TOTAL	6,202,759,691	4,291,136,724
II. APPLICATION OF FUNDS				
(1) Fixed Assets (Cost/Revalued Co	st) V			
Gross Block			3,931,687,470	
Less: Depreciation			314,173,785	
Net Block Assets held for Disposal			3,617,513,685	
Capital Work In Progress			12,550,500 210,330,629	
Ouplied Work III 1 Togless			3,840,394,814	
(2) Investments			177,077,704	
(2) investments			177,077,70	171,000,000
(3) Current Assets, Loans and Adva	nces VI			
(a) Inventories			874,607,344	
(b) Sundry Debtors			837,219,137	
(c) Cash and Bank Balances (d) Loans and Advances			115,768,497 649,334,386	
(u) Loans and Advances			2,476,929,364	
Less			_, 0,0_0,00	_,,,
(a) Current Liabilities			719,554,916	589,998,774
(b) Provisions			55,098,389	
Current Liabilities & Provisions	VII		774,653,304	663,787,136
Net Current Assets			1,702,276,060	1,360,575,559
(4) MISCELLANEOUS EXPENDITUR			483,011,113	, . ,
(To the extent not written off or adju	ustea)	TOTAL	6,202,759,691	4,291,136,724
Significant Accounting Policies & Notes on Accounts	XVI			
AUDITOR'S REPORT As per our separate report of even date			For and on behalf	of the Board of Directors
For JAIN & ASSOCIATES	Dr. G. MUNJAL	N E	R. MUNJAL	V.K. MEHTA
Chartered Accountants	Chairman		. Director	Jt. Mg. Director
R.K GULATI	Dr. V.R. MEHTA		I.S. NAMBIAR	Dr. J.K. KAKKAR
Partner Membership No. 11999	Director	Dire	ector	Director
Membership No. 11999	HIMANSHU JAIN	N.K	K. BANSAL	PARDEEP VERMA
Date: 30.07.2007 Place: Chandigarh	Director		Finance	Company Secretary
riave. Unanulyani				

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT MARCH 31, 2007

PARTICULARS	SCHEDULE	Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
INCOME			
Gross Sales & Operating Income	IX-A	3,571,421,256	3,238,586,445
Less: Excise Duty		68,992,341	93,234,612
Sales net of excise		3,502,428,915	3,145,351,833
Other Income	IX-B	28,619,944	10,340,762
	Total-A	3,531,048,859	3,155,692,595
EXPENDITURE			
Cost of Materials Consumed	×	2,269,961,203	2,047,564,869
Manufacturing Expenses	ΧI	279,058,511	196,094,330
Administrative & Other Expenses	XII	131,078,022	113,318,046
Selling and Distribution Expenses	XIII	73,950,978	85,435,539
Financial Charges	XIV	258,757,154	124,547,000
Research & Development Expenses	XV	54,451,166	63,318,730
Loss on Sale of Fixed Assets		6,814,435	5,360,208
Depreciation		123,061,279	81,500,800
Misc. Expenditure Written Off		87,525,502	36,839,037
Provision for Doubtful Debts		943,415	1,569,277
	Total-B _	3,285,601,665	2,755,547,835
Profit For the Year Before Tax (A-B)		245,447,194	400,144,760
Previous Year Income		194,083	512,429
Previous Year Expenses		2,510,26 7	4,719,885
Profit for the year before Tax		243,131,009	395,937,304
Provision for Income Tax		28,403,789	34,425,738
Income Tax Adjustment of Previous Years		3,623,827	1,711,032
Fringe Benefit Tax		1,404,817	638,315
Profit Before Deferred Tax		209,698,576	359,162,219
Provision for Deferred Tax		27,310,829	24,213,692
Profit available for appropriation		182,387,747	334,948,526
Provision for dividend on Preference Shares		-	350,520
Provision for preference dividend tax		-	49,160
Profit available for Equity Shareholders		182,387,747	334,548,846
Provision for dividend on Equity Shares		22,835,950	33,180,000
Provision for Equity dividend tax		3,880,970	4,653,495
Transfer to General Reserve		9,681,907	26,060,098
Retained Profit		145,988,921	270,655,253
Basic Earning per share		8.21	17.52
Diluted Earning per share		8.12	17.00
Nominal Value of each share		10.00	10.00

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: 30.07.2007 Place: Chandigarh **Dr. G. MUNJAL** Chairman

Dr. V.R. MEHTA Director

HIMANSHU JAIN Director N.R. MUNJAL Mg. Director

K.M.S. NAMBIAR Director

N.K. BANSAL V.P. Finance V.K. MEHTA Jt. Mg. Director

Dr. J.K. KAKKAR Director

PARDEEP VERMA Company Secretary

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - I SHARE CAPITAL			
Authorised 2,75,00,000 Equity Shares of Rs.10/- Each		275,000,000	275,000,000
7,50,000 Preference Shares of Rs.100/- each		75,000,000	75,000,000
Issued, Subscribed & Paid Up	TOTAL	350,000,000	350,000,000
2,28,35,950 (Previous Year 2,15,20,000) Equity Shares of Rs.10/-each fully called up and paid up.		228,359,500	215,200,000
Nil (Previous Year 3,50,520 1% Non Cumulative Preference Share of Rs.100/- each fully paid up redeemab		4 :	35,052,000
at par in September, 2015.	TOTAL	228,359,500	250,252,000
RESERVES & SURPLUS (a) Capital Reserves: Capital Redemption Reserve Share Warrants forfeited Account Equity share forfeited Account (b) Securities Premium (c) Revaluation Reserve (c) General Reserve As per Last Balance Sheet Add Transfer during the year Less Impairment of Assets of Earlier Years (d) Profit & Loss Account As per Last Balance Sheet Less Transfer to General Reserve Add Transfer from Profit & Loss Account		2,000 5,686,113 866,500 1,045,696,900 1,013,872,500 53,581,749 99,681,907 80,428,959 819,992,186 674,003,265 90,000,000 145,988,921	2,000 - 866,500 931,359,000 - 27,521,652 26,060,097 - 674,003,267 403,348,014 - 270,655,253
SCHEDULE - III	TOTAL	2,868,950,896	1,659,812,516
SECURED LOANS (A) Loans and Advances from Banks (a) Borrowings for working capital. (b) Term Loans (C) Other Loans (B) Other Loans and Advances Term Loans from		635,81 7 ,812 1,860,665,455 16,909,176	381, 7 10,942 1,380,373,333 21,647,445
(a) Financial Institutions(b) Others		107,720,309 13,379,583	146,348,077 15,959,939
	TOTAL	2,634,492,336	1,946,039,736

NOTE:

- a) Bank borrowings for working capital are secured by a Pari Passu, first charge by way of hypothecation of the Company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to plant and Machinery (Consumable Stores & Spares), Bills Receivable 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), Corporate Guarantee of Ind Swift Ltd. 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 Loans from Banks and Financial Institutions are secured by a 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 and a first charge by way of hypothecation of all its movable assets (save & except book debts), including machinery, machinery spares, tools and accessories present and future, subject to the charges created/to be created, in favor of the company' banker for working capital. The term loan from State Bank of India is further secured by way of Equi table mortgage of the land and building of the company situated at E-V Ph-II, Mohali. The term loan of Bank of India (Rs. 8.25 crores) is secured on movable fixed assets including Plant and Machinery at Company plant at Samba, Jammu. The term loans from State Bank of India, Exim Bank, Bank of India and financial institutions are further secured by Corporate Guarantee of Ind Swift Ltd and are additionally secured along with charges of UTI Bank, Catholic Syrian Bank, South Indian Bank by 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.
- c) Term loans from State Bank of Bikaner & Jaipur (Rs. 300.00 Lac), Bank of India (Rs. 1000 lacs) State Bank of Indore (Rs. 1000 lacs) are secured by subservient charge on the assets of the Company.
- d) Term Loan from Technology Development Board is secured by whole of the moveable properties of the Company in respect of project for development of Anastrazole & Letrazole situated at Derabassi Plant.
- e) ICICI Home Loan is in the name of Mr. N. R. Munjal, Managing Director of the Company is secured against the office premises in Mumbai.
- f) Loan against vehicles are secured against hypothecation of the vehicles under the hire purchase agreement.

PARTICULARS	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE-IV		
UNSECURED LOANS		
(a) Fixed Deposits	126,866,141	104.347.831
(b) Short Term Loan & Advances	100000000000000000000000000000000000000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
From Banks	31,914,438	54,425,064
From Others	19,500,000	45,150,000
(c) Other Loans & Advances		
From Banks	100,000,000	70,000,000
Total	278,280,579	273,922,895

Short Term Loan & Advances from banks Rs. 319.14 Lac (Previous Year Rs. 461.35 Lac) being bill factoring facility from ABN Amro Bank against accepted hundies, bills & other instruments duly endorsed and personal guarantees of directors and corporate guarantees of other Companies.

Other Loans & Advances from Bank includes Rs.500.00 Lac (Previous Year Rs.500.00 Lac) Loan from Yes Bank which are secured by the personal guarantees of Mr. S.R. Mehta, Mr. V.K. Mehta, Mr. N.R. Munjal, Dr. G. Munjal, Mr. Himanshu Jain and Mr. V.R. Mehta.

SCHEDULE - V FIXED ASSETS

Amt. in Rs.

			GROSS BLO	CK		DEPRECIATION/AMORTISATION				NET BLOCK	
PARTICULARS	AS ON 1.04.2006	ADDITIONS	ADDITIONS DUE TO REVALUATION	SALE/ TRANSFER	AS ON 31/03/2007	AS ON 1/04/2006	DURING THE PERIOD	DURING THE YEAR WRITTEN BACK	AS ON 31/03/2007	AS ON 31/03/2007	AS ON 31/03/2006
TANGIBLE ASSETS											
LAND FREE HOLD	58,086,194	143,591,442	254,474,014	-	458,151,650	-	_	-	-	458,151,850	58,088,194
LAND LEASE HOLD	7,257,339	3,490,261	-	-	10,747,800	122,748	120,329	-	243,077	10,504,523	7,134,591
FACTORY BUILDINGS	257,389,101	45,987,971	127,781,391	-	431,158,463	20,841,133	9,101,329	-	29,942,462	401,216,002	236,547,968
OFFICE BUILDINGS	21,491,205	218,952		-	32,445,273	1,953,528	351,133	-	2,304,661	30,140,612	19,537,677
R&D BUILDINGS	9,308,995	135,029,478	4,136,001	-	148,474,474	1,521,568	323,277	-	1,844,845	146,629,629	7,787,427
PLANT&MACHINERY	1,397,258,023	301,246,297	498,278,138	138,611,785	2,058,170,673	146,471,877	78,054,407	31,865,141	192,661,143	1,865,509,530	1,250,786,146
R&D MACHINERY	108,217,138	218,053,867	41,049,663	-	367,320,668	14,065,609	6,303,881	-	20,369,490	346,951,178	94,151,529
ELECTRIC INSTALLATIONS		49,281,887	77,418,177	-	235,955,099	12,434,422	5,527,240	-	17,961,661	217,993,438	96,820,633
FURNITURE & FIXTURES	11,870,118	14,859,921	-	-	26,530,039	2,190,882	911,388	-	3,102,270	23,427,769	9,679,236
OFFICE EQUIPMENTS	36,776,849	24,911,587		-	61,688,436	10,410,695	5,982,699	-	16,393,394	45,295,042	26,366,154
VEHICLES	37,929,923	4,687,389	-	2,640,779	39,976,533	7,185,950	3,875,890	523,850	10,537,990	29,438,542	30,743,972
INTANGIBLE ASSETS											
R&D TECHNOLOGY	62,548,537	-	-	-	62,548,537	6,303,086	12,509,707	-	18,812,793	43,735,744	58,245,451
GOODWILL	504,188	15,836		-	520,025		-	-		520,025	504,188
TOTAL	2,117,892,665	941,174,868	1,013,872,501		3,931,687,470			32,388,991		3,617,513,685	1,894,391,167
PREVIOUS YEAR	1,037,360,730	1,099,304,854	-	18,772,919	2,117,892,665	149,050,912	81,633,223	7,182,638	223,501,497	1,894,391,168	888,309,818

CAPITAL WORK IN PROGRESS	AS ON 1.04.2006	ADDITIONS	CAPITALISATION	AS ON 31/03/2007					ON 3/2007	AS ON 31/03/2006
DESCRIPTION										
(a) BUILDING	75,789,077	97,381,244	173,130,321	-		-	-		-	75,769,077
(b) PLANT & MACHINERY	107,206,109	397,742,391	504,948,500	-		-	-		-	107,206,109
(c) ELECTRICAL FITTINGS	16,613,581	29,942,917	33,227,162	13,329,336		-	-	13,3	29,336	16,613,581
(d) ADVANCE FOR CAPITAL GOODS	252,353,988	-	-	210,330,629		-	-	210,3	30,629	252,353,988
(e) EXPENSES PENDING CAPITALISATION	27,210,420	66,345,487	93,555,907	-		-	-		-	27,210,420
TOTAL PREVIOUS YEAR	479,153,176 521,468,391	591,392,038 659,089,694	804,861,890 853,113,658	223,659,966 451,120,327	-	-			59,966 53,176	479,153,176 74,044,203

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE-VI			
CURRENT ASSETS, LOANS & ADVANCE A) CURRENT ASSETS	s		
I) INVENTORIES			
(As per inventories taken, valued & certified	by the		
Management) Stores & Consumable		265 959 20	350 18 2826
Raw Materials		5541 734 56	, 464 054
Work in Process		155,101,995	,,
Finished Goods		874 607, 34	
	TOTAL	4	
II) SUNDRY DEBTORS			
(Unsecured,Considered Good) Debts outstanding for a period exceeding s	iv months		
- Considered good	or monus	65,453,016	47,911,582
- Considered doubtful		5,783,122	4,839,707
Other Debts	_	771,766,121	618,387,955
		843,002,259	671,139,244
Less: Provision for Doubtful Debts		5,783,122	4,839,707
	TOTAL	837,219,137	666,299,537
III) CASH AND BANK BALANCES	•		
Cash in hand		4,392,537	3,675,164
Bank balances with Scheduled Banks:			
Fixed deposits		68,292,234	71,598,413
Interest accrued on fixed deposits		1,281,194	2,798,318
Current Accounts		41,802,531	
	TOTAL		37,261,140 115,333,03 5
Current Accounts	TOTAL	41,802,531	37,261,140
Current Accounts IV) LOANS AND ADVANCES	TOTAL _	41,802,531	37,261,140
IV) LOANS AND ADVANCES (Unsecured ,Considered good)	TOTAL	41,802,531	37,261,140
Current Accounts IV) LOANS AND ADVANCES	TOTAL	41,802,531	37,261,140 115,333,035 247,867,710
IV) LOANS AND ADVANCES (Unsecured ,Considered good) Advances recoverable in Cash or in Kind	TOTAL	41,802,531 115,768,497 475,099,715 128,881,007	37,261,140 115,333,035 247,867,710 139,527,458
IV) LOANS AND ADVANCES (Unsecured ,Considered good) Advances recoverable in Cash or in Kind or for value to be received Cenvat/ Vat Recoverable Advance Custom Duty Paid	TOTAL	41,802,531 115,768,497 475,099,715 128,881,007 1,370,547	37,261,140 115,333,035 247,867,710 139,527,458 283,265
Current Accounts IV) LOANS AND ADVANCES (Unsecured ,Considered good) Advances recoverable in Cash or in Kind or for value to be received Cenvat/ Vat Recoverable Advance Custom Duty Paid Advance Tax/ TDS	TOTAL	41,802,531 115,768,497 475,099,715 128,881,007 1,370,547 26,498,993	37,261,140 115,333,035 247,867,710 139,527,458 283,265 14,89 7 ,551
Current Accounts IV) LOANS AND ADVANCES (Unsecured ,Considered good) Advances recoverable in Cash or in Kind or for value to be received Cenvat/ Vat Recoverable Advance Custom Duty Paid	TOTAL	41,802,531 115,768,497 475,099,715 128,881,007 1,370,547	37,261,140

PARTICULARS		As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - VII CURRENT LIABILITIES & PROVISIONS A) CURRENT LIABILITIES Sundry Creditors			
Total outstanding dues to small scale Industrial undertakings		993,058	1,879,460
Outstanding dues of Creditors other than Small Scale Industrial Undertaking Statutory Liabilities Expenses Payable Interest accured but not due	SUB TOTAL	639,127,778 7,100,677 31,384,153 40,949,250 719,554,916	541,605,751 4,578,760 24,259,099 17,675,703 589,998,774
B) PROVISIONS: Income Tax Preference Share Dividend Tax on proposed preference share dividend Equity Share Dividend Tax on proposed equity share dividend	SUB TOTAL	28,381,469 - - 22,835,950 3,880,970	35,555,187 350,520 49,160 33,180,000 4,653,495
and proposed equity change annually	TOTAL	774,653,304	663,787,136
SCHEDULE - VIII MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
1 Capital Enhancement Expenses		220,500	360,500
2. Seed Marketing Expenditure		-	303,412
3 Research & Development upto 31.03.03		540,995	4,244,712
4. Development Expenditure		460,763,928	393,318,682
5. Development Expenditure not adjusted		21,267,409	17,423,960
6. Translation Loss		218,281	-
	TOTAL	483,011,113	415,651,266

PARTICULARS		Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
SCHEDULE - IX-A			
Gross Sales & Operating Income			
Domestic		2,017,428,157	1,674,069,269
Exports	TOTAL	1,553,993,099	1,564,517,176
	IOIAL _	3,571,421,256	3,238,586,445
SCHEDULE - IX-B			
OTHER INCOME		40 000 500	0.000.400
Interest Income Other Income		19,923,538	9,202,409
Other income	TOTAL -	8,696,405 28,619,944	1,138,353 10,340,762
	- IOIAL _	20,010,011	10,040,102
SCHEDULE - X COST OF MATERIAL CONSUMED/SOLD			
Opening Stock		343,366,703	377,345,609
Purchases		2,316,893,607	2,173,112,694
Turdiases	_	2,660,260,310	2,550,458,303
Less:Closing Stock		264,883,305	343,366,703
	TOTAL (A)	2,395,377,005	2,207,091,600
INCREASE /DECREASE IN INVENTORY			
Opening Stock			
Work in Process		418,070,572	257,092,663
Finished Goods		53,350,182	54,801,360
		471,420,754	311,894,023
Closing Stock		544 704 504	440.070.570
Work in Process		541,734,561	418,070,572
Finished Goods	_	55,101,995 596,836,556	53,350,182 471,420,754
	TOTAL (B)	125,415,802	159,526,731
	TOTAL (A-B)	2,269,961,203	2,047,564,869
SCHEDULE - XI			
MANUFACTURING EXPENSES			
Job Work Charges		70,813,717	82,135,159
Wages		49,996,632	30,696,514
P.F. & other funds		4,185,326	3,200,435
Power, Fuel & Water Charges Stores & Spares		83,658,145 12,777,108	62,858,278 14,931,596
Repair & Maint. :		12,777,100	14,351,330
Plant & Machinery		955,978	776,199
Buildings		916,401	338,466
Electrical		374,107	651,431
Excise Duty Paid		54,567,660	-
Other manufacturing Expenses		813,436	506,252
	TOTAL _	279,058,511	196,094,330
SCHEDULE - XII			
ADMINISTRATIVE & OTHER EXPENSES			
Directors Remuneration		48.000.000	48
Salary & Allowances		10,800,000	10,800,000
Contribution to P.F.		18,720	18,720
Salary & Allowances P.F. & other funds		43,790,707 1,854,963	32,669,432 2,292,829
Gratuity Premium		1,431,558	2,292,629 1,095,870
Gratuity i Territorii		1,401,000	1,030,070

PARTICULARS		Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
Travelling & conveyance		14,836,197	16,616,110
Payment to Auditors			
Audit Fees		300,000	280,600
Taxation Matters		180,000	180,000
Rent		2,631,034	2,586,192
Rate & Taxes		2,826,462	2,865,966
Insurance		6,939,906	5,427,123
Legal &Professional Charges		2,229,124	3,904,933
Printing & Stationary		5,545,824	5,757,475
Vehicle Running & Maint.		9,838,518	8,244,551
Telephone & Postage		8,576,417	6,887,839
Office Expenses		4,235,306	3,342,813
Charity & Donation		282,263	219,041
Listing Fees		369,318	158,199
Books & Periodicals		374,576	329,960
Meeting, Membership & Subscription Fees		1,749,611	1,220,481
Security Expenses		2,739,945	2,642,666
Staff Welfare		3,888,412	847,259
Training & Development Exp		3,258,182	2,514,062
Repair & Maintenance Gen.		1,461,789	1,154,632
Recruitment Exp		387,142	789,303
Other Expenses		532,050	471,990
	TOTAL	131,078,022	113,318,046
SCHEDULE -XIII			
SELLING & DISTRIBUTION EXPENSES			
Advertisement & publicity		1,148,362	656,480
Business Promotion		3,897,024	3,899,813
Commission on Sales		33,230,123	44,229,958
Packing Material		7,749,871	8,980,774
Rebate & Discount		88,600	57,433
Freight Outward		22,526,956	22,302,576
Insurance Charges		569,879	625,341
ECGC Premium		2,391,632	3,140,800
Bad Debts w/off		2,348,532	1,542,364
	TOTAL	73,950,978	85,435,539
SCHEDULE -XIV			_
INTEREST AND FINANCIAL CHARGES			
Interest on Term Loans		172,713,676	72,286,724
Interest on Working Capital from Banks		61,934,322	33,146,263
Bank Charges & Others		20,114,440	16,563,942
Brokerage & Commission		3,977,671	1,208,916
Diff in Foreign Ex Fluctuation		17,045	1,341,155
	TOTAL	258,757,154	124,547,000
SCHEDULE -XV			
RESEARCH & DEVELOPMENT EXPENSES			
Salary & Wages & Other Allowances		15,600,977	13,861,832
Administration Exp		431,676	1,512,648
Consumables & Chemicals & Regents		35,216,357	45,608,283
Repair & Maintenance - Machinery		591,137	1,266,383
Technical Study & Consultancy		2,611,019	1,069,584
	TOTAL	54,451,166	63,318,730

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES

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 05 to March 06 whereas the financial year of Subsidiary Company is from Jan 05 to Dec 05. Accordingly, subsidiary's audited financial statements for the year ended on 31-12-2005 are considered for the purpose of consolidation. No significant transactions or events have occurred in that subsidiary for period Jan 01, 2006 to March 31, 2006.
- 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 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.

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.

INTANGIBLE 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.

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:

ClassificationUseful Life (Years)

Vehicles 5
Computer Equipments 3
Furniture & Fixtures 7

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

5 BORROWING COSTS

In relation to the Parent Company

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

6 INVENTORIES

In relation to the Parent Company

Inventories are valued as under:

Stores & spares are valued at cost.

Raw Materials are valued at cost on FIFO basis

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

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

7 RECOGNITION OF INCOME AND EXPENDITURE

In relation to the Parent Company

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

In relation to the Subsidiary Company

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

8 FOREIGN CURRENCY TRANSACTIONS In relation to the Parent Company

Transaction in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. The gain or loss arising from forward transactions have been stated on pro rata 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:

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

Contingent liabilities not provided for:	Amount (Rs. in Lacs)		
Containing of the machine of the provided to the	2006-07	2005-06	
a. Letter of Credit against purchase of raw material:	958.00	347.37	
b. Bank Guarantees	NIL	31.80	
c. Export bills purchased by bank :	NIL	167.68	
d. Export obligation in respect of custom duty:	300.43	320.72	
e. Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained	Unascertained	
f. Corporate guarantees given on behalf of Ind Swift Ltd.	9.90	Nil	
g. Corporate guarantees given on behalf of Ind Swift Infrastructure & Developers Ltd of which , this company is principal shareholder having 49% holding in Equity Share Capital.	3000.00	Nil	

- 2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 426.07 lacs (Previous year Rs. 261.38 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 During the year, Assets Comprising of Land, Building, Machinery of Derabassi Unit have been revalued 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.
 - No Depreciation for the year has been provided on such amount since the re-valuation has been made on 31.03.2007.

5	Dire	ector Remuneration includes		
	Α	SALARY	2006-07	2005-06
		Managing Director	5,400,000	5,400,000
		Jt. Managing Director	5,400,000	5,400,000
	В	CONTRIBUTION TO PROVIDENT FUND		
		Managing Director	9,360	9,360
		Jt. Managing Director	9,360	9,360
	С	PERQUISITES		
		Managing Director	424,120	52,200
		Jt. Managing Director	522,530	78,000
	TO	TAL	11,765,370	10,948,920
	Cor	mputation of Net Profits in accordance with		
	Sec	ction 198 of the Companies Act, 1956		
		·	2006-07	2005-06
Pro	ofit fo	or the year before taxation as per P&L Account	254,359,085	408,834,077
Ad	d:	Directors' Remuneration	11,765,370	10,948,920
		Loss on sale of Fixed Assets	6,814,435	5,360,208
		Provision for Doubtful Debts	943,415	1,569,277
	gible	Profit for Computation of Director Remuneration	273,882,305	426,712,482

- Other expenses under head administrative expenses includes Rs.55,500 (Previous Year Rs.22000) 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 Infrastructures & Developers 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	d-Swift Limited Essix Blosciences Limited		nces Limited	Ind Swift Laboratories Inc. USA		Ind Swift Infrastructures & Developers Ltd	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Nature of transactions								
(1) Transactions during								
the year.								
Purchases.	112.64	151.23	430.21					
Sales	1287.11	1020.43			62.12	26.28	9.99	
Purchased DEPB		4.48						
Interest Receivable	170.45	52.34						
Expenses	4.09							
Corporate Gurantee Given	9.90	Nil					3000.00	Nil
(ii) Outstanding								
balances as on 31.03.07								
Share Capital	503.47	447.37	17.88	2.39				
Investment			767.50	767.50	50.76	39.16	482.00	482.00
Advances	3279.27	1366.48	31.50	19.16			4.93	2.88
Debtors	1024.45	554.92			55.67		9.99	
Creditors	55.96	163.80				6.45		
Unsecured Loans					l			l

Fixed Deposites from Public includes Rs.3.76 Lac (Previous Year Nil) being deposite made by directors Details of remenuration to Directors (Key management Personnel) are as given in Note no 5.

8. Earning per share is calculated as shown below:(Equity Shares of Rs. 10/- each)

	2006-07	2005-06
Profit available for Equity Shareholders	182387747	334548846
For Basic Earning No of weighted average equity shares	22203514	19834602
For Diluted Earning Effect of diluted equity shares equivalent to (2465000 Equity Share Warrants pending for conversion)	249877	0
No of weighted average of Diluted Equity Shares	22453390	20434602
Nominal Value of Equity Share Earning Per Share (Rs.)	10.00	10.00
Basic Diluted	8.21 8.12	16.87 16.37

9 Deferred Tax:

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2007 is as under:

Rs. In lacs

Deferred Tax Liabilities	2006-07	2005-06
Timin - Difference		
Timing Difference on account of :		
A: Depreciation	3392.81	2348.18
B:Deferred amounts in respect of		
a) Research & Development Exp (upto 31.03.2003)	1.84	14.29
b) Seed Marketing Expenditure	0.75	9.51
c) Development Expenditure	1638.42	975.72
Total B	1641.01	999.52
Total A+B	5033.82	3347.69
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	19.66	16.30
Carried Forward Loss as per Income Tax Act	3259.94	1850.30
Total	3279.60	1866.60
Deferred Tax Liabilities net	1754.21	1481.10
Deferred Tax Liabilities Charged to P&L A/c	273.12	242.14

- Other Income includes Rs 77.50 Lacs (Previous Year Nil) as income arised from Difference in Foreign Exchange Fluctuations.
- 11 Fixed Deposites from Public includes Rs.3.76 Lac (Previous Year Nil) being deposite made by directors
- 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.
- 13 Investment of Rs. 1770.78 Lac (Previous Year 1413.66 Lac Unquoted-Long Term) are at Cost.
 - a) Investment in Ind Swift Laboratories Inc, USA Share Application Money

Rs. 50.76 Lac (Previous Year Rs.39.16 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. 10,00,000 Equity Share of Rs. 10/- each fully paid up , (Previous year 10,000,000 Equity Share)
- d) Investment in Nimbua Green Field (Punjab) Ltd 42,800 Equity Share of Rs. 10/- each fully paid Share Application Money

Rs. 4.28 Lacs (Previous Year Rs.4.28 Lacs) Rs. 20.72 Lacs (Previous Year Rs. 20.72 Lacs)

- e) Share Application Money deposited with Ind Swift Infrastructure & Developers Limited Rs 482.00 Lac (Previous Year Rs.482.00 Lac).
- f) Share Application Money deposited with Essix Bioscience Limited Rs 767.50 Lac (Previous Year Rs.767.50 Lac).
- g) Investment in Farayand Chemi Hakim Company Ltd (Iran)
 Common Stock RS. 27.1

Share Application Money

RS. 27.17 Lac (Previous Year Nil) Rs. 313.35 Lac (Previous Year Nil)

- As at the Balance Sheet Date, Company has Unhedged Foreign Currecy Exposure (Net) to the tune of US \$/Mn 10.94, Rs. 47.38 crore).
- During the year, the Company has considered the impairment of assets amounting to Rs. 1167.43 Lac acquired/put to use prior to 01.04.2004 and accordingly the impairment loss for the same as on 31.03.07 has been deducted from General Reserve in compliance to AS-28 issued by ICAI.
- 16 Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.
- 17 Schedule I to XVI form an integeral 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 and on behalf of the Board of Directors

For JAIN & ASSOCIATES Chartered Accountants

R.K GULATI Partner

Membership No. 11999

Date: 30.07.2007 Place: Chandigarh **Dr. G. MUNJAL** Chairman

Dr. V.R. MEHTA Director

HIMANSHU JAIN Director N.R. MUNJAL Mg. Director

K.M.S. NAMBIAR Director

N.K. BANSAL V.P. Finance Jt. Mg. Director

Dr. J.K. KAKKAR Director

VK MFHTA

PARDEEP VERMA
Company Secretary

SEGMENT REPORTING

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

Rs in Lacs

			Rs in Lacs
	In India	Outside India	Total
REVENUE-EXTERNAL	19484 (16741)	15540 (15645)	35024 (32386)
RESULTS	2746 (1696)	5785 (6452)	8532 (8148)
Less: Financial Expenses	(1000)	(0.102)	2588 (1245)
Less: Unallocated Expenses			3799 (3082)
Add: Other Income			286 (103)
Less: Income Tax Provision including FBT			334 (333)
Less: Deferred Tax			273 (242)
Profit after Tax			1824 (3349)
OTHER INFORMATION SEGMENT ASSETS	3540 (2002)	4832 (4661)	8372 (6663)
UNALLOCATED ASSETS			61402 (42886)
TOTALASSETS			69774 (49549)
SEGMENT LIABILITIES	5357 (3091)	1838 (2801)	7196 (5891)
UNALLOCATED LIABILITIES			31433 (15101)
TOTAL LIABILITIES			38628 (20992)
CAPITAL EXPENDITURE			38404 (23735)
DEPRECIATION			1231 (815)
NON CASH EXPENSES OTHER THAN DEPRECIATION			885 (368)

Notes:

1 Geographical Segments

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

2 Segment assets & liabilities

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

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

CONSOLIDATED CASH FLOW STATEMENT

			Rs in Lacs
PAR	TICULARS	Year Ended 31.03.2007 (Rs.)	Year Ended 31.03.2006 (Rs.)
A.	CASH FLOW FROM OPERATING ACTIVITIES Net Profit before tax and Extra-Ordinary Items	2431.31	3959.37
	ADJUSTMENTS FOR:	45474440	
i)	Depreciation	1230.61	815.01
ii)	Preliminary, Issue & Deferred Expenses amortised	875.26	368.39
iii) iv)	Exchange (profit)/loss Interest on term loans	(77.33) 1727.14	13.41 722.87
v)	Interest received	(199.23)	(92.01)
vi)	Preference Share Dividend Provision	0.00	3.51
vií)	Dividend Tax	0.00	0.49
viii)	Provision for Doubtful Debts	9.43	15.69
ix)	Loss on sale of fixed assets	68.14	53.60
	OPERATING PROFIT BEFORE WORKING CAPITAL	6065.33	5860.33
:\	CHARGES ADJUSTMENTS FOR: Trade & Other Receivables	(1616.11)	(1827.96)
i) ii)	Inventories	(481.43)	(1317.53)
iii)	Loan & advances	(2246.83)	(1823.82)
iv)	Current Liabilities	1230.36	1229.26
v)	Working Capital Borrowing	2047.64	1732.68
vi)	Income taxes (Including Advance Tax/TDS)	(472.80)	(325.17)
		(1539.17)	(2332.54)
	Net Cash flow from operating Activities	4526.16	3527.79
В.	CASH FLOW FROM INVESTING ACTIVITIES		
i)	Purchase of fixed Assets	(6648.84)	(9849.74)
ii)	Sale of fixed assets	90.70	62.30
iii)	Purchase of Investments	(357.12)	(1237.29)
iv)	Development Expenditure	(1548.85)	(2674.69)
v)	Interest Received on Fixed Deposits	199.23	92.01
	Net Cash from investing activities	(8264.89)	(13607.41)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
i)	Proceeds from Share Capital	93.45	312.00
iĺ)	Advance against Share Capital	46.69	(73.09)
iii)	Proceeds from Securities Premium	831.00	4839.74
iv)	Proceeds from Term Loans From Banks & Financial	9814.91	8930.57
v)	Institutions Repayment of Term Loans to Banks & Financial Institutions	(5257.65)	(3373.84)
vi)	Interest paid on term loans	(1628.20)	(710.84)
vii)	Proceeds from Fixed deposit	600.71	992.89
viii)	Repayments of Fixed deposit	(375.53)	(623.09)
ix)	Preference Dividend Paid	(3.51)	(3.51)
x)	Preference Dividend Tax Paid	(0.46)	(0.46)
xi)	Equity Dividend Paid	(331.80)	(245.20)
xii)	Equity Dividend Tax Paid Net Cash flow from Financing Activities	(46.53) 3743.09	(32.04) 10013.13
	Net Cash flow from Financing Activities	3/43.09	10013.13
	Net increase in Cash or Cash Equivalents	4.35	(66.49)
	Cash & Cash Equivalents as on 31.3.2006	1153.33	1219.82
	Cash & Cash Equivalents as on 31.3.2007	1164.00	1149.64
	Add unrealised Gain/(Loss) in Foreign Currency	(6.31)	3.69
	Cash & Cash Equivalent		44==
	Closing Balance of Cash & Cash Equivalents as on	1157.68	1153.33
	31.03.2007		

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: 30.07.2007 Place: Chandigarh Dr. G. MUNJAL Chairman

Dr. V.R. MEHTA Director

HIMANSHU JAIN

Director

N.R. MUNJAL Mg. Director

K.M.S. NAMBIAR Director

N.K. BANSAL V.P. Finance

V.K. MEHTA Jt. Mg. Director

Dr. J.K. KAKKAR

Director

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 2007 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**

> > R.K GULATI Partner

Date:30.07.2007 Place: Chandigarh Membership No. 11999



www.leviensiffiche.com

Ind-Swift Laboratories Limited

Registered Office: SCO: 493-94 Sector-35-C, Chandigarh — 160 022 Website : www.indewfflabs.com Share Transfer Agent: Alarkit Assignments Ltd., 205-208, Anarkali Complex, Jhandowsian Extention, New Delhi — 110 055

ATTENDANCE SLIP

(This attendance silo duly flied in, is to be handed over at the entrance of the Meeting Hail)

Follo No. / Client I		D.P.No.	
No. of Sheres held),j
Bhews	in, Sector 30-A, Chandigarh a	General Meeting of the comp t 11.00 s.m. on 29 th Septembe latter)	r, 2007.
If Shareholder(s) ple Notes:	esse sign here	lif proxy, pla	sase mention and sign here
Sherehold the entrance	se of the Meeting vanue.	mey be, is requested to sign ange of their address, if any, t	
ebove add			
		9_	
s	Inci-Swift Labo Registered Office: SCO: 498-94 Website: www here Transfer Agent: Alenidt Aseig	settiebe.com Oratories Limited Beator-35-C, Chandigarh — 160 i w.manuffielou.com nmente Ltd., 205-206, Anarkeli Co tion, New Delhi — 110 055	
		OF PROXY	
Folio No. / Client I	D. No.	D.P.No.	ĺ
No. of Shares hek		(CT) (CT) (CT)	
/We		- 13 · 15	1
of	being e	Member/Members of Ind-Sw	Ift Leboratories Limited,
hereby appoint	36 573		of falling him/her
usesch abbosir	at .		my/our proxy to attend and

vote for me/us on m	ny/our behalf at the 12th Annu	el General Meeting of the Con	
vote for me/us on m Lobens Bhewen, Sa	ny/our behalf at the 12th Annu	el General Meeting of the Con Caum. on 29th September, 20	
vote for me/us on m	ny/our behalf at the 12th Annu		

(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.

Signature Notes:

(II) A proxy may not be a Member.

SCO 850 NAC Manimajra, Chandigarh-160 101

ww.indswiftlabs.com