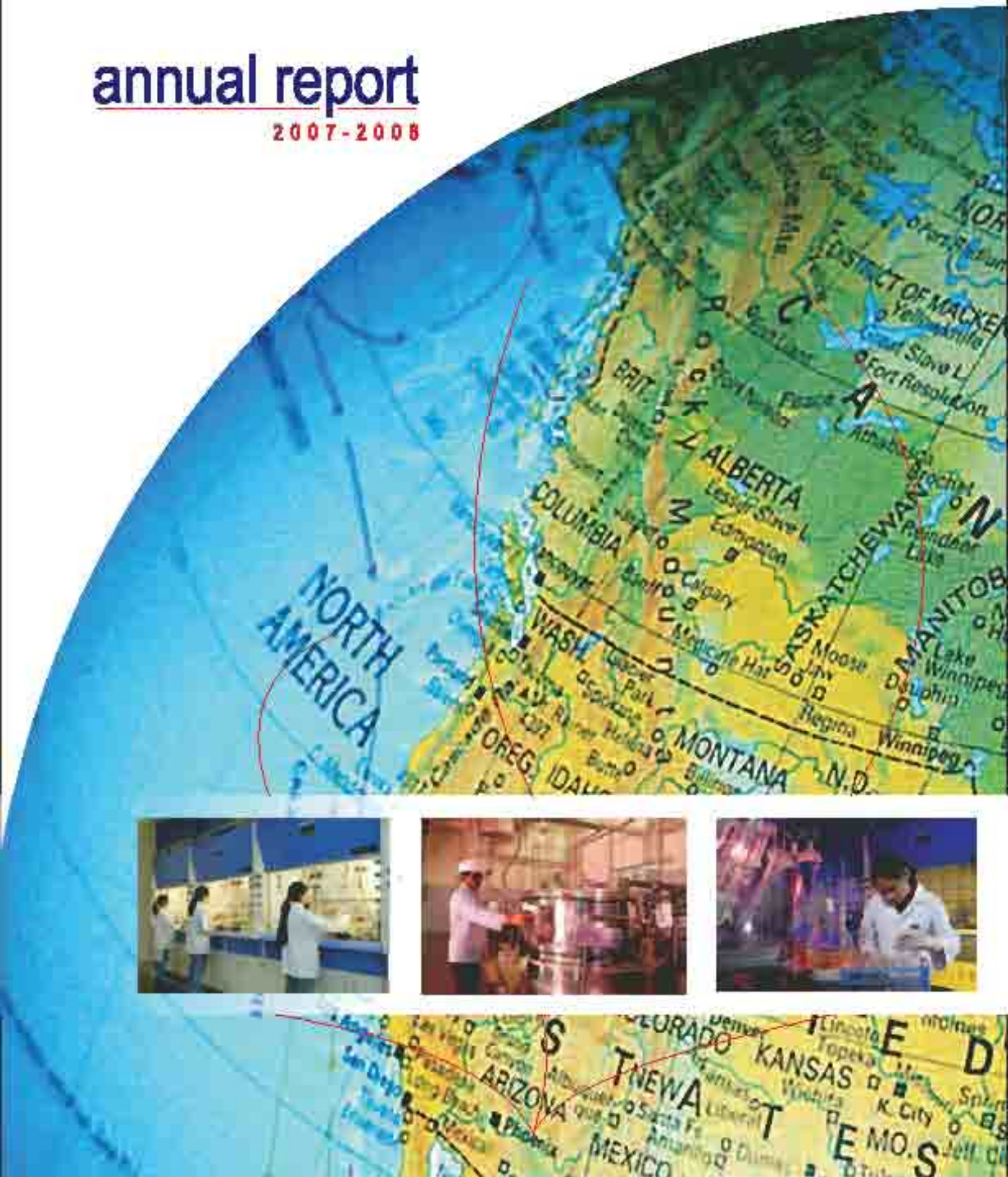


annual report

2007-2008



Ind-Swift LABORATORIES Ltd.

Corporate Information

Board of Directors

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

Management Team

N.R. Munjal	Vice-Chairman
V.K.Mehta	Managing Director
Dr. Lalit K. Wadhwa	Chief Technical Officer (CTO)
N.K. Bansal	Chief Finance Officer (CFO)
Vijay Kumar	President - Marketing
Vikas Narendra	President - US Operations
G.K. Sharma	Sr. Vice President - Production
Subodh Gupta	Sr. Vice President - Commercial
S.C. Srinivasan	Vice President - Research & Development
R.S. Dhaliwal	Vice President - Human Resources
Pardeep Verma	Head Legal & Company Secretary

Committees of the Board

Audit Committee

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

Remuneration Committee

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

Share Transfer & Shareholder /Investor Grievance Committee

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

Compensation Committee

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

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: investor.relations@indswiflabs.com

Solicitors

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

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

NOTICE OF 13th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of the Members of Ind-Swift Laboratories Limited will be held on Friday, the 26th day of September, 2008 at 10.00 A.M. at Baba Makhan Shah Lobana Bhawan, Sector-30-A, Chandigarh to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the financial year ended 31st March, 2008 together with Report of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. V.K. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. V.R. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare the dividend on equity shares for the financial year ended 31st March 2008.
5. To consider and if thought fit, to pass the following resolution with or without modification(s) as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Jain & Associates, Chartered Accountants, the retiring auditors of the Company be and is hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of this meeting upto the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the financial year 2008-09 at a remuneration to be decided by Board of Directors."

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the company be and is hereby accorded to the re-appointment of Mr. N.R. Munjal as a Whole Time Director of the company, designated as Vice-Chairman of the company for period of 5(five) years with effect from 1st April, 2008, and the increase in remuneration including perquisites and benefits of Mr. N.R. Munjal w.e.f. 1st July, 2007 as set out in Explanatory Statement attached to the notice upto the remaining term of his appointment."

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

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the company be and is hereby accorded to the Re-Appointment of Mr. V.K. Mehta as a Whole Time Director of the company , designated as Managing Director of the company for period of 5(five) years with effect from 1st April, 2008, and the increase in remuneration including perquisites and benefits of Mr. V.K. Mehta w.e.f. 1st July, 2007 as set out in Explanatory Statement attached to the notice upto the remaining term of his appointment."

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

"RESOLVED THAT according to the provisions of the Companies Act, 1956, the Authorized Share Capital of the company be and is hereby modified and re-structured from Rs. 35,00,00,000/- (thirty five crores) divided into 2,75,00,000 (two crores seventy five lac) Equity shares of Rs. 10/- each and 7,50,000 (seven lac fifty thousand) Preference shares of Rs. 100/- each to Rs. 35,00,00,000/- (thirty five crores) divided into 3,50,00,000(three crores fifty lac) Equity shares of Rs. 10/- each.

FURTHER RESOLVED THAT in accordance with the provisions of Section 16 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force), the existing Clause V of the Memorandum of Association relating to the share capital of the company be and is hereby altered by deleting the same and instead thereof, substituting the following as new Clause V:

Clause V.

The Authorized Share Capital of the Company is Rs. 35,00,00,000/- (thirty five crore) divided into 3,50,00,000(three crores fifty lac) Equity shares of Rs. 10/- each.

FURTHER RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force), the existing Article 3 of the Articles of Association relating to the share capital of the company be and is hereby altered by deleting the same and instead thereof, substituting the following as new Article 3:

Article 3.

The Authorized Share Capital of the Company is Rs. 35,00,00,000/- (thirty five crore) divided into 3,50,00,000(three crores fifty lac) Equity shares of Rs. 10/- each"

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
3. The dividend as recommended by the Board of Directors for the Year ended 31st March 2008, if declared at this Annual General Meeting will be paid to those members whose names stand registered in the Register of Members as on Monday, September 22, 2008 and in respect of shares held in electronic form, to those 'deemed members' whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Saturday, September 20th , 2008 and dividend warrants will be dispatched before Monday, 20th October 2008.
4. The Register of members and the Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2008 to Friday, 26th September, 2008 both days inclusive.
5. Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.
6. Members desirous of having any information as regards accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready.
7. Members are requested to bring their copies of the Report to the meeting, as no further copies would be made available.

Place: Chandigarh
Date: 29th August, 2008

By Order of the Board
For Ind-Swift Laboratories Limited

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

Sh. N.R. Munjal was appointed as the Whole Time Director designated as Managing Director of the Company by the shareholders w.e.f.29.03.2006 for a further period of Five years. However the Board of Directors in its meeting held on 01.04.2008 have re-designated and re-appointed Sh. N.R. Munjal as the Vice-Chairman of the Company for a period of 5(Five) years w.e.f. 1st April, 2008

In recognition of the Excellent Services being rendered by Sh. N.R. Munjal, the Board had earlier in its meeting held on 29.10.2007 approved the revised terms and conditions as to the payment of remuneration etc. to Sh. N.R. Munjal for the remainder of his term w.e.f. 1st July, 2007 subject to the approval by the shareholders. The abstract of the revised terms of remuneration of Sh. N.R. Munjal was communicated to the members vide the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated 29th October, 2007.

In view of the said changes in the designation and remuneration of Sh. N.R. Munjal it is proposed to the members to approve the re-appointment of Sh. N.R. Munjal as Vice-Chairman of the Company w.e.f. 1st April, 2008 and the increase in remuneration w.e.f. 01.07.2007 on the terms and conditions as follows for a further period of 5(Five) years

A. REMUNERATION

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

B. OTHER TERMS

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

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

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

Sh. N.R. Munjal being appointee and Dr. G. Munjal, Director, being the brother of the appointee are concerned and interested in the said resolution.

Item No. 7

Sh. V.K.Mehta was appointed as the Whole Time Director designated as Joint Managing Director of the Company by the shareholders w.e.f .01.09.2006 for a further period of Five years. However the Board of Directors in its meeting held on 01.04.2008 have re-designated and re-appointed Sh. V.K.Mehta as the Managing Director of the Company for a period of 5(Five) years w.e.f. 1st April, 2008

In recognition of the Excellent Services being rendered by Sh. V.K. Mehta, the Board had earlier in its meeting held on 29.10.2007 approved the revised terms and conditions as to the payment of remuneration etc. to Sh. V.K. Mehta for the remainder of his term w.e.f. 1st July, 2007 subject to the approval by the shareholders. The abstract of the revised terms of remuneration of Sh. V.K.Mehta was communicated to the members vide the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated 29th October, 2007.

In view of the said changes in the designation and remuneration of Sh. V.K.Mehta it is proposed to the members to approve the re-appointment of Sh. V.K.Mehta as Managing Director of the Company w.e.f. 1st April, 2008 and the increase in remuneration w.e.f. 01.07.2007 on the terms and conditions as follows for a further period of 5 (five) years

A. REMUNERATION

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

C. OTHER TERMS

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

- 5) Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Whole-time Director may be terminated by either party by giving six months' notice in writing, of such termination.
- 6) If, at any time, Sh. V.K. Mehta ceases to be the director of the company for any causes whatsoever, his office as Whole-time Director shall forthwith be terminated.

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

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

Sh. V.K. Mehta being appointee and Dr. V.R. Mehta and Sh. S.R. Mehta, Directors, being the brothers of the appointee are concerned and interested in the said resolution

Item No. 8

The authorized share capital of the Company apportioned as Preference share Capital lies unutilized as the Company has already converted / redeemed its preference share and it does not intend to issue the same in future. In order to facilitate the issue of Equity shares in future the Company further proposes to convert the present authorized capital viz Rs. 35,00,00,000/- (thirty five crores) divided into 2,75,00,000 (two crores seventy five lac) Equity shares of Rs. 10/- each and 7,50,000 (seven lac fifty thousand) Preference shares of Rs. 100/-each to Rs. 35,00,00,000/- (thirty five crores) divided into 3,50,00,000 (three crores fifty lac) Equity shares of Rs. 10/-each.

The Board recommends the Resolution for approval of the members.

None of the Director of the Company is interested or concerned for the proposed resolution.

Place: Chandigarh
Date: 29th August, 2008

By Order of the Board
For Ind-Swift Laboratories Limited

PARDEEP VERMA
COMPANY SECRETARY

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

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	N.R.Munjhal	V.K. Mehta	Dr. V.R. Mehta
Date of Birth	09.02.1952	25.03.1961	30.11.1956
Date of Appointment	04.01.1995	04.01.1995	31.07.2003
Expertise in specific functional Area	Long term strategy planning & exploring new and innovative avenues for business growth.	Long term strategy planning in Accounts & Finance	Marketing and product development Generic Products
Qualifications	B.Sc.	B.Com	M.Sc.(PAU)
Details of Share held	105000	237000	52900
List Company in which outside Directorships held as on 31.03.2008 (excluding Private & Foreign Companies)	Ind-Swift Ltd., Essix Biosciences Ltd.,	Ind-Swift Ltd., Essix Biosciences Ltd., Mansa Print & Publishers Ltd., Nimbua Greenfield (Punjab) Ltd.	Ind-Swift Ltd., Essix Biosciences Ltd.
Chairman / Member of the Committees of other Company on which he is director as on 31.3.08	N.A.	N.A.	Member Share Transfer/ Share holder's Grievance Committee: Ind-Swift Limited.
Relationship inter-se between Directors	Related with Dr. G. Munjal, Director as Brother.	Sh. S.R. Mehta, Sh. V.K. Mehta & Dr. V.R. Mehta are related to each other as Brothers.	

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



N.R. Bhandal
Vice-Chairman



V.K. Mehta
Managing Director

Dear Share Owners,

It gives us immense pleasure to say that the year 2007-08 has been a year of positive growth for the Company on several parameters starting with financial performance, your Company has improved outcomes and simultaneously undertaken several initiatives to better position itself for the future.

We are harnessing every aspect of our business to drive these results, including new and in-line products, our growing research pipeline, and new initiatives designed to make Ind-Swift more efficient.

Despite the rise in input costs by over 25% your company has been able to record an impressive 80% growth in the net profits, which is commendable by any standards and going further we expect the company to financially perform better in future as well.

Company's presence in the Regulated Markets of US further strengthened with the beginning of commercial supplies and US Subsidiary further forging key contracts with leading generic players in US. We seek the USFDA for another molecule by the beginning of 2010 which will boost our exports to US by more than 200% from the present level and further pave the way for deploying the regulatory expertise and front end infrastructure to introduce and leverage the potential of these products across the Globe.

Our emerging markets portfolio continued to perform well, led by strong growth in India, Latin America, Turkey and Brazil. These markets account for significant part of our global revenue and are a key growth driver of the business. We have also entered into agreements with the Generic companies in Japan for our range of products for their future launches. Japan is a key market for us going forward as we plan to increase our supplies to the regulated markets.

We are further strengthening our move for the export markets with opening of a marketing office in Europe. Moreover, we look with anticipation on the developments at the Global Business Unit of the parent Company, Ind-Swift limited, where the new Export Oriented Unit has got all the major accreditations. This will enable us to offer a complete, research based APIs to Finished Dosages solutions to our European and US customers.

Increase in production and supplies from our Manufacturing facility at Samba, Jammu has resulted in higher profitability for the Company. As a move to have better economies we have planned a captive power plant of 7-10 MW capacity at Derolwal, Punjab, which will reduce the energy cost at our Derolwal Facility.

We continue to grow our research pipeline. Our pipeline includes five other promising molecules . A strategically important MOU has been entered with an academic institution where our Global strategic team will work jointly with the Institution on various research projects. This will help us to develop skill set required to move up the pharma value chain of working with Global / MNC companies for New Chemical Entities(NCEs).

Company's first Joint Venture has become fully operational during the year . The JV is expected to break-even during the current financial year and it will begin to yield results by the next financial year onwards.

During the year, Company has entered the field of Phytochemicals, where, we have put to operation a new manufacturing facility to manufacture Mint based products. The mint products' have large market all over the World and are characterized as a large volume business. Company expects the mint products to contribute 25-30% to the topline and bottom line of the Company from financial year 2009-10 onwards.

Your Company has re-structured the Board with Sh. S.R.Mehta as the Chairman, just in order to rejuvenate the existing Board and enable the Board members to strategically enhance the overall efficiency of the Organisation.

Globally the pharmaceutical industry is facing enormous challenges, global pharmaceutical companies are increasingly looking for Strategic outsourcing partners that can help them to efficiently manage their product life cycle in a cost effective manner. This presents a significant opportunity for our Company.

The people at Ind-Swift continue to work hard to change the future of our company. Our current results increase our confidence in our ability to achieve our Goal of winning Global Customers through innovative quality pharmaceutical products.

(V.K. MEHTA)
MANAGING DIRECTOR

(N.R. MUNJAL)
VICE-CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure, Developments, Opportunities and Threats

The global generics market grew at a faster pace than the global pharma market in 2007, with a CAGR of 16.4% during 2004–2007. Regular patent expirations of blockbuster drugs are the primary growth driver of the industry. Rising healthcare expenditure has also contributed to industry expansion, with governments coming under growing pressure to provide low cost alternatives to branded drugs. However, the generics market is changing due to the threat from authorized generics, competition from players in emerging countries and increasing consolidation. Companies are attempting to improve their market strength and geographical reach via divestments and acquisitions.

With USD 315 billion, the US will continue to be the main market for pharmaceutical companies. It, however, contributed only 25.5% of the total growth to the global market in 2007, which is the lowest level of contribution. A growth of 4-5% is expected in the US pharma industry, with generics accounting for more than two-thirds of the overall prescriptions. Yet in light of expected cost-cutting in the US healthcare system, this market also has the highest risks in the world.

World generic pharmaceutical market was estimated to be valued around US\$ 84.4 Bn in 2006, with USA, the world's largest generic market valued at US\$ 31 Bn. The aggregate growth of the five major European markets, viz., France, Germany, UK, Italy and Spain, was 4.8% over the year. The rest of the European markets, valued at US\$ 81.6 Bn, expanded by over 10%. The uptake of generic drugs in Western Europe varied from country to country, but there is a distinctive shift towards genericisation.

This trend is most noticeable in Spain, France and Italy, where so far, generic consumption is dismally low, but on an increase. High-price markets such as, Germany, UK, and Netherlands, have encouraged the use of generics in order to bring down their healthcare expenditure.

Without emerging healthcare markets like China and India, global pharma would be in a world of hurt. The global market for meds reached \$712 billion last year, according to a new report from IMS Health, up \$178 billion over five years before. But the rate of growth is slowing—6.4 percent compared with 11.8 percent in 2001. And without the big engines in Asia, that figure would be lower still. China, South Korea, and India grew by 25.7 percent, 10.7 percent, and 13 percent respectively. Russia and Turkey, 20.2 percent and 17.2 percent.

IMS reports that the Latin American markets continued their rapid expansion, registering a growth of 11.6% in 2007, with a market size, estimated at US\$ 42.4 Bn. Similarly, the Japanese pharmaceutical market grew by 3.6% to reach US\$ 65.2 Bn. The growth registered by the Japanese market during 2007, is higher than the compounded annual growth rate (CAGR) of the previous five years. The Asian markets experienced a double-digit growth, on account of a significant expansion of healthcare access in the region. These markets (excluding Japan, including Australia and New Zealand) grew collectively by 13.3% and represent close to 11% of the total global sales. In terms of revenue, the ten key markets constitute over 80% of the global pharmaceutical industry. The year 2008, is slated to witness a shift in growth from the top seven markets to emerging markets and from primary care-driven to specialty care-driven drugs. The markets of China, Brazil, Mexico, South Korea, India, Turkey and Russia are projected to experience growth at the rate of 12-13% to reach US\$85-90 Bn. It is a favourable time for the generic manufacturers, mainly because a large number of top selling drugs are due for patent expiry in the US. Further, a large number of countries are promoting the use of generics as a means of containing healthcare costs.

It is estimated that the generic market is currently growing faster than the pharmaceutical industry, as a whole. It is also further estimated that around 50% of US prescriptions are for generics and nearly 80% of UK NHS prescriptions are written generically. ORG IMS reports that the IPM has been valued at around US\$ 7.8 Bn, and over the last four years, the IPM has grown at a CAGR of 13%. McKinsey & Company's recent research estimates indicate that the IPM is expected to grow to a size of US\$ 20 Bn by 2015 and will be among the top 10 pharma markets of the world. Factors contributing to the above growth are: Increasing disposable incomes and the number of middle-class households. Expansion of medical infrastructure. Greater penetration of health insurance. Rising prevalence of chronic diseases. Aggressive market penetration, driven by the relatively small companies. Adoption of product patent. Their research further points out that growth in the Indian pharmaceuticals market is anticipated to be well distributed across urban and rural areas. Rural areas are expected to account for a third of the country's consumption growth, over the next two decades.

Many pharmaceutical companies have started to rethink their marketing and sales business models to face the new challenges. Changing customer and decision-making structures, as well as intensifying cost pressure are forcing the industry to give up their traditional business model focused narrowly on physicians. It is more promising to focus on payers as well as on innovation and clinical product differentiation. In addition, more flexible structures and outsourcing are considered the most effective actions for increasing profitability.

Expiring patents and the lack of new developments are a threat to many drugs companies' product portfolios. This is especially true for the industry's giants. Depending heavily on individual blockbusters is a real danger because many patents are expiring.

The industry sees the key levers for further growth and profitability in tapping the BRIC countries' growth potential, driving the development of outdated marketing and sales models, and further intensifying innovative capacity through research and development.

BRIC countries (BRICs are terms used in economics to refer to the combination of Brazil, Russia, India, and China) are key growth engines for drugs companies. Almost all companies have launched projects and structures designed to help shape their emerging healthcare markets and secure a promising market position. These markets also offer the opportunity to get to know a healthcare environment that is more narrowly tailored to consumer needs. This kind of experience is becoming more and more important in traditional markets

Pharmaceutical companies have been cutting costs over the past two years, especially in sales, production, distribution and logistics, marketing and chemical production. They say the largest potential for further cuts is in marketing and sales.

The pharmaceutical industry will be facing massive change over the next few years. The US will continue to be the main sales market, but the up-and-coming BRIC countries will become much more important. At the same time, price and innovation pressure will continue to intensify.

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.

Segment wise performance

The company operates only in the pharmaceutical segment.

Material Developments in Human Resources/Industrial Relations

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

The number of employees as on 31st March, 2008 were 885

Financial Performance with respect to Operational Performance

Sales

The gross sales revenue increased from Rs. 3561.06 Million in 2006-07 to Rs. 4524.26 Million in 2007-08 recording a growth of 27.05% over the previous financial year. Revenue from Domestic sales increased from Rs. 2017.43 Million to Rs. 2760.30 Million recording a growth of 36.82%. The revenue from exports grew by 14.27%, i.e., from Rs. 1543.63 Million in the previous year to Rs. 1763.96 Million in the year 2007-08 reflecting the increased thrust by the Company to increase its international visibility.

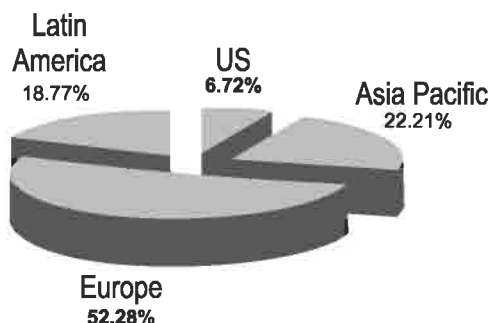
Domestic : The company has a wide product range in the API segment. It markets its products to a number of reputed Indian pharmaceutical finished dosage manufacturers. In the year under review the Company has grown through a combination of volume and value. The key reasons for the growth in the revenue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

- Increase in volumes from 227.51 Tonnes in 2006-07 to 359.73 Tonnes in 2007-08.

An analysis of the income reveals a growth in volumes for most of the company's products.

Exports : Exports constitute about 38.9% 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. It still leads the market in Turkey.

Composition of the export income



Review of Key Export Markets

USA

The Commercial quantities to USA has begun during the financial year 2007-08 which accounted for over 6% of the total export sales of the Company . USA continues to be a major thrust area for the Company. Ind Swift Laboratories Inc. (ISL Inc.), a wholly owned subsidiary of the Company is instrumental in successful entry of the Company to the regulated markets. ISL Inc. has entered into key long term supply agreement with leading generic companies and the supply will trigger upon the completion of the patents of those molecules.

Latin America

Our continued focus and efforts in the Latin American region for last years have started reaping dividends. In the year 2007-2008 Latin America registered an exponential growth with Mexico and Brazil being the key contributors followed by Argentina, Chile and Colombia. We have also been able to consolidate our presence in the small markets in the region such as Uruguay, Paraguay, Costa Rica, Guatemala and Peru where our customer base has improved substantially.

We have been able to successfully tap the potential for the Mexican and Brazilian market and have placed our products with the various generic manufacturers. We have entered long terms supply agreements with them and have been able to inculcate confidence to work with us on the newer molecules. In this region we have now been able to overcome the acceptability barrier and we are now recognized as one of the leading manufacturers for the Niche API's.

Asia Pacific

Asia Pacific market is a mix of regulated markets such as Korea, Japan & Australia with strict entry barriers and non regulated markets such as Pakistan, Bangladesh, Taiwan, Vietnam, Malaysia, Singapore, China, Philippines & Indonesia.

In the year 2007-2008 the focus was to nurture relationships by focusing on our existing customer base with excellent services and tapping the new one, in which we have been quite successful. Our sales in this region have grown and we are now regarded as one of the largest suppliers for our API's in this region and enjoy excellent markets coverage.

For the regulated markets in the region the strategy has been to overcome the regulatory barriers with presenting excellent documentation and to present the company's molecules which are nearing patent expiry for their generic launches. Our market coverage in Korea for Clarithromycin granules and powder soared to newer heights and we have more than 80% of the market share. In Japan we have been able to get into agreements with the Generic companies for our range of products for their future launches. Japan is a key market for us in the next few years.

Europe

The immensely potential European Continent, with the introduction of new states to the European Union, is now the centre of focus for the company. Our sales to Europe are growing gradually at present, however things will change rapidly once patents start going off for our range of products in the next 2-3 years.

The company has an extremely strong presence in the Central and Eastern Europe (CEE) comprising of countries such as Slovenia, Poland, Greece, Bosnia & Serbia for its range of products.

The Company has successfully undertaken audits from European Health Authorities and is already geared up both strategically and in terms of Regulatory to increase its presence and market share in this region.

The Company has tied up with reputed European Pharmaceutical majors for contract manufacturing of blockbuster drugs.

Middle East

The Middle East market has and will remain the major source of revenue for the company for the next 2-3 years till such time more products are added into the highly regulatory markets of Europe and USA.

Turkey is the major contributor to the revenues clocking sales of more than US\$8 million. This market will witness further growth in times to come. Sales to Iran have grown tremendously in the last one year. With the setting up of the Joint Venture in Iran, our market reach will enhance manifold. The company is going strong in Jordan, Syria, Egypt, and other Middle East markets with an increased demand and healthy growth recorded in all regions. The Company has a well established customer base in the Gulf Countries such as UAE, Yemen and Saudi Arabia with regular supplies to the top generic companies in these markets.

Domestic Operations

The Company has become a reliable supplier of APIs to a number of reputed Indian Pharmaceutical finished dosage manufacturers. The company has further increased its range of APIs available in the Domestic market with the introduction of a number of new products. The sales has grown both in value as well as in volume terms vis-à-vis last year.

Key reason for growth are:

1. Increase in reach to the market with the number of customers catered to, going up.
2. Increase in revenue owing to the successful and timely introduction of new products.

Expenditure

The company's total expenditure increased 9.93% to Rs. 1095.34 Million over the previous year.

Operating Expenses break-up (as percentage to total income) :

Particulars	2007-08	2006-07
Material Cost	67.38	64.47
Power	2.22	2.38
Other manufacturing expenses	3.53	5.55
Administration and selling expenses	4.15	5.23
R & D Expenses	0.81	1.55
Other expenses	0.00	0.10
Operating profit	21.93	20.73

Materials consumed

The cost of materials consumed during the year has increased by 35.06% 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 other European countries.

Power cost

Power costs have increased by 20.54% 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. Traditional lamps replaced by CFL, Metal Halide and Energy efficient tube light fitting. The impact of this was that energy consumption reduced by 65% without affecting the illumination level. Optimize the flow rate of cooling water pumps with variable frequency drives resulted in 40% energy saving.
- ii. Improved the power factor of electrical system up to 0.97. Thus reduced losses in distribution system and claimed incentive from electricity board.
- iii. Replaced one screw type brine compressor system with efficient Vapour Absorption Machine of 125 TR using steam. Electricity consumption reduced.
- iv. Optimization of solvent distillation process to reduce energy consumption by 10%

Personnel cost

The Personnel cost increased by 24.02% to Rs. 131.95 Million. The total number of employees at the end of the year stands at 885, increase in personnel cost was mainly due to recruitment of new staff for the new units and increase in R & D strength. The wage increase is attributed to the annual wage revision for all the employees of the Company. Capacity utilization has not fallen below 80% over the last five years.

Research and Development Expenses

The total expenditure towards R & D is as under :

		(Rs. In Millions)	
		2007-08	2006-07
a.	Capital	24.43	353.08
b.	Revenue	422.52	231.96
	Total	446.95	585.04
c.	Total R&D expenditure as percentage of total turnover	10.06	16.75
d.	Turnover (Net of excise)	4444.95	3492.06

Expenditure on R & D is comparatively less in the financial year 2007-08 due to less capital investment. The Revenue Expenditure on the other hand has increased by 82.15% due to an increase in the research activity towards the development of new drugs, preparation and filing of DMFs and patents in India and abroad.

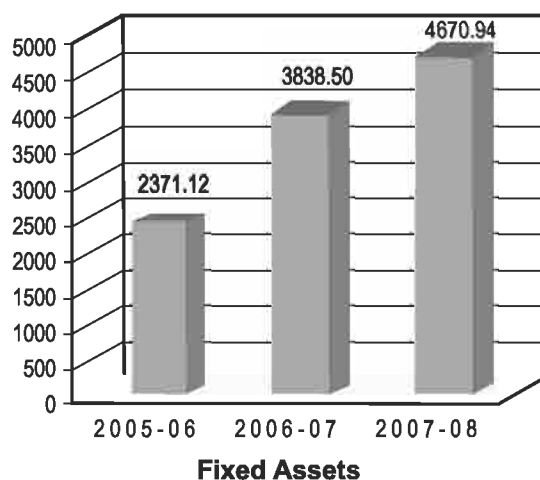
Manufacturing, Administration, Selling and Distribution expenses

Manufacturing expenses during the year decreased by 6.32% to Rs.261.41 Million in the current year from Rs. 279.06 Million in the previous year. The Administration expenses increased by 7.35% from Rs. 118.21 Million to Rs. 110.11 Million. Selling & distribution expenses decreased by 4.37%.

Fixed Assets

Investment in the fixed assets of the company increased to Rs. 4670.94 Millions from Rs. 3838.50 Million over the previous year. Fixed Assets forms an integral part of any pharmaceutical company which is effectively managed by your company.

The new manufacturing facilities at Jammu and Derabassi and the state of the art R&D centre are fully operational and contributing to the overall growth of the Company .



Loan Funds and Costs

The size and cost of debt often makes the difference between a company's success and failure, especially in capital intensive business. In the short term it impacts the profitability, while over the long term it dictates the strength with which the company is able to raise funds for future projects. In 2007-08, the company repaid borrowed funds worth Rs 760.53 Million as against Rs. 525.55 Million in 2006-07.

Over the years, the company has restructured its loan profile to strengthen its financial stability.

Profits and Margins

The PBITDA (Profit before interest, tax, depreciation and amortization) increased from Rs. 729.89 Million in 2006-07 to Rs. 997.82 Million in 2007-08. The PBITDA margin was marginally higher at 21.93% in 2007-08 as compared to 20.73% in the last year. The PAT was up by 60.17% to Rs.310.15 Million from Rs. 193.64 Million in 2006-07. This growth was witnessed because of the following :

- Higher exports (6.72% of total Exports) to high margin US Market
- Larger volumes
- Improved product mix

Shareholders' funds

The company's share capital comprises of equity share capital of Rs. 240.32 Millions .

The equity share capital has increased by Rs. 11.96 Million over the previous year. It comprised of 11,96,000 shares issued against conversion of 11,96,000 optionally convertible warrants at a price of Rs. 70/- per warrant. The Public hold 65.52% of the total subscribed and paid up capital of the company.

Reserves

In 2007-08, the company's reserves have increased over previous fiscal-from Rs. 2901.41 Million to Rs. 3090.64 Million recording a growth of 6.52%. Increasing reserves allowed the company to consistently invest in improved technology and state of the art of equipment.

Capital employed :

Capital employed of the company has increased from Rs. 4085.48 Mns to Rs.5082.52 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. The company has maintained a policy that each rupee invested in the business yields the maximum returns for the company.

Working capital :

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

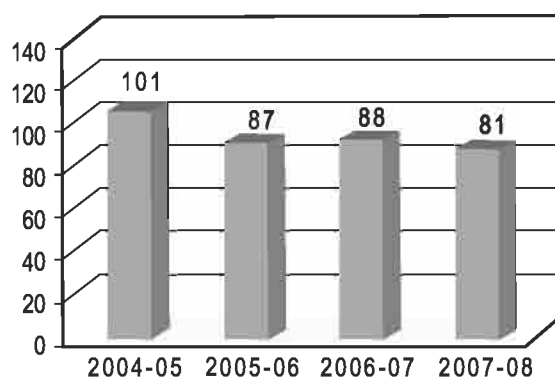
***Domestic markets** : The domestic market was a volume business charactetised by faster realizations but narrow margins.

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

The balanced mix of businesses was visible in the numbers : working capital increased from Rs. 1051.58 Million in 06-07 to Rs. 1186.60 Million in 2007-08.

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

The company's total inventory increased both in absolute numbers from Rs. 874.61 Million to Rs. 1131.11 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 50 locations around the globe.
- Each working day generates a revenue of approx. Rs. 12.4 Millions.

Non receipt of receivables and the resultant accumulation of debtors could result in an increase in the working capital requirement driving interest costs in the short terms and the disruption of operations over the long term.

The debtors at the close of the year have increased from Rs. 837.19 Million in 2006-07 to Rs. 978.43 Million in 2007-08.

Creditors :

To deliver quality material, the company must source material from quality domestic and international suppliers, making creditor management critical. The company is also required to source material from quality suppliers for which prompt payments need to be made consistently. This is especially true for material from international sources for which the demand is increasing significantly, necessitating prompt liquidation of dues. The Company has been able to maintain its credit cycle to 108 days during 2007-08.

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- Cholesterol), Fexofenadine (Anti-Histamine), Clopidogrel (Anti-Cholesterol) - Nitazoxanide (Anti-Diarrheal) , Pioglitazone (Anti-Diabetic), Letrozole & Anastrozole (Anti-Cancer) Venlafaxine (Anti-Depressants) Quetiapine & Aripirazole (Anti-Pshychotic)
- The products driving the Company's future growth include Ezetimibe (anti-hyperlipidemic), Rosuvastatin, Montelukast (anti-asthmatic) and Pioglitazone, an anti-diabetic drug..

- 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.

New Manufacturing Facilities

- The new API plant at Samba, Jammu (J&K) has contributed significantly in the Company's growth in the FY 2007-08 with additional capacities and timely delivery to the customers .
- A new facility for manufacturing of Mint products has been put to operation, which is expected to contribute to the growth of the company in future.
- The USFDA accreditations of our plants, the second one of which is expected in 2009 will enhance the Company's image and facilitate avenues of the Company's future business prospects.

Pharmaceutical Services

- The large talent pool at the new R&D centre is working on developing Commercially viable non-infringing processes for APIs for entry into regulated markets (USA, Europe etc.), Development of commercially viable processes for APIs for non-regulated markets and creating Intellectual Property assets by filing patents.
- An MOU for Collaborative Research has been signed with an Academic Institution.

International Business Strengthening Alliances

- The Joint Venture at Iran is expected to give returns from next Financial year onwards.
- Company's exports to US has crossed double digit figure and the Company has also entered into agreements with a number of leading generic companies based in US.
- Company has entered into agreements with generic companies in Japan. This will enable the Company to consolidate its foothold in the regulated markets.

Directors' Report

Dear Shareowners,

Your Directors have great pleasure in presenting the 13th Annual Report together with audited statement of accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended 31st March 2008 is summarized below:

Rs. in Millions

PARTICULARS	Year Ending 31st March 2008	Year Ending 31st March 2007
Sales (net of excise) and other Income	4550.36	3520.69
Profit before Interest, Depreciation, Tax & Amortisation	997.81	729.89
Less: - Interest	292.72	258.76
- Depreciation	198.79	122.43
- Amortisation	114.30	87.53
Loss on sale of fixed assets	2.86	6.81
Profit before Tax	389.14	254.36
Less: - Provision for Taxation	65.55	32.01
- Provision for Fringe Benefit Tax	1.78	1.40
- Provision for Deferred Tax	11.66	27.31
Profit after Tax (A)	310.15	193.64
Amount B/F from Previous year (B)	762.45	695.21
Profit after Tax available for Appropriations (A+B)	1072.60	888.85
Transfer to deferred tax liability	141.90	0.00
Provision for Dividend on Equity shares	24.03	22.84
Provision for Equity Dividend Tax	4.08	3.88
Transfer to General Reserve	15.51	9.68
Balance carried forward to Balance sheet.	887.08	762.45

OPERATIONS AND BUSINESS PERFORMANCE

Your company has achieved a turnover of Rs.4550.36 millions registering a growth of 29.24% over the previous year's turnover of Rs. 3520.38 Millions. Profit before tax increased from Rs. 254.36 millions to Rs.389.14 millions registering increase of 52.99% and profit after tax also increased by 60.17% from Rs.193.64 millions to Rs.310.15 millions. A provision for fringe benefit tax and deferred tax to the tune of Rs.1.78 million and Rs. 11.66 million was made during the financial year 2007-2008. The Earning per share increased to Rs.13.46 per share from Rs.8.72 per share.

CONSOLIDATED FINANCIAL PERFORMANCE

Your company recorded a turnover of Rs.4577.80 Million as compared to Rs.3531.05 Millions recording a growth of 29.64% in consolidated revenue for the year. Profit After Tax increased 72.27% at Rs.314.21 Millions. As required under Clause 32 of the Listing Agreements with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report and the same are annexed to this Report.

EXPORTS

Your company has recorded strong results across the global markets. Its exports during the financial year ending 31st March, 2008 were Rs.1763.95 millions as compared to Rs.1543.63 million in the previous year, recording an increase of 14.27%.

DIVIDEND

Your Directors are pleased to recommend 10% dividend (i.e Re.1/- per equity share) dividend on equity shares of Rs.10/- each for the financial year 2007-08. The dividend, if approved at the ensuing annual general meeting, will be paid on or after 1st October, 2008 to those shareholders whose names appear on the register of members of the company as on 20th September, 2008. The dividend would be tax-free in the hands of the shareholders.

The total outflow on account of the equity dividend payment, including the distribution tax, is Rs.28.11 millions (previous year Rs26.72 million), which is approximately 9.07% of net profits after tax for the year.

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

EMPLOYEE STOCK OPTION SCHEME

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

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

The Employees Stock Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme. The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2008 are annexed to the directors report.

CAPITAL STRUCTURE

The paid-up equity share capital of your company has been increased to Rs.240.32 Millions by issue of 11,96,000 equity share upon conversion of equal number of Zero Coupon Optionally Convertible Warrants at price of Rs.70/- per share on preferential basis to promoters Group Companies. These equity shares have been duly listed at the Indian Stock Exchanges.

The funds raised through the preferential allotment of shares were utilized for part financing the setting up of a new cGMP compliant manufacturing plant for the nine new molecules developed in-house by the Company's R&D team and to meet the long term working capital requirement of the Company.

SUBSIDIARY, IND-SWIFT LABORATORIES INC.

The US subsidiary of the Company viz. Ind-Swift Laboratories Inc. recorded a net Profit of \$96169/- for the first time since its inception. During the year, the total income and Net Profit after providing provision for taxes of the company were US\$ 30,45,130 and US\$ 96,169 as compared to US\$3,30,128 and (US\$ 2,52,025) 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 the appointment of M/s Jain & Associates, as Statutory Auditors of the Company for the financial year 2008-09 for shareholders approval.

COST AUDIT

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit of the Company. Subject to the approval of the Central Government, the Board has appointed M/s V. Kumar & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2007-08. The Cost Audit is under process and the Company will submit the Cost Auditors' report to the Central Government in time.

DEPOSITS

During the year under review, your company has received overwhelming response from the public to its FD schemes. The aggregate amount of fixed deposit as on 31st March 2008 was Rs.14.44 crores approx (previous year Rs. 12.69 crores) and there was no unclaimed deposit as on that date.

DIRECTORS

Sh. S.R.Mehta were appointed as the Chairman of the Company w.e.f 1st April,2008. Sh. N.R.Munjal and Sh. V.K.Mehta were re-designated and re-appointed as the Vice-Chairman and Managing Director of the Company respectively w.e.f 1st April,2008. The Directors place on

record their appreciation for the services rendered by Dr. G.Munjal during his tenure as the Chairman of the Company. He will continue as a Director on the Board of the Company.

In terms of Article 88 of the Articles of Association of the Company, Sh. V.K.Mehta and Dr. V.R.Mehta, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Brief particulars of the Directors proposed to be reappointed as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges in India, is provided as a part of the Notice to the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SEBI REGULATION & LISTING FEES

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

The Annual Listing fees for the year under review has been 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 –A to the Directors' Report.

PARTICULARS OF EMPLOYEES

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

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

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

In 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 2007-08 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.

ACKNOWLEDGEMENT

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

S.R.Mehta
Chairman

Chandigarh, 29th August, 2008.

ANNEXURE TO DIRECTORS REPORT

Annexure 'A'

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

A. CONSERVATION OF ENERGY**a) Energy Conservation measures taken and impact of measures taken :**

- i. Traditional lamps replaced by CFL, Metal Halide and Energy efficient tube light fitting. The impact of this was that energy consumption reduced by 65% without affecting the illumination level Optimize the flow rate of cooling water pumps with variable frequency drives resulted in 40% energy saving.
- ii. Improved the power factor of electrical system up to 0.97. Thus reduced losses in distribution system and claimed incentive from electricity board.
- iii. Replaced one screw type brine compressor system with efficient Vapour Absorption Machine of 125 TR using steam. Electricity consumption reduced.
- iv. Optimization of solvent distillation process to reduce energy consumption by 10%

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

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

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

a	ELECTRICITY AND FUEL CONSUMPTION	2007-08	2006-07
	1. Electricity		
	A Purchase Unit (KWH)	13190322	11395166
	Total amount (Rs.)	56052601	45142107
	Average Rate (Rs.)	4.25	3.96
	B Own Generation		
	I Through Diesel Generator set (KWH)	2785817	2085753
	Unit per Litre of diesel Oil	3.42	3.33
	Cost of fuel per unit	8.26	10.34
	II Through Steam Turbine/Generator	NIL	Nil
	2. Coal (specify quantity and where used)	NIL	Nil
	3. Furnace Oil/L.D.O. (Quantity)	21355	135059
	Total amount (Rs.)	414002	2423292
	Average Rate (Rs. Per litres)	19.40	17.94
	4. Other/Internal Generation (please give details)	NIL	NIL

b CONSUMPTION PER UNIT OF PRODUCTION

Unit	Standard	2007-08	2006-07
Electricity	(KWH)	38.68	59.25
Furnace Oil/L.D.O	(Ltr./ Kg.)	0.05	0.59
Diesel	(Ltr.)	1.97	2.75
Petroleum Coke	(Kg.)	10.31	17.98

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

The focus of research efforts are:

1. Development of 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. Cost of production of several APIs have been reduced.
2. Many new products developed and successfully commercialized in semi-regulated markets.
3. 33 process patents filed in the year 2007-08 (Indian 18; PCT 11; National Phase Entry 4).
4. Green technology developed for some existing products.
5. 15 DMFs filed in US, European and other countries till date.

c) Future plan of action

1. Collaborative Research.
2. Contract Research for development of APIs.

d) Expenditure on R & D during the year 2007 - 2008

		Rs. in Millions	
		2007-08	2006-07
a.	Capital	24.43	353.08
b.	Revenue	422.52	231.96
	Total	446.95	585.04
c.	Total R&D expenditure as percentage of total turnover	10.06%	16.75
d.	Turnover (Net of excise)	4444.95	3492.06

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 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.1763.95 millions as compared to Rs.1543.63 million with increase of 14.27%.

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.113.48 million and the earnings in foreign exchange were Rs. 1722.18 million. Details have been given at Point No. F & G of Note 35 of Notes on Accounts.

The applicable disclosures relating to Employee Stock Option Scheme as stipulated under the SEBI Guidelines as on March 31, 2008 are given below:

a. Options Granted		4,60,000
b. Exercise Price		Rs.27/-
c. Options Vested		Nil
d. Options Exercised		Nil
e. The total number of shares arising as a result of exercise of Options		Nil
f. Options Lapsed		Nil
g. Variation in terms of Options		Nil
h. Money realised by exercise of Options		Nil
i. Total number of Options in force		4,60,000
j. Employee wise details of Options granted to:		
i. Senior Management Personnel		
Dr. Lalit K. Wadhwa	Chief Technical Officer (CTO)	- 10,000
Sh. N.K. Bansal	Chief Finance Officer (CFO)	- 10,000
Sh. Vijay Kumar	President - Marketing	- 10,000
Sh. Vikas Narendra	President - US Operations	- 10,000
Sh. G.K. Sharma	Sr. Vice President - Production	- 10,000
Sh. Subodh Gupta	Sr. Vice President - Commercial	- 10,000
Sh. S.C. Srinivasan	Vice President - Research & Development	- 10,000
Sh. R.S. Dhaliwal	Vice President - Human Resources	- 10,000
Dr. J.K.Kakkar	Independent Director	- 5,000
Dr. S.D Nanda	Independent Director	- 5,000
Sh. K.M.S. Nambiar	Independent Director	- 5,000
ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year		Nil
iii. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant		Nil
k. Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'		Rs.13.26

Report On Corporate Governance

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

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

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

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

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

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

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the company. The composition of the Board of Directors is governed by the Companies Act, 1956, Listing Agreement with Stock Exchanges where the shares of the company are listed and Articles of Association of the company. The Board of Directors has an optimum combination of executive and non-executive directors and presently comprises of 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 as on 31.03.2008. The Company is in process of inducting 3 more independent Directors so as to comply with the latest SEBI circular dated 8th April, 2008.

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

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

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

30.04.2007	28.08.2007	29.01.2008
16.06.2007	22.09.2007	25.02.2008
03.07.2007	29.10.2007	14.03.2008
30.07.2007	22.12.2007	

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 2007-08 attendance		As on 31.3.2008			Share holding
		BM	Last AGM	No. of D'ships*	Committees		
					Member	Chairman	
Dr. G. Munjal Chairman**	Non Executive, Promoter	10	Yes	3	1	Nil	60900
Mr. S.R. Mehta Chairman#	Non Executive, Promoter	9	Yes	2	2	Nil	233600
Mr. N.R. Munjal Vice-Chairman	Executive, Promoter	11	Yes	2	1	Nil	105000
Mr. V.K. Mehta Managing Director	Executive, Promoter	11	Yes	4	Nil	Nil	237000
Dr. V.R. Mehta	Non Executive Director, Promoter	10	Yes	2	1	Nil	52900
Mr. Himanshu Jain	Non Executive Director, Promoter	11	Yes	2	1	Nil	43325
Dr. J.K. Kakkar	Independent Director	11	Yes	Nil	3	1	Nil
Mr. K.M.S. Nambiar	Independent Director	10	Yes	1	6	5	Nil
Dr. S.D. Nanda	Independent Director	5	Yes	Nil	3	Nil	Nil

* excludes private limited companies. ** ceased to be chairman w.e.f. 1.4.2008. # appointed as chairman w.e.f. 1.4.2008

Directors, **Sh. V.K. Mehta** and **Dr. V.R. Mehta** 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 13th 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 2007-08, four Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of quarterly financial results by the Board:

30.04.2007	29.10.2007
30.07.2007	29.01.2008

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

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during 2007-2008	No. of Committee Meeting attended
Mr. K.M.S Nambiar	Chairman	Independent/ Non-Executive	4	4
Dr. J.K Kakkar	Member	Independent/ Non-Executive	4	4
Dr S.D Nanda	Member	Independent/ Non-Executive	4	1
Dr. G. Munjal	Member	Non-Executive	4	3
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, 2008 the Committee reviewed compliance of its obligations and confirmed that it fulfilled its duties and responsibilities.

(b) REMUNERATION COMMITTEE

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

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

The Remuneration Committee met once during the year. The composition of the committee and the other detail are:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. K.M.S Nambiar	Chairman	Independent/ Non-Executive	1	1
Dr S.D Nanda	Member	Independent/ Non-Executive	1	Nil
Mr. S.R. Mehta	Member	Non-Executive	1	1
Mr. N.R Munjal	Permanent Invitee	Permanent Invitee	1	1
Mr. V.K Mehta	Permanent Invitee	Permanent Invitee	1	1

Remuneration of Directors

Executive Directors

The remuneration of Executive Directors is recommended by the Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors as approved by the shareholders. Remuneration of the Executive Directors paid in respect of the financial year 2007-08 is given below:

(Rs. In lacs)

Name of Director	Designation	Business Relationship with Company	Remuneration for the year ended 31 st March, 2008			
			Salary	Contribution to Provident Fund	Perquisites	Total
Mr. N.R. Munjal	Vice-Chairman	Promoter	63.00	0.09	4.52	67.61
Mr. V.K. Mehta	Managing Director	Promoter	63.00	0.09	2.14	65.23

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 of 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 2007-08 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	--	0.15	-	0.15
Mr. K.M.S. Nambiar	Independent Director	--	0.14	-	0.14
Dr. S.D. Nanda	Independent Director	--	0.06	-	0.06

During the year the Company has granted 5000 stock options each to the three independent directors at a price of Rs. 27/- per option. The Promoter Directors have not been granted any stock options in compliance with the SEBI Guidelines

(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, 2008 Committee met 16 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	14
Dr. J.K. Kakkar	Member	Independent/Non Executive Director	16
Mr. S.R. Mehta	Member	Non Executive Director	11
Mr. N.R. Munjal	Member	Executive Director	16

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 2007-08 were 3100.
- As on 31st March, 2008 there were no equity shares pending for transfer.
- Total No. of Shares Remated during the year 2007-08 were 1021.
- Total No. of Duplicate Share Certificates issued during the year 2007-08 were 4000.
- Total No. of shares Transmitted during the year 2007-08 were 3400.

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 2007-08 all of which have been resolved during the year. There was no complaint pending as on 31st March, 2008.

Status of Complaints	2007-08
Opening as on 1.4.2007	Nil
Received during the year	25
Resolved during the year	25
Closing as on 31.03.2008	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 2007-08, two meetings of the Compensation Committee was held.

The Composition of the Compensation Committee is given below. The Committee convened its meeting twice during the financial year 2007-08.

Member Director	Position	Category	No. of Meetings Attended
Dr. J.K. Kakkar	Chairman	Independent Non-Executive	2
Sh. K.M.S. Nambiar	Member	Independent Non-Executive	2
Dr. S.D. Nanda	Member	Independent Non-Executive	1
Sh. N.R.Munjaj	Permanent Invitee	Executive	2
Sh. V.K. Mehta	Permanent Invitee	Executive	2

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
2007-08	EGM	Bal Bhawan Sector – 23, Chandigarh	29.02.2008	10.30 A.M.	1
2007-08	12th AGM	B.M.S. Lobana Bhawan Sector – 30 A, Chandigarh	29.09.2007	11.00 A.M	1
2006-07	EGM	Bal Bhawan Sector – 23, Chandigarh	23.02.2007	10.00 A.M.	1
2006-07	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

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 2007-08 the following mentioned Resolutions were passed seeking approval of shareholders.

- In the EGM held on 29th February, 2008, the shareholders approved the:
 - Issue of Zero Coupon Convertible Warrants
- In the AGM held on 29th September, 2007, the shareholders approved the:
 - Appointment of Mr. Sahil Munjal as Manager IT of the Company.

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, 2008.

V.K.Mehta

CEO & Managing Director

Chandigarh

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

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

7. DISCLOSURES

A. Related Party Transactions

Transactions with related parties are disclosed in Note No. 7b of Schedule 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.indswiflabs.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 26th September, 2008
- Time 10.00 A.M.
- Venue B.M.S. Lobana Bhawan , Sector-30-A, Chandigarh

II Financial Calendar

Financial reporting for the financial year 2008-09 for

- Quarter ending
June 30, 2008 Already adopted on 30th July, 2008
- Quarter ending
September 30, 2008 By 31st October 2009
- Quarter ending
December 31, 2008 By 31st January 2009
- Year ending
March 31, 2009 By 30th June 2009
(As Audited Results will be considered)
- Annual General Meeting
for the year ending
March 31, 2009 By September 2009.

III Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Monday, 22nd September, 2008 to Friday, 26th September, 2008 (both days inclusive) for the purpose of final Dividend.

IV Dividend Payment Date

The dividend as recommended by the board of directors, if declared at this Annual General Meeting will be paid on or after 1st October, 2008 to those members whose names stand registered in the Register of Members as on Monday, September 22nd, 2008 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 Saturday, September 20th, 2008 and dividend warrants will be dispatched before Monday, 20th, October 2008.

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 2008-09 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 Share Price Movement during 2007-08 at BSE & NSE

MONTH	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April 2007	63.40	54.75	610851	63.40	54.65	892608
May 2007	62.45	55.00	686413	62.00	55.10	832498
June 2007	63.85	55.70	1080367	63.50	55.50	355016
July 2007	74.85	57.50	2511929	74.80	57.30	3725188
August 2007	63.00	50.00	1134146	62.50	50.60	1451572
September 2007	61.50	53.55	1880267	61.40	53.60	2034009
October 2007	58.50	49.50	1046438	58.00	49.00	1293478
November 2007	66.90	50.00	1906443	66.70	49.00	1504577
December 2007	88.55	57.15	6094402	88.00	56.65	6420978
January 2008	98.60	47.20	4013664	99.90	46.60	3686542
February 2008	68.05	53.00	950853	68.40	52.50	878664
March 2008	59.75	37.25	1096445	61.90	37.05	1142925
Total			23012218			24218055

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

VII Registrar and Share Transfer Agent

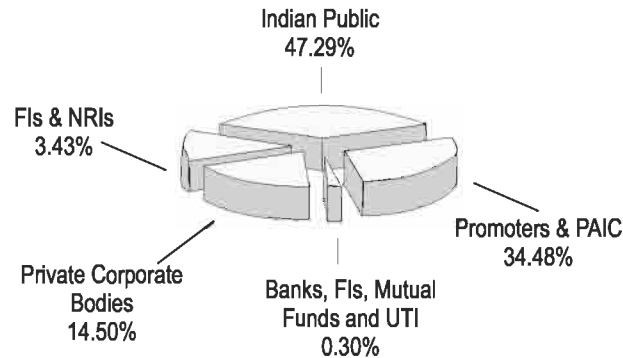
Transfer Agent for physical transfer and Demat of Shares :

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

VIII Distribution of Equity Shareholding as on 31st March 2008

Category	No. of Shares Held	%age of Shareholding
Promoters & PAIC	8285346	34.48
Banks, FIs, Mutual Funds and UTI	71129	0.30
FIs & NRIs	825560	3.43
Private Corporate Bodies	3485102	14.50
Indian Public	11364813	47.29
Total	24031950	100.00

Shareholding Pattern as on 31.03.2008



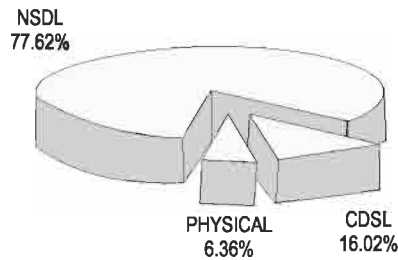
IX Distribution Schedule as on 31st March 2008

Shares or Debenture holding of Nominal Value of	No. of Share Holders	% age of Total Holders	Shares/ Debenture Amount	% age of Total Equity
Upto 5000	23579	84.313	39710000	16.523
5001 to 10,000	2334	8.346	19388380	8.068
10,001 to 20,000	1043	3.730	16019190	6.666
20,001 to 30,000	360	1.287	9307290	3.873
30,001 to 40,000	146	0.522	5208550	2.167
40,000 to 50,000	128	0.458	6014550	2.503
50,001 to 1,00,000	204	0.729	14656210	6.099
1,00,000 and above	172	0.615	130015330	54.101
TOTAL	27966	100.000	240319500	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 2008, 22503645 equity shares of the company, forming 93.64% of the share capital of the company, stand dematerialized.

Mode of Shares	Number of Shares	%
NSDL	18652554	77.62
CDSL	3851091	16.02
Physical	1528305	6.36
Total	24031950	100.00

Shares held in Physical Form and Dematerialised Form as on 31.03. 2008**XI Outstanding GDRs/ADRs/Warrants or any convertible instruments.****Depository Receipts**

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, 2008, 141213 GDR's were outstanding.

Optionally Convertible Warrants

Out of 28,00,000 Zero Coupon optionally Convertible Warrants issued by Company in March 2007, 3,35,000 warrants were converted into 3,35,000 Equity Shares as on 31.03.2007. Further during the year 2007-08, 11,96,000 warrants were converted into 11,96,000 Equity Shares. 12,69,000 Zero Coupon Optionally Convertible Warrants stands outstanding as on 31st March, 2008.

During the Financial year 2007-08, Company has issued 25,00,000 new Zero Coupon Optionally Convertible Warrants (2008 series) to Promoter Group Company and other Bodies Corporate. None of these warrants were converted as on 31.03.2008

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 Designated Exclusive Email id

The Company has designated the following email id exclusively for investor servicing :
 investor.relations@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 2008 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, 2008.

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
Date: 29.8.2008

(R.K. GULATI)
Partner

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 2008** and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by Companies (Auditors' Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) Attention is invited to Note No 9 of Notes to Accounts regarding the treatment of Deferred Tax Liability.
 - b) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - c) In our opinion, the Company has kept proper books of accounts as required by law, so far as appears from our examination of the books.
 - d) The Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with accounting standards specified by The Institute of Chartered Accountants of India referred to in Section 211(3C) of Companies Act, 1956.
 - f) On the basis of the written representations received from the Directors as on 31.3.2008 & taken on record by the Board of Directors, we report that none of the Directors is disqualified for being appointed as a Director in terms of Clause (g) of sub-section (1) of Sec 274 of the Companies Act, 1956.
 - g) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view.
 - i) In the case the Balance Sheet, of the state of affairs of the Company as at 31st March 2008.
 - 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: 19.06.2008

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

- I. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets over a period of two years. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.
 - c) During the year, Company has not disposed off any substantial / major part of fixed assets.
- II. In respect of its inventories:
 - a) The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- III.
 - a) According to the information and explanations given to us, the company has granted unsecured loan of Rs.3263.97 Lacs to two parties covered in the register maintained under section 301 of the Companies Act 1956.
 - b) The loans given are short term, unsecured and in our opinion the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.

c&d) As per information provided the repayment of principal and interest is not due till 31.03.2008.

 - 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 disputed amounts payable in respect of Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, and Cess were outstanding as on 31.03.2008 except Income Tax Demand of Rs. 8.16 Lacs for Assessment Year 2002-03 for which appeal is pending with Income Tax Tribunal.
- X. The Company does not have accumulated losses at the end of the year and has not incurred any cash losses during the current and the immediately preceding financial year.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- XII. According to the information and explanations, given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
- XIV. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. According to the information and explanations given to us, the company has given corporate guarantee for loans taken by others from banks or financial institutions and In our opinion, the same are not prejudicial to the interest of the Company.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- XVII. According to the Cash flow statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- XVIII. The company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956, during the year and the price at which shares have been issued is not prejudicial to the interest of the Company.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised monies by public issue during the year.
- XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

FOR JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K.GULATI)
PARTNER

Membership No. 11999

PLACE: CHANDIGARH
DATE: 19.06.2008

BALANCE SHEET AS AT MARCH 31, 2008

PARTICULARS	SCHEDULE	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
I. SOURCES OF FUNDS			
(1) Shareholder's Funds			
Share Capital	I	240319500	228,359,500
Reserves & Surplus	II	3090640003	2,901,411,355
Share Application money		31635000	17,255,000
(2) Loan Funds			
Secured Loans	III	2743679415	2,634,492,336
Unsecured Loans	IV	387105856	278,280,579
(3) Deferred Tax Liability			
		328989817	175,421,381
	TOTAL	6822369591	6,235,220,151
II. APPLICATION OF FUNDS			
(1) Fixed Assets (Cost/Revalued Cost)			
Gross Block	V	4693895957	3,928,534,296
Less: Depreciation		485239993	312,849,670
Net Block		4208655964	3,615,684,626
Assets held for Disposal		11484569	12,550,500
Capital Work In Progress		450799943	210,330,629
		4670940476	3,838,565,755
(2) Investments			
		233751107	226,455,718
(3) Current Assets, Loans and Advances			
(a) Inventories	VI	1131109311	874,607,344
(b) Sundry Debtors		978426866	837,189,945
(c) Cash and Bank Balances		117635767	98,821,551
(d) Loans and Advances		880800279	649,198,600
		3107972224	2,459,817,441
Less			
(a) Current Liabilities		1129685627	717,313,207
(b) Provisions		72288221	55,098,389
Current Liabilities & Provisions	VII	1201973849	772,411,595
Net Current Assets		1905998375	1,687,405,845
(4) MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	VIII	11679633	482,792,832
	TOTAL	6822369591	6,235,220,151
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
Chartered Accountants

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D. NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

PARTICULARS	SCHEDULE	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
INCOME			
Gross Sales & Operating Income	IX	4,629,665,463	3,589,677,622
Less: Excise Duty		79,303,757	68,992,341
Net Sales & Operating Income		4,550,361,706	3,520,685,281
	Total-A	4,550,361,706	3,520,685,281
EXPENDITURE			
Cost of Materials Consumed	X	3,065,880,337	2,269,961,203
Manufacturing Expenses	XI	261,408,392	279,058,511
Administrative & Other Expenses	XII	118,211,079	110,115,123
Selling and Distribution Expenses	XIII	70,718,527	73,950,978
Financial Charges	XIV	292,719,911	258,757,154
Research & Development Expenses	XV	36,836,189	54,451,166
Loss on Sale of Fixed Assets		2,860,138	6,814,435
Depreciation		151,368,156	122,432,525
Misc. Expenditure Written Off		114,304,924	87,525,502
Impairment of Assets		47,420,836	-
Provision for Doubtful Debts		-	943,415
	Total-B	4,161,728,488	3,264,010,011
Profit For the Year Before Tax (A-B)		388,633,218	256,675,270
Previous Year Income		1,435,468	194,083
Previous Year Expenses		928,090	2,510,267
Profit for the year before Tax		389,140,596	254,359,085
Provision for Income Tax		43,888,511	28,381,469
Income Tax Adjustment of Previous Years		21,660,350	3,623,827
Fringe Benefit Tax		1,775,099	1,404,817
Profit Before Deferred Tax		321,816,636	220,948,973
Provision for Deferred Tax		11,664,684	27,310,829
Profit available for appropriation		310,151,952	193,638,144
Profit available for appropriation		310,151,952	193,638,144
Provision for dividend on Preference Shares		-	-
Provision for preference dividend tax		-	-
Profit available for Equity Shareholders		310,151,952	193,638,144
Provision for dividend on Equity Shares		24,031,950	22,835,950
Provision for Equity dividend tax		4,085,432	3,880,970
Transfer to General Reserve		15,507,598	9,681,907
Retained Profit		266,526,973	157,239,317
Basic Earning per share		13.46	8.72
Diluted Earning per share		13.26	8.62
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

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K. Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D. NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

CASH FLOW STATEMENT

PARTICULARS	Rs in Lacs	
	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra-Ordinary Items	3891.41	2543.59
ADJUSTMENTS FOR:		
i) Depreciation/Impairment	1987.89	1224.33
ii) Misc Expenditure W/Off	1143.05	875.26
iii) Exchange (profit)/loss	(475.06)	(77.33)
iv) Interest on term loans	1626.28	1727.14
v) Interest received	(537.33)	(199.23)
vi) Provision for Doubtful Debts	0.00	9.43
vii) Loss on sale of fixed assets	28.60	68.14
viii) Employee Stock Option Expense	13.90	0.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENTS FOR:	7678.73	6171.33
i) Trade & Other Receivables	(1787.62)	(1615.82)
ii) Inventories	(2565.02)	(481.43)
iii) Loan & advances	(1985.09)	(2246.65)
iv) Current Liabilities	4469.30	1227.63
v) Working Capital Borrowing	835.84	2047.64
vi) Income taxes (Including Advance Tax/TDS)	(849.10)	(472.80)
	(1881.68)	(1541.44)
Net Cash flow from operating Activities	5797.05	4629.89
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of fixed Assets	(3808.39)	(6655.00)
ii) Sale of fixed assets	279.18	90.70
iii) Purchase of Investments	(72.95)	(524.71)
iv) Product Technology Development Expenditure	(3504.72)	(1546.67)
v) Interest Received on Fixed Deposits	537.33	199.23
Net Cash from investing activities	(6569.55)	(8436.45)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Share Capital	119.60	93.45
ii) Advance agst Share Capital	143.80	46.69
iii) Proceeds from Securities Premium	717.60	831.00
iv) Proceeds from Term Loans From Banks & Financial Institutions	6657.86	9229.91
v) Repayment of Term Loans to Banks & Financial Institutions	(6605.30)	(4413.95)
vi) Proceeds from Short Term Loans from Others	2750.00	585.00
vii) Repayment of Short Term Loans from others	(1000.00)	(841.50)
viii) Interest paid on term loans	(1731.14)	(1628.20)
ix) Proceeds from Fixed deposit	687.21	600.71
x) Repayments of Fixed deposit	(511.81)	(375.53)
xi) Preference Dividend Paid	0.00	(3.51)
xii) Preference Dividend Tax Paid	0.00	(0.46)
xiii) Equity Dividend Paid	(228.36)	(331.80)
xiv) Equity Dividend Tax Paid	(38.81)	(46.53)
Net Cash flow from Financing Activities	960.65	3745.29
Net increase in Cash or Cash Equivalents	188.14	(61.27)
Cash & Cash Equivalents as on 31.3.2007	988.22	1049.48
Cash & Cash Equivalents as on 31.3.2008	1176.36	988.22

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

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D.NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Ind-Swift Laboratories Limited, derived from the audited financial statements for the year ended 31st March 2008 and found the same to drawn in accordance therewith and also with requirements of clause 32 of the Listing Agreement with the Stock Exchange.

for JAIN & ASSOCIATES
Chartered Accountants

Date: 19.06.2008
Place: Chandigarh

R.K GULATI
Partner
Membership No. 11999

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (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
Total	350,000,000	350,000,000
Issued, Subscribed & Paid Up		
2,40,31,950 (Previous Year 2,28,35,950) Equity Shares of Rs.10/- each fully called up and paid up.	240,319,500	228,359,500
Total	240,319,500	228,359,500
SCHEDULE - II		
RESERVES & SURPLUS		
(a) Capital Reserves :		
Capital Redemption Reserve	2,000	2,000
Share Warrants forfeited Account	5,686,113	5,686,113
Equity share forfeited Account	866,500	866,500
State subsidy on DG Set	1,003,525	-
(b) Securities Premium	1,117,456,900	1,045,696,900
(c) Revaluation Reserve	977,137,605	1,013,872,500
(d) Employee Stock Option Outstanding	13,069,200	-
(e) General Reserve		
As per last Balance Sheet	72,834,697	53,581,749
Add Transfer during the year	15,507,598	99,681,907
Less Impairment of Assets of earlier Years		80,428,959
(f) Profit & Loss Account		
As per last Balance Sheet	1,028,979,618	-
Less Deferred Tax Liability of Previous Years	762,452,645	695,213,329
Less Transfer to General Reserve	141,903,752	-
Add Transfer from Profit & Loss Account	15,507,598	90,000,000
	282,034,571	157,239,316
Total	3,090,640,003	2,901,411,355
SCHEDULE - III		
SECURED LOANS		
(A) Loans and Advances from Banks		
(a) Borrowings for working capital.	719,401,862	635,817,812
(b) Term Loans	1,811,284,405	1,860,665,455
(c) Other Loans	33,145,701	16,909,176
(B) Other Loans and Advances		
Term Loans from		
(a) Financial Institutions	141,311,894	107,720,309
(b) Others	38,535,553	13,379,583
Total	2,743,679,415	2,634,492,336

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Note

- a) Bank borrowings for working capital (Rs. 71.94 crores) are secured by a pari passu, first charge by way of 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 State Bank of India, Axis Bank, State Bank of Patiala, Bank of India, Catholic Syrian Bank, Export Import Bank of India, Industrial Development Bank of India, South Indian Bank, ABN Amro Bank, Standard Chartered Bank (Rs.169.42 crores) are secured by first pari-passu charge by way of Joint Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at Derabassi Punjab & E-V, Industrial Focal Point, Mohali and a first charge by way of hypothecation of all its movable assets (save and 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 above Loan include term loan from State Bank of India & Catholic Syrian Bank (Rs. 14.61 Crores) which are further secured by Corporate Guarantee of Ind Swift Ltd.
- Out of above Loans amounting to Rs. 127.85 Crores are further secured by the personal guarantee of Promoter Directors.
- c) The term loan of Bank of India (Rs. 4.64 crores) is secured only on movable fixed assets including Plant and Machinery located at Company's plant at Samba, Jammu.
- d) Term loans from State Bank of Indore (Rs. 7.00 crores) & Barcalays Bank (Rs. 7.50 crores) are secured by subservient charge on all of the assets of the company and are additionally secured by personal guarantees of Six and Three Promoter Director Respectively.
- e) Term loans from Technology Development Board (Rs. 0.80 crore) is secured by way of charge on the movable assets & Rs. 2.80 crore is secured by way of charge on Movable fixed assets and Personal Guarantee of Two Promoter Directors of the Company.
- f) ICICI Home Loan (Rs. 25.37 lacs) is in the name of Mr. N.R. Munjal and is secured against the office premises in Mumbai
- g) Vehicle Loans (Rs. 3.31 crore) are secured against hypothecation of the vehicles under the hire purchase agreement.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	As at	As at
	31.03.2008 (Rs.)	31.03.2007 (Rs.)
SCHEDULE - IV UNSECURED LOANS		
(a) Fixed Deposits	144,405,856	126,866,141
(b) Short Term Loan & Advances		
From Banks	-	31,914,438
From Others	42,700,000	19,500,000
(c) Other Loans & Advances		
From Banks	200,000,000	100,000,000
Total	387,105,856	278,280,579

Other Loans & Advances from Bank includes Rs.2000.00 Lac Loan from Bank of Rajasthan (Rs. 1000.00 Lac) & IDBI (Rs. 1000.00 Lac), which are secured by the personal guarantees of Promoter Directors.

SCHEDULE - V FIXED ASSETS

Amt. In Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	AS ON 1/04/2007	ADDITION	SALE/ TRANSFER	AS ON 31/03/2008	AS ON 1/04/2007	DURING THE PERIOD	DURING THE YEAR WRITTEN BACK	AS ON 31/03/2008	AS ON 31/03/2008	AS ON 31/03/2007
TANGIBLE ASSETS										
LAND FREE HOLD	456,151,650	1,420,880	-	457,572,530	-	-	-	457,572,530	456,151,650	
LAND LEASE HOLD	10,747,600	6,372,850	-	17,120,450	243,077	196,787	-	16,680,586	10,504,523	
FACTORY BUILDINGS	414,136,896	63,208,388	-	477,345,284	29,078,819	14,813,242	-	43,892,060	433,453,224	385,058,078
OFFICE BUILDINGS	32,445,273	480,666	-	32,925,939	2,304,661	528,879	-	2,833,540	30,092,399	30,140,612
R&D BUILDINGS	148,474,474	383,424	3,269,658	145,588,240	1,844,845	4,861,933	-	6,708,777	138,881,462	148,629,629
BUILDINGS - PILOT PLANT	17,021,567	-	-	17,021,567	863,643	588,520	-	1,432,183	15,589,404	18,157,924
PLANT&MACHINERY	2,018,936,975	210,144,180	102,957,086	2,126,124,069	189,567,256	108,383,543	14,825,904	281,124,895	1,844,999,175	1,829,389,719
R&D MACHINERY	367,320,668	24,428,757	1,303,270	390,446,155	20,369,490	19,504,415	244,549	39,629,356	350,816,799	346,951,178
PLANT & MACHINERY - PILOT PLANT	39,233,698	-	-	39,233,898	3,093,887	2,071,539	-	5,165,426	34,068,272	36,139,811
ELECTRIC INSTALATIONS	232,290,749	29,808,485	-	261,899,233	17,556,062	11,295,853	-	28,851,916	233,047,318	214,734,686
ELECTRIC INSTALLATIONS - PILOT PLANT	3,439,389	-	-	3,439,389	242,412	163,371	-	405,783	3,033,808	3,196,977
FURNITURE & FIXTURES	26,102,435	3,630,809	-	29,733,244	2,692,980	1,776,140	-	4,469,120	25,264,124	23,409,455
OFFICE EQUIPMENTS	59,707,852	7,496,003	-	67,203,855	15,641,755	9,020,209	-	24,661,964	42,541,891	44,066,097
VEHICLES	39,976,533	27,578,856	2,908,163	64,647,225	10,537,990	4,635,875	869,239	14,304,627	50,342,598	29,438,542
INTANGIBLE ASSETS										
R&D TECHNOLOGY-	62,548,537	501,046,541	-	563,595,078	18,812,793	12,509,707	-	31,322,501	532,272,577	43,735,744
TOTAL	3,928,534,298	875,799,838	110,438,177	4,693,895,957	312,849,670	188,330,013	15,939,691	485,239,993	4,208,655,964	3,815,884,828
PREVIOUS YEAR	2,114,778,239	1,955,008,621	141,252,564	3,928,534,296	222,806,137	122,432,524	32,388,991	312,849,670	3,615,684,626	1,891,972,101

Note: Depreciation provided during the year includes depreciation on Revalued Fixed Assets amounting to Rs. 3,67,34,895/- which is deducted from Revaluation Reserves. Fixed Assets comprising of Plant & Machinery, Buildings & Electric Installations installed at Pilot Plant have been segregated.

CAPITAL WORK IN PROGRESS	AS ON 1/04/2007	ADDITIONS	CAPITALISATION	AS ON 31/03/2008				AS ON 31/03/2008	AS ON 31/03/2007
DESCRIPTION									
(a) BUILDING	-	98,880,662	61,672,547	37,208,115	-	-	-	37,208,115	-
(b) PLANT & MACHINERY	-	312,768,323	177,056,521	135,711,802	-	-	-	135,711,802	-
(c) ELECTRICAL FITTINGS	-	44,849,175	24,854,253	19,994,922	-	-	-	19,994,922	-
(d) EXPENSES PENDING CAPITALISATION	-	61,843,126	43,407,793	18,435,333	-	-	-	18,435,333	-
INTANGIBLE ASSETS									
(e) PRODUCT TECH. DEVELOPMENT EXP. IN PROGRESS	-	718,956,584	501,046,541	217,910,043	-	-	-	217,910,043	-
(f) ADVANCE FOR CAPITAL GOODS	210,330,830	-	-	21,539,728	-	-	-	21,539,728	210,330,830
TOTAL	210,330,830	1,237,297,870	808,037,655	450,799,943	-	-	-	450,799,943	210,330,830
PREVIOUS YEAR	479,153,178	591,392,038	818,191,226	210,330,630	-	-	-	210,330,630	479,153,176

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
SCHEDULE - VI		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
I) INVENTORIES		
(As per inventories taken, valued & certified by the Management)		
Stores & Consumable	13,428,556	11,811,584
Raw Materials	376,784,851	265,959,205
Work in Process	640,278,846	541,734,561
Finished Goods	100,617,058	55,101,995
TOTAL	1,131,109,311	874,607,344
II) SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	29,092,473	65,453,016
- Considered doubtful	5,783,122	5,783,122
Other Debts	949,334,393	771,736,929
	984,209,988	842,973,067
Less: Provision for Doubtful Debts	5,783,122	5,783,122
TOTAL	978,426,866	837,189,945
III) CASH AND BANK BALANCES		
Cash in hand	3,209,097	4,392,537
Bank balances with Scheduled Banks :		
Fixed deposits	82,436,791	68,292,234
Interest accrued on fixed deposits	3,346,191	1,281,194
Current Accounts	28,643,688	24,855,586
TOTAL	117,635,767	98,821,551
B) LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in Cash or in Kind or for value to be received	590,355,021	475,099,715
Cenvat/ Vat Recoverable	213,836,616	128,881,007
Advance Custom Duty Paid/DEPB	406,452	1,370,547
Advance Tax/ TDS	59,591,884	26,498,993
Prepaid Expenses	9,962,497	8,046,563
Security deposits	6,647,810	9,301,775
TOTAL	880,800,279	649,198,600

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
SCHEDULE - VII		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding dues to small scale Industrial undertakings	3,344,403	993,058
Outstanding dues of Creditors other than Small Scale Industrial Undertaking	1,037,458,702	639,127,779
Statutory Liabilities	7,543,850	7,078,562
Expenses Payable	33,454,816	29,164,558
Interest accrued but not due	47,883,856	40,949,250
SUB TOTAL	1,129,685,627	717,313,207
B) PROVISIONS :		
Income Tax	44,170,840	28,381,469
Equity Share Dividend	24,031,950	22,835,950
Tax on proposed equity share dividend	4,085,432	3,880,970
TOTAL	1,201,973,849	772,411,596

SCHEDULE - VIII

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

1 Capital Enhancement Expenses	-	220,500
2 Research & Development upto 31.03.03	-	540,995
3. Development Expenditure	-	460,763,928
4. Development Expenditure not adjusted	-	21,267,409
5. Deferred Employee Compensation Expenses	11,679,633	-
TOTAL	11,679,633	482,792,832

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
SCHEDULE -IX		
Gross Sales & Operating Income		
Domestic	2,760,301,954	2,017,428,157
Exports	1,763,955,564	1,543,629,521
Operating Income	105,407,946	28,619,944
TOTAL	4,629,665,463	3,589,677,622
SCHEDULE -X		
COST OF MATERIAL CONSUMED/SOLD		
Opening Stock	264,883,305	343,366,703
Purchases	3,318,281,379	2,316,893,607
	3,583,164,684	2,660,260,310
Less: Closing Stock	373,224,999	264,883,305
TOTAL (A)	3,209,939,685	2,395,377,005
INCREASE /DECREASE IN INVENTORY		
Opening Stock		
Work in Process	541,734,561	418,070,572
Finished Goods	55,101,995	53,350,182
	596,836,556	471,420,754
Closing Stock		
Work in Process	640,278,846	541,734,561
Finished Goods	100,617,058	55,101,995
	740,895,904	596,836,556
TOTAL (B)	144,059,348	125,415,802
TOTAL (A-B)	3,065,880,337	2,269,961,203
SCHEDULE -XI		
MANUFACTURING EXPENSES		
Job Work Charges	68,300,236	70,813,717
Wages	70,315,528	49,996,632
P.F. & other funds	3,955,051	4,185,326
Power, Fuel & Water Charges	100,839,083	83,658,145
Stores & Spares	15,324,537	12,777,108
Repair & Maint. :		
Plant & Machinery	943,903	955,978
Buildings	205,642	916,401
Electrical	1,084,826	374,107
Excise Duty Paid	-	54,567,660
Other manufacturing Expenses	439,585	813,436
TOTAL	261,408,392	279,058,511
SCHEDULE -XII		
ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneration		
--Salary & Allowances	12,600,000	10,800,000
--Contribution to P.F.	18,720	18,720
Salary & Allowances	31,328,644	31,892,005
P.F. & other funds	1,796,818	1,854,963
Gratuity Premium	4,452,475	1,431,558
Travelling & conveyance	11,020,170	12,824,138
Payment to Auditors		
Audit Fees	337,080	300,000
Taxation Matters	45,000	180,000
Rent	2,850,118	1,756,581

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
Rate & Taxes	1,906,003	2,826,462
Insurance	7,589,519	6,656,130
Legal & Professional Charges	3,402,882	1,560,818
Printing & Stationary	6,634,648	5,545,824
Vehicle Running & Maint.	10,710,247	9,527,511
Telephone & Postage	6,804,726	8,211,440
Office Expenses	4,308,155	3,466,784
Charity & Donation	196,702	282,263
Listing Fees	137,686	369,318
Books & Periodicals	544,982	374,576
Meeting, Membership & Subscription Fees	503,479	1,096,706
Security Expenses	2,985,794	2,739,945
Staff Welfare	4,210,773	2,995,612
Training & Development Exp	435,619	1,026,182
Repair & Maintenance Gen.	1,943,899	1,458,397
Recruitment Exp	799,044	387,142
Other Expenses	647,895	532,050
TOTAL	118,211,079	110,115,123
SCHEDULE -XIII		
SELLING & DISTRIBUTION EXPENSES		
Advertisement & publicity	676,433	1,148,362
Business Promotion	2,512,488	3,897,024
Commission on Sales	25,578,900	33,230,123
Packing Material	11,133,186	7,749,871
Rebate & Discount	1,247,470	88,600
Freight Outward	25,933,382	22,526,956
Insurance Charges	656,201	569,879
ECGC Premium	2,950,961	2,391,632
Bad Debts w/off	11,286	2,348,532
Other Expenses	18,222	-
TOTAL	70,718,527	73,950,978
SCHEDULE -XIV		
INTEREST AND FINANCIAL CHARGES (NET)		
Interest on Term Loans	162,627,967	172,713,676
Interest on Working Capital from Banks	98,584,792	61,934,322
Bank Charges & Others	29,887,244	20,114,440
Brokerage & Commission	1,619,909	3,977,671
Diff in Foreign Ex Fluctuation	-	17,045
TOTAL	292,719,911	258,757,154
SCHEDULE -XV		
RESEARCH & DEVELOPMENT EXPENSES		
Salary & Wages & Other Allowances	18,849,545	15,600,977
Administration Exp	680,793	431,676
Consumables & Chemicals & Regents	14,417,683	35,216,357
Repair & Maintenance - Machinery	1,528,078	591,137
Technical Study & Consultancy	1,360,090	2,611,019
TOTAL	36,836,189	54,451,166

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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

4 INVENTORIES

Inventories are valued as under :

Stores & spares are valued at cost.

Raw Materials are valued at cost on FIFO basis.

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

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

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

5 RECOGNITION OF INCOME AND EXPENDITURE

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

6 FOREIGN CURRENCY TRANSACTIONS

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

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

7 RETIREMENT BENEFITS

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

8 EMPLOYEE STOCK OPTION

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

9 CURRENT & DEFERRED TAX

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

10 CONTINGENT LIABILITY

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

11 MISCELLANEOUS EXPENDITURE

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

12 GOVERNMENT SUBSIDY

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

13 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.

14 INVESTEMENTS

Long term Investments are being valued at cost

15 IMPAIRMENT OF ASSETS

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

16 OTHER ACCOUNTING POLICIES

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

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

B NOTES ON ACCOUNTS

1	Contingent liabilities not provided for:	2007-08	(Rs.in lacs) 2006-07
a.	Letter of Credit against purchase of raw material:	1426.57	958.00
b.	Export obligation in respect of custom duty :	171.60	300.43
c.	Contingent Liabilities in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax.	Unascertained	Unascertained
d.	Corporate guarantees given on behalf of		
	Ind Swift Land Ltd	2500.00	3000.00
	Ind Swift Ltd	Nil	9.90
	Kiran Flour Mills Pvt Ltd*	7100.00	Nil

* Corporate Gurantee given to State Bank of India against the Working Capital Facilities sanctioned to Kiran Flour Mills Pvt Ltd. The Extent of working capital limit released by the Bank & outstanding amount against that is Rs. 1017.11 Lac as on 31.03.08

2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 320.11 lacs (Previous year Rs. 426.07 Lacs)

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

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

5	DIRECTOR REMUNERATION INCLUDES	2007-08	2006-07
a	SALARY		
	Managing Director	6,300,000	5,400,000
	Jt. Managing Director	6,300,000	5,400,000
b	CONTRIBUTION TO PROVIDENT FUND		
	Managing Director	9,360	9,360
	Jt. Managing Director	9,360	9,360
c	PERQUISITES		
	Managing Director	452,079	424,120
	Jt. Managing Director	214,452	522,530
	Total	13,285,251	11,765,370

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

	2007-08	2006-07
Profit for the year before taxation as per P&L Account	389,140,596	254,359,085
Add: Directors' Remuneration	13,285,251	11,765,370
Loss on sale of Fixed Assets	2,860,138	6,814,435
Provision for Doubtful Debts	-	943,415
Eligible Profit for Computation of Director Remuneration	405,285,985	273,882,305

6 Other expenses under head administrative expenses includes Rs. 35,000 (Previous Year Rs.55,500) paid to directors as sitting fee.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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

a. List of related parties and their relationship

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

b. Related party transactions

Name of related party	Rs. in Lacs									
	Ind-Swift Limited		Essix Biosciences Limited		Ind-Swift Laboratories Inc. USA		Ind Swift Land Ltd		Hakim Farayand Chemi Co (Iran)	
	2007-08	2008-07	2007-08	2008-07	2007-08	2008-07	2007-08	2008-07	2007-08	2008-07
(1) Nature of transactions										
Transactions during the year.										
Purchases.	2256.15	112.64	28.67	430.21						
Sales	2883.16	1287.11	411.98		1197.66	83.58	1.78	9.99	254.38	
Purchased DEPB										
Interest Receivable	450.95	170.45					26.95			
Expenses	2.85	4.09								
Corporate Gurantee Given		9.90					2500.00	3000.00		
(ii) Outstanding balances as on 31.03.07										
Share Capital	623.07	503.47	18.28	17.88					413.47	340.52
Investment			767.50	767.50	544.54	544.53	482.00	482.00		
Advances	3238.20	3279.27		31.50			25.77	4.93		
Debtors	530.30	1024.45	359.13		686.20	55.67	11.77	9.99	225.72	
Creditors	30.74	55.96								
Unsecured Loans										

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)

	2007-08	2006-07
Profit available for Equity Shareholders(in Rs.)	310151952	193638143
For Basic Earning		
No of weighted average equity shares	23045087	22203514
For Diluted Earning		
Effect of diluted equity shares equivalent to (Equity Share Warrants 37,69,000 (Previous Year 24,65,000) pending for conversion)	344852	249877
No of weighted average of Diluted Equity Shares	23389939	22453390
Nominal Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
Basic	13.46	8.72
Diluted	13.26	8.62

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

9 Deferred Tax:

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2008 is as under: Rs. In lacs

Deferred Tax Liabilities	2007-08	2006-07
Timing Difference on account of :		
A: Depreciation	6026.28	3392.81
B: Deferred amounts in respect of		
a) Research & Development Exp (upto 31.03.2003)	0.00	1.84
b) Seed Marketing Expenditure	0.00	0.75
c) Development Expenditure	0.00	1638.42
Total B	0.00	1641.01
Total A+B	6026.28	5033.82
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	19.66	19.66
Carried Forward Loss as per Income Tax Act	2716.73	3259.94
Total	2736.38	3279.60
Deferred Tax Liabilities net	3289.90	1754.21
Deferred Tax Liabilities (Assets) Charged to Revenue Reserve	1419.03	0.00
Deferred Tax Liabilities (Assets) Charged to P&L A/c	116.65	273.12

Income Tax Returns have been revised on account of Depreciation in respect of earlier years commencing from 01-04-01 to 31-03-06. The Impact of Deferred Tax Liability of these years amounting to Rs.1419.03 Lac have been deducted from Opening Balance of Revenue Reserve.

- 10 The balance in the parties accounts whether in debit or credit are subject to confirmation and resultant adjustment.
- 11 Operating Income consists of following

Particulars	Rs./Lac	
	FY 2007-08	FY 2006-07
Interest Income (Gross)	537.33	199.24
Foreign Exchange Fluctuation	475.87	77.50
Other Operating Income	40.88	9.46
Total	1054.08	286.19
TDS Deducted on Interest Income	119.30	45.78

- 12 Excess Interest Provision of Rs. 138.23 Lac relating to previous year has been written back and adjusted in the financial cost of current year.
- 13 Fixed deposits with banks of Rs. 655.20 Lacs (Previous year Rs.470.33 Lacs) are pledged with banks as margin money for working capital facilities.
- 14 Company has not received intimation from supplier regarding the status under Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act have not been given.
- 15 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.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SEGMENT REPORTING

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

	Rs in Lacs		
	In India	Outside India	Total
REVENUE-EXTERNAL	26810 (19484)	17640 (15436)	44450 (34920)
RESULTS	2917 (2746)	7487 (5891)	10404 (8637)
Less: Financial Expenses			2927 (2388)
Less: Unallocated Expenses			4640 (3793)
Add: Other Income			1054 (86)
Less: Income Tax Provision including FBT			673 (334)
Less: Deferred Tax			117 (273)
Profit after Tax			3102 (1935)
OTHER INFORMATION			
SEGMENT ASSETS	3393 (3540)	6391 (4832)	9784 (8372)
UNALLOCATED ASSETS			70459 (61704)
TOTAL ASSETS			80243 (70076)
SEGMENT LIABILITIES	7902 (5335)	3395 (1838)	11297 (7173)
UNALLOCATED LIABILITIES			35321 (31433)
TOTAL LIABILITIES			46617 (38606)
CAPITAL EXPENDITURE			46709 (38386)
DEPRECIATION			1514 (1224)
NON CASH EXPENSES OTHER THAN DEPRECIATION			1617 (885)

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.

16 Total amount of Term Loans installments payable during twelve months following 31-03-2008 are Rs. 5843.27 Lacs (Previous year Rs.4739.25 Lacs)

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

17	Expenditure on Research & Development		(Rs. in lacs)
		2007-08	2006-07
	a) Addition in Fixed Assets -Derabassi Unit	228.63	214.34
	b) Addition in Fixed Assets - Mohali Unit	24.34	3316.49
	c) Revenue Exp -Derabassi Unit	2492.46	1546.67
	d) Revenue R&D Expenditure-Mohali Unit	1012.26	0.00
	e) Debited to Profit & Loss Account as per Annexure XV	368.36	544.51
	f) Depreciation	346.70	191.37
	g) Misc Exp W/off	5.41	37.04

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

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

Rs. in lacs

DESCRIPTION	OP BAL	TRF FROM DEVELOPMENT EXP	AMORTISED	ADDITIONS DURING THE YEAR	TRF R&D TECHNOLOGY INTERNALLY DEVELOPED	BAL
Consumables, Lab Chemicals & Regents	0.00	4580.59	1077.40	2571.79	4777.98	1297.00
Salary & Wages	0.00	239.73	58.04	456.42	232.48	405.63
Utility & Running/Maint Exp	0.00	0.00	0.00	95.82	0.00	95.82
Analytical Fees & Study	0.00	0.00	0.00	18.31	0.00	18.31
Finance & Interest Charges	0.00	0.00	0.00	300.05	0.00	300.05
Administrative Exp	0.00	0.00	0.00	62.33	0.00	62.33
Total	0.00	4820.32	1135.43	3504.72	5010.46	2179.14
PREVIOUS YEAR	Nil	Nil	Nil	Nil	Nil	Nil

- 19 The outstanding dues of small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company. The parties to whom the Company owes sum outstanding for more than 30 days as at the balance sheet date are:
Euro Containers, Ammonia Supply Co.
- 20 The Company has ESOP scheme called "ESOS 2006". During the year, Company has granted 4,60,000 Employee Stock Option @ Rs.27/- per share having a vesting period of three years. Deferred Employee Compensation Cost is being amortised over a period of three years, being the vesting period and on proportionate basis. Accordingly a sum of Rs.13.89 Lac has been amortised during the year.
- 21 Obligations/Entitlements on account of advance license not recognised at the time of export during the year amounts to Rs. 474.16 Lac (Previous year Rs.792.62 Lac) . The above treatment has no impact on the profit & loss account.
- 22 Investment of Rs.2337.51 Lac (Previous Year 2264.56 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.544.09 Lac)
- b) Units of Principle Global Opportunities Fund Rs. 5.00 Lac (Previous Year Rs.5.00 Lac)
- c) Investment in Vardhman Chemtech Pvt Limited is Rs.100.00 Lac (Previous Year Rs. 100.00 Lac)
10,00,000 Equity Share of Rs. 10/- each fully paid up.
- d) Investment in Nimbua Green Field (Punjab) Ltd
2,07,200 (Previous Year 42,800) Equity Share of Rs. 10/- each fully paid Rs. 2,07,230 Lac
(Previous Year Rs. 4,28,000).
- e) Investment in Swift Land Limited
48,20,000 (Previous Year 20,60,000) Equity Share of Rs.10/- each fully paid up. Rs. 482.00 Lac (Previous Year Rs. 206.00 Lac) Share Application Money Rs. Nil (Previous Year Rs.276.00 Lac).

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

f) Investment in Essix Bioscience Limited

3,00,000 (Previous Year Nil) Equity Share of Rs.10/- each fully paid up issued at a premium of Rs. 90/-per share, Rs. 300.00 Lac (Previous Year Rs. Nil) Share Application Money Rs. 467.50 Lac (Previous Year Rs.767.50 Lac).

g) Investment in Farayand Chemi Hakim Company Ltd (Iran)

Common Stock RS. 27.17 Lac (Previous Year Rs. 27.17 Lac)
Share Application Money Rs. 386.30 Lac (Previous Year Rs. 313.35 Lac)

- 23 Office Building includes Mumabi Office Building (Rs.41.46 Lac) purchased in Mumbai in the name of the Managing Director of the Company which is mortgaged with ICICI Bank. The Company has entered into an "agreement to sell" and has taken GPA from the Managing Director. The property is yet to be registered in the name of Company.

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.

- 24 During the year, Company has made following preferential allotments.

Date of Allotment	Zero Coupon Optionally Convertible Warrants	Equity Share Issued
29/01/2008	1196000	1196000
14/03/2008	2500000	0

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 capitalisation Rs. 184.35 Lac (Previous Year Nil) as detailed below:

DESCRIPTION	Rs In Lacs			
	OP BAL	ADDITIONS	CAPITALISED	BAL
INTEREST COST	0.00	174.21	82.07	92.14
UPFRONT/PROCESSING FEES	0.00	55.75	55.75	0.00
SALARY & WAGES	0.00	310.36	232.40	77.96
LEGAL & PROFESSIONAL	0.00	21.77	11.77	10.00
TRAVELLING & CONVEYANCES	0.00	10.77	7.70	3.07
ELECTRICITY CHARGES	0.00	16.12	16.12	0.00
OFFICE EXPENSES	0.00	4.45	3.27	1.18
TOTAL	0.00	593.43	409.08	184.35
PREVIOUS YEAR	272.10	755.38	1027.48	0.00

- 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. 1587.40 Lacs (Previous year Rs. 1090.11 Lacs) & Rs.3263.97 Lacs as loans (Previous year 3315.70 Lacs) recoverable from companies under the same management. PI Refer to Notes No 7 of Notes to Accounts
- 28 As at the Balance Sheet Date, Company has Unhedged Foreign Currency Exposure (Net) to the tune of US \$/Mn 11.32 , Rs.45.26 crore (Previous Year \$/Mn 10.94, Rs. 47.38 crore).
- 29 In compliance with AS-28, During the year, company has identified fixed assets amounting to Rs.539.00 Lac for impairment. The Net Realisable Value of such fixed assets has been estimated at Rs. 64.79 lac. Accordingly Impairment Loss of Rs.474.21 Lac has been charged to Profit & Loss Account during the year.
- 30 In compliance with AS-15, During the year, company has provided Rs. 28.59 Lac as additional provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- 31 During the year, the Company has incurred foreign currency expenditure of RMB 573828 consisting of (Revenue Exp RMB 393275 & Current Assets RMB 180553) on its China Office Operation. Such Foreign Currency Expenditure has been translated in Indian Currency @ One RMB equivalent to Rs.5.69 at the year end on the basis of average exchange rate during the year computed as per cross currency reference rates published by RBI.
- 32 Capital Reserve includes Rs. 10.04 Lacs being Subsidy for DG Set which is net of Rs 1.45 Lacs amortised and treated as income during the year.
- 33 Loans & Advances include Rs. 3.81 lacs (Previous Year 3.56 lacs) due from Company Secretary. Maximum amount due during the year is Rs. 3.81 Lacs (Previous Year 3.56 Lacs)
- 34 Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.
- 35 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
1.	Bulk Drugs, Intermediates, Solvents & others	NA	418180 Kgs (255880 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 No	Product	Opening Stock		Production/Purchase	Turnover		Closing Stock	
		Qty (Kgs.)	Value (Rs.)		Qty (Kgs.)	Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)
1.	Bulk Drugs, Intermediates etc.	8,663 (9,816)	55,101,995 (53,350,182)	413,078 (226,359)	359,727 (227,511)	2,457,689,501 (2,172,046,666)	62,014 (8,663)	100,617,058 (55,101,995)
2.	Contract Research Income					81,729,750 (83,224,020)		
	Total		55,101,995 (53,350,182)			2,539,419,251 (2,255,270,686)		100,617,058 (55,101,995)

The stock of Finished Goods include 60710.42 Kg (Previous Year 8292.66 Kg) of the goods which are under test amounting to Rs 933.93 Lacs (Previous Year Rs. 491.97 Lacs)

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

Product	Opening Stock		Purchase		Turnover		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)	(Kgs.)	(Rs.)
Trading Goods (Intermediates & Chemicals etc.)	10,865 (4,500)	5,864,764 (8,508,990)	Production 11,875,986 (11,336,658)	1,964,590,615 (1,293,503,961)	11,864,117 (11,330,293)	1,984,838,267 (1,305,786,992)	22,734 (10,865)	13,247,018 (5,864,764)

Figures in brackets are in respect of Previous year

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

C Detail of Consumption of material

Sr. No.	Raw Material Consumed	2007-08		2006-07	
		Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
1.	TIOC	250,786	480,523,687	303,521	581,938,806
2.	BETA	400	26,101,344	361	21,904,556
3.	OTHERS		746,106,292		495,385,455
4.	Trading Goods (Intermediates & Chemicals etc.)		1,957,208,361		1,296,148,187
	Total		3,209,939,684		2,395,377,004

D Detail of Raw Material, Stores & Spares Consumed

Particulars	Raw Material				Stores And Spares			
	2007-08		2006-07		2007-08		2006-07	
	Value Rs	% of Total Consumption	Value Rs	% of Total Consumption	Value Rs	% of Total Consumption	Value Rs	% of Total Consumption
Imported	1,416,455,450	44.13%	987,407,959	41.22%				
Indigenous	1,793,484,235	55.87%	1,407,969,045	58.78%	15,324,537	100.00%	12,777,108	100.00%
Total	3,209,939,685	100.00%	2,395,377,004	100.00%	15,324,537	100.00%	12,777,108	100.00%

E C.I.F. Value of Imports :

	2007-08	2006-07
(i) For Raw Materials	1,457,785,054	1,149,600,495
(ii) For Capital Goods	28,650,523	24,706,946

F Expenditure in Foreign Exchange :

	2007-08	2006-07
Interest	71,477,120	72,782,433
Others	41,997,557	50,557,966
Total	113,474,677	123,340,399

G Earnings in foreign exchange

	2007-08	2006-07
FOB Value of Goods	1,697,949,215	1,553,281,014
FOB Value of Services	24,229,750	7,724,020

36 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
Chartered Accountants

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D. NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
1. REGISTRATION DETAILS	
Registration No. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/>	State Code <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="3"/>
Balance Sheet Date <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/>	
II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000)	
Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="0"/>
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. '000)	
Total Liabilities <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="0"/>	Total Assets <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="0"/>
Sources of Funds	Application of Funds
Paid-up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/>	Net Fixed Assets <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="0"/>
Reserves & Surplus <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="0"/>	Net Currents Assets <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="8"/>
Secured Loans <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="9"/>	Investments <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="1"/>
Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="6"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="0"/>
Deferred payment liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>	
IV PERFORMANCE OF COMPANY (AMOUNT IN RS. '000)	
Turnover & other income <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="2"/>	Total Expenditure <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="1"/>
Profit/Loss Before Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="1"/>	Profit/Loss After Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/>
Earning per Share(Basic) in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="4"/> <input type="text" value="6"/>	Dividend Rate % <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/>
V GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY	
Product Description	Item Code No.
i) Clarithromycin	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/>
ii) Betamethsone Salt	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/>

AUDITOR'S REPORT

As per our separate report of even date

For JAIN & ASSOCIATES
Chartered Accountants

R.K Gulati
Partner
Membership No. 11999

Date: 19.06.2008
Place: Chandigarh

S.R. MEHTA
Chairman

Dr. G. Munjal
Director

K.M.S. NAMBIAR
Director

N.K. BANSAL
Chief Financial Officer

For and on behalf of the Board of Directors

N.R. MUNJAL
Vice-Chairman

Dr. V.R. MEHTA
Director

Dr. J.K. Kakkar
Director

PARDEEP VERMA
Company Secretary

V.K. MEHTA
Managing Director

Dr. S.D. NANDA
Director

HIMANSHU JAIN
Director

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

1	Name of the Subsidiary Company	Ind Swift Laboratories Inc.
2	Financial Year of the Subsidiary Company	01-01-2007 to 31-12-2007
3	Share of Subsidiary Company held by Ind Swift Laboratories Limited	
	i) No. of Shares (Common Stock)	100
	ii) Face Value	N.A.
	iii) Paid up value	Rs. 49390
	iv) Additional Paid up Capital	Rs. 53884424
	v) Extent of Holding	100%
4	Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited not dealt with in the accounts of the Ind Swift Laboratories Limited amount to:	Rs./Lac
	a) For the subsidiary Company's financial year ended on 31.12.2007	40.17
	b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	40.17
5.	Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited dealt with in the accounts of the Ind Swift Laboratories Limited amount to:	
	a) For the subsidiary Company's financial year ended on 31.12.2007	Nil
	b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	Nil
6.	Holding Company's interest as at March 31, 2008 incorporating changes since close of the financial year of the subsidiary company	No Change
	Note: Balance sheet items are translated at closing exchange rate of Subsidiary Company as at 31.12.2007. Non Monetary items are translated at the historical rates. Balance Sheet Monetary items are translated at closing exchange rate as at 31.12.2007. Profit & Loss items are translated at yearly average exchange rate.	

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

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D.NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the fourth report on the operations of your company and annual financial statements of the company for the financial year ended 31st December, 2007.

Principal Activity

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

Financial Results

The Company has for the first time earned profit since its inception. During the year, the total income was US\$ 3045130 (US\$ 330,128 in 2006) and has earned a profit of US\$ 96169 against loss of US\$ 252,025 in the previous year.

Board of Directors

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

Directors' Responsibility Statement

The directors confirm that while preparing the Annual Accounts, the applicable accounting standards 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 :30.4.2008
Place : Chandigarh

N.R. MUNJAL
(Director)

V.K. MEHTA
(Director)

INDEPENDENT AUDITORS' REPORT

To the Stockholders

Ind-Swift Laboratories, Inc

I have audited the accompanying balance sheet of Ind-Swift Laboratories, Inc. (a development stage company) as of December 31, 2007, 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, 2007, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Dayton, NJ
April 30, 2008

ARUN C. SARKAR
CERTIFIED PUBLIC ACCOUNTANT

BALANCE SHEET

PARTICULARS	AS AT DECEMBER 31, 2007		AS AT DECEMBER 31, 2006	
	US\$	INR	US\$	INR
ASSETS				
Current Assets				
Cash In Bank	114,547	4,514,297	383,155	16,946,946
Accounts Receivable -Trade	1,915,860	75,504,043	0	0
Security Deposit	3,070	120,989	3,070	135,786
Notes Receivable	660	26,011	660	29,192
Total Current Assets	2,034,137	80,165,339	386,885	17,111,924
FIXED ASSETS				
Automobile, Furniture & Equipment	58,709	2,633,149	58,709	2,633,149
Less : Accumulated Depreciation	36,825	1,630,830	29,578	1,324,115
Net Fixed Assets	21,884	1,002,319	29,131	1,309,034
Total Assets	2,056,021	81,167,659	416,016	18,420,958
LIABILITES AND STOCKHOLDER'S EQUITY				
Current Liability				
Accured Expenses	1,557,591	61,384,661	50,183	2,219,594
Tax Payable	1,000	39,410	500	22,115
Total Current Liability	1,558,591	61,424,071	50,683	2,241,709
Stockholder's Equity				
Capital Stock				
Common Stock, No par Value, 1500 shares authorised, 100 sjares issued ans outstanding	1,100	49,390	1,100	49,390
Additional Paid-in Capital	1,123,750	50,346,796	1,088,900	48,808,599
Accumulated Deficit	(627,420)	(28,398,811)	(724,667)	(32,460,460)
Total Stockholder's Equity	497,430	21,997,375	365,333	16,397,529
Translation Reserve		(2,253,787)		(218,281)
Total Liabilities and Stockholder's Equity	2,056,021	81,167,659	416,016	18,420,957

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

	YEAR ENDED DECEMBER 31, 2007		YEAR ENDED DECEMBER 31, 2006	
	US\$	INR	US\$	INR
Net Sales	3045130	127301660	330128	14736914
Cost of Sales	2388625	99856468	97969	4373336
Gross Profit	656505	27445192	232159	10363578
Expenses :				
Selling, General & Administrative	552089	23080089	469599	20962899
PROFIT/(LOSS) FROM OPERATION	104416	4365103	(237440)	(10599322)
OTHER EXPENSES:				
Interest Expenses	0	0	0	0
Depreciation	7247	306715	14085	628754
Total Other Expenses	7247	306715	14085	628754
NET PROFIT/(LOSS) BEFORE STATE INCOME TAX EXPENSE	97169	4058388	(251525)	(11228076)
State Income Tax	1000	41805	500	22320
NET PROFIT/(LOSS)	96169	4016583	(252025)	(11250396)
Accumulated Deficit-Beginning	(724667)	(32460460)	(472642)	(21210064)
Previous Year Adjustments	1078	45066		
Accumulated Deficit-Ending	(627420)	(28398811)	(724667)	(32460460)

STATEMENT OF CASH FLOW

	AS AT DECEMBER 31, 2007		AS AT DECEMBER 31, 2006	
	US\$	INR	US\$	INR
Cash Flows From Operating Activities :				
Net income	96,169	4,016,583	(252,025)	(11,250,396)
Adjustments to reconcile net income to net cash provided by operating activities:				
Prior year Adjustment	1,078	45,066	0	0
Depreciation and amortization	7,247	306,715	14,085	628,754
Changes in:				
Security deposits	0	14,797	(477)	(17,450)
Notes Receivable	0	3,181	(660)	(29,192)
Accounts Receivable	(1,915,860)	(75,504,043)	0	0
Accrued expenses	1,507,908	59,182,362	31,424	1,362,622
Net Cash Used by Operating Activities	(303,458)	(11,935,338)	(207,653)	(9,305,662)
Cash Flows from Investing Activities				
Purchase of furniture and equipment	0	0	(518)	(22,911)
Cash Flows from Financing Activities				
Proceeds from issuance of common stock	0	0	0	0
Repayment of note payable	0	0	(4,831)	(220,513)
Additional Paid up Capital	34,850	1,538,197	368,650	16,742,553
Proceeds from note payable	0	0	0	0
Net Cash Provided by Financing Activities	34,850	1,538,197	363,819	16,522,041
Net Increase in Cash	(268,608)	(10,397,142)	155,648	7,193,468
Translation Reserve		(2,035,507)		(631,193)
Cash - Beginning of Year	383,155	16,946,946	227,507	10,384,671
Cash -End of Year	114,547	4,514,297	383,155	16,946,946
Supplemental Disclosure of Cash Flow Information :				
Cash paid during the year for :				
Income taxes	520		500	
Interest				

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 2007 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 additional US Drug Master File (DMF) with US FDA. Also, in the year 2007, ISL INC. was instrumental in getting its parent company's manufacturing facilities successfully audited by USFDA which is important in the generic pharmaceutical business. Also, the company has started shipping the commercial supply of Clarithromycin in North America. The company is progressing with its plans in North America and also entered into the supply agreements with North American generic pharmaceutical companies.

Furniture and Equipment:

Furniture and Equipment at cost consisted of the following on December 31, 2007 and 2006:

	2007	2006
Furniture	\$ 5,018	\$ 5,018
Office Equipments	9,580	9,580
Vehicle	<u>44,111</u>	<u>44,111</u>
	58,709	58,709
Less: Accumulated Depreciation	<u>36,825</u>	<u>29,578</u>
	\$ 21,884	\$ 29,131

Depreciation expense for the year ended December 31, 2007 and 2006 amounted to \$7,247 and \$ 14,085 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, 2008, 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 811.68 Lacs and the total revenue of Rs 1273.02 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, 2008.
- 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: 19.06.2008

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

PARTICULARS	SCHEDULE	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
I. SOURCES OF FUNDS			
(1) Shareholder's Funds			
Share Capital	I	240319500	228359500
Reserves & Surplus	II	3062241193	2868950896
		31635000	17255000
(2) Loan Funds			
Secured Loans	III	2743679415	2634492336
Unsecured Loans	IV	387105856	278280579
(3) Deferred Tax Liability			
		328989817	175421381
	TOTAL	6793970780	6202759691
II. APPLICATION OF FUNDS			
(1) Fixed Assets (Cost/Revalued Cost)			
Gross Block	V	4700586759	3931687470
Less: Depreciation		486870824	314173785
Net Block		4213715935	3617513685
Assets held for Disposal		11484569	12550500
Capital Work In Progress		450799943	210330629
		4676000447	3840394814
(2) Investments			
		179297268	177077704
(3) Current Assets, Loans and Advances			
(a) Inventories	VI	1131109311	874607344
(b) Sundry Debtors		1053930909	837219137
(c) Cash and Bank Balances		122150065	115768497
(d) Loans and Advances		880947278	649334386
		3188137563	2476929364
Less			
(a) Current Liabilities		1191070289	719554916
(b) Provisions		72327631	55098389
Current Liabilities & Provisions	VII	1263397920	774653304
Net Current Assets		1924739643	1702276060
(4) MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	VIII	13933423	483011113
	TOTAL	6793970780	6202759691
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
Chartered Accountants

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K. Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D. NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT MARCH 31, 2008

PARTICULARS	SCHEDULE	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
INCOME			
Gross Sales & Operating Income	IX	4,657,110,655	3,600,041,200
Less: Excise Duty		79,303,757	68,992,341
Net Sales & Operating Income		4,577,806,898	3,531,048,859
	Total-A	4,577,806,898	3,531,048,859
EXPENDITURE			
Cost of Materials Consumed	X	3,065,880,337	2,269,961,203
Manufacturing Expenses	XI	261,408,392	279,058,511
Administrative & Other Expenses	XII	141,291,168	131,078,022
Selling and Distribution Expenses	XIII	70,718,527	73,950,978
Financial Charges	XIV	292,719,911	258,757,154
Research & Development Expenses	XV	36,836,189	54,451,166
Loss on Sale of Fixed Assets		2,860,138	6,814,435
Depreciation		151,674,871	123,061,279
Misc. Expenditure Written Off		114,304,924	87,525,502
Provision for Impairment of Assets		47,420,836	-
Provision for Doubtful Debts		-	943,415
	Total-B	4,185,115,291	3,285,601,665
Profit For the Year Before Tax (A-B)		392,691,606	245,447,194
Previous Year Income		1,480,534	194,083
Previous Year Expenses		928,090	2,510,267
Profit for the year before Tax		393,244,050	243,131,009
Provision for Income Tax		43,930,316	28,403,789
Income Tax Adjustment of Previous Years		21,660,350	3,623,827
Fringe Benefit Tax		1,775,099	1,404,817
Profit Before Deferred Tax		325,878,285	209,698,576
Provision for Deferred Tax		11,664,684	27,310,829
Profit available for appropriation		314,213,601	182,387,747
Provision for dividend on Equity Shares		24,031,950	22,835,950
Provision for Equity dividend tax		4,085,432	3,880,970
Transfer to General Reserve		15,507,598	9,681,907
Retained Profit		270,588,622	145,988,920
Basic Earning per share		13.63	8.21
Diluted Earning per share		13.43	8.12
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

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D. NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

PARTICULARS	Rs in Lacs	
	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra-Ordinary Items	3932.44	2431.31
ADJUSTMENTS FOR:		
i) Depreciation/Impairment	1990.96	1230.61
ii) Preliminary, Issue & Deferred Expenses amortised	1143.05	875.26
iii) Exchange (profit)/loss	(475.06)	(77.33)
iv) Interest on term loans	1626.28	1727.14
v) Interest received	(537.33)	(199.23)
vi) Provision for Doubtful Debts	0.00	9.43
vii) Loss on sale of fixed assets	28.60	68.14
viii) Employee Stock Option Expense	13.90	0.00
OPERATING PROFIT BEFORE WORKING CAPITAL	7722.84	6065.33
CHARGES ADJUSTMENTS FOR:		
i) Trade & Other Receivables	(2542.37)	(1616.11)
ii) Inventories	(2565.02)	(481.43)
iii) Loan & advances	(1985.22)	(2246.83)
iv) Current Liabilities	5060.73	1230.36
v) Working Capital Borrowing	835.84	2047.64
vi) Income taxes (Including Advance Tax/TDS)	(849.10)	(472.80)
	(2045.14)	(1539.17)
Net Cash flow from operating Activities	5677.70	4526.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of fixed Assets	(3864.13)	(6648.84)
ii) Sale of fixed assets	279.18	90.70
iii) Purchase of Investments	(22.20)	(357.12)
iv) Development Expenditure	(3504.72)	(1548.85)
v) Interest Received on Fixed Deposits	537.33	199.23
Net Cash from investing activities	(6574.53)	(8264.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Share Capital	119.60	93.45
ii) Advance agst Share Capital	143.80	46.69
iii) Proceeds from Securities Premium	717.60	831.00
iv) Proceeds from Term Loans From Banks & Financial Institutions	6657.86	9229.90
v) Repayment of Term Loans to Banks & Financial Institutions	(6605.30)	(4416.15)
vi) Proceeds from Short Term Loans from Others	2750.00	585.00
vii) Repayment of Short Term Loans from others	(1000.00)	(841.50)
viii) Interest paid on term loans	(1731.14)	(1628.20)
ix) Proceeds from Fixed deposit	687.21	600.71
x) Repayments of Fixed deposit	(511.81)	(375.53)
xi) Preference Dividend Paid	0.00	(3.51)
xii) Preference Dividend Tax Paid	0.00	(0.46)
xiii) Equity Dividend Paid	(228.36)	(331.80)
xiv) Equity Dividend Tax Paid	(38.81)	(46.53)
Net Cash flow from Financing Activities	960.65	3743.08
Net increase in Cash or Cash Equivalents	63.82	4.35
Cash & Cash Equivalents as on 31.3.2007	1157.68	1153.33
Cash & Cash Equivalents as on 31.3.2008	1241.86	1164.00
Add unrealised Gain/(Loss) in Foreign Currency Cash & Cash Equivalent	(20.36)	(6.31)
Closing Balance of Cash & Cash Equivalents as on 31.03.2008	1221.50	1157.68

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

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R. MEHTA
Director

Dr. S.D.NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Ind-Swift Laboratories Limited, derived from the audited financial statements for the year ended 31st March 2008 and found the same to drawn in accordance therewith and also with requirements of clause 32 of the Listing Agreement with the Stock Exchange.

for JAIN & ASSOCIATES
Chartered Accountants

Date: 19.06.2008
Place: Chandigarh

R.K GULATI
Partner
Membership No. 11999

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

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (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
TOTAL	350,000,000	350,000,000
Issued, Subscribed & Paid Up		
2,40,31,950 (Previous Year 2,28,35,950) Equity Shares of Rs.10/-each fully called up and paid up.	240,319,500	228,359,500
TOTAL	240,319,500	228,359,500
SCHEDULE - II		
RESERVES & SURPLUS		
(a) Capital Reserves :		
Capital Redemption Reserve	2,000	2,000
Share Warrants forfeited Account	5,686,113	5,686,113
Equity share forfeited Account	866,500	866,500
State subsidy on DG Set	1,003,525	-
(b) Securities Premium	1,117,456,900	1,045,696,900
(c) Revaluation Reserve	977,137,605	1,013,872,500
(d) Employee Stock Option Outstanding	13,069,200	-
(e) General Reserve		
As per Last Balance Sheet	72,834,697	53,581,749
Add Transfer during the year	15,507,598	99,681,907
Less Impairment of assets of earlier years	-	80,428,959
(f) Profit & Loss Account		
As per Last Balance Sheet	729,992,185	674,003,265
Less Deferred Tax Liability of Previous Years	141,903,752	674,003,265
Less Transfer to General Reserve	15,507,598	90,000,000
Add Transfer from Profit & Loss Account	286,096,220	145,988,921
TOTAL	3,062,241,193	2,868,950,896
SCHEDULE - III		
SECURED LOANS		
(A) Loans and Advances from Banks		
(a) Borrowings for working capital.	719,401,862	635,817,812
(b) Term Loans	1,811,284,405	1,860,665,455
(c) Other Loans	33,145,701	16,909,176
(B) Other Loans and Advances		
Term Loans from		
(a) Financial Institutions	141,311,894	107,720,309
(b) Others	38,535,553	13,379,583
TOTAL	2,743,679,415	2,634,492,336

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

Note

- a) Bank borrowings for working capital (Rs. 71.94 crores) are secured by a pari passu, first charge by way of 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 State Bank of India, Axis Bank, State Bank of Patiala, Bank of India, Catholic Syrian Bank, Export Import Bank of India, Industrial Development Bank of India, South Indian Bank, ABN Amro Bank, Standard Chartered Bank (Rs.169.42 crores) are secured by first pari-passu charge by way of Joint Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at Derabassi Punjab & E-V, Industrial Focal Point, Mohali and a first charge by way of hypothecation of all its movable assets (save and 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 above Loan include term loan from State Bank of India & Catholic Syrian Bank (Rs. 14.61 Crores) which are further secured by Corporate Guarantee of Ind Swift Ltd.
- Out of above Loans amounting to Rs. 127.85 Crores are further secured by the personal guarantee of Promoter Directors.
- c) The term loan of Bank of India (Rs. 4.64 crores) is secured only on movable fixed assets including Plant and Machinery located at Company's plant at Samba, Jammu.
- d) Term loans from State Bank of Indore (Rs. 7.00 crores) & Barcalays Bank (Rs. 7.50 crores) are secured by subservient charge on all of the assets of the company and are additionally secured by personal guarantees of Six and Three Promoter Director Respectively.
- e) Term loans from Technology Development Board (Rs. 0.80 crore) is secured by way of charge on the movable assets & Rs. 2.80 crore is secured by way of charge on Movable fixed assets and Personal Guarantee of Two Promoter Directors of the Company.
- f) ICICI Home Loan (Rs. 25.37 lacs) is in the name of Mr. N.R. Munjal and is secured against the office premises in Mumbai
- g) Vehicle Loans (Rs. 3.31 crore) are secured against hypothecation of the vehicles under the hire purchase agreement.

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

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
SCHEDULE-IV		
UNSECURED LOANS		
(a) Fixed Deposits	144,405,856	126,866,141
(b) Short Term Loan & Advances		
From Banks	-	31,914,438
From Others	42,700,000	19,500,000
(c) Other Loans & Advances		
From Banks	200,000,000	100,000,000
Total	387,105,856	278,280,579

Other Loans & Advances from Bank includes Rs.2000.00 Lac Loan from Bank of Rajasthan (Rs. 1000.00 Lac) & IDBI (Rs.1000.00 Lac), which are secured by the personal guarantees of Promoter Directors.

SCHEDULE - V FIXED ASSETS

Amt. in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK		
	AS ON 1/04/2007	ADDITION	SALE/ TRANSFER	AS ON 31/03/2008	AS ON 1/04/2007	DURING THE PERIOD	DURING THE YEAR WRITTEN BACK	AS ON 31/03/2008	AS ON 31/03/2008	AS ON 31/03/2007
TANGIBLE ASSETS										
LAND FREE HOLD	458,151,850	1,420,880	-	457,572,530	-	-	-	-	457,572,530	456,151,650
LAND LEASE HOLD	10,747,800	6,372,850	-	17,120,450	243,077	198,787	-	439,864	16,680,586	10,504,523
FACTORY BUILDINGS	414,136,896	63,208,388	-	477,345,284	29,078,819	14,813,242	-	43,892,080	433,453,224	385,058,078
OFFICE BUILDINGS	32,445,273	480,666	-	32,925,939	2,304,881	528,879	-	2,833,540	30,092,399	30,140,812
R&D BUILDINGS	148,474,474	383,424	3,269,658	145,588,240	1,844,845	4,861,933	-	6,706,777	138,881,462	146,629,629
BUILDINGS - PILOT PLANT	17,021,567	-	-	17,021,567	883,843	568,520	-	1,432,163	15,589,404	16,157,924
PLANT&MACHINERY	2,018,936,975	210,144,180	102,957,088	2,126,124,069	189,567,256	106,383,543	14,825,904	281,124,895	1,844,999,175	1,829,369,719
R&D MACHINERY	367,320,668	24,428,757	1,303,270	390,446,155	20,369,490	19,504,415	244,549	39,629,356	350,816,799	346,951,178
PLANT & MACHINERY - PILOT PLANT	39,233,698	-	-	39,233,698	3,093,887	2,071,539	-	5,165,426	34,068,272	36,139,811
ELECTRIC INSTALLATIONS	232,290,749	29,608,485	-	261,899,233	17,556,062	11,295,853	-	28,851,916	233,047,318	214,734,686
ELECTRIC INSTALLATIONS - PILOT PLANT	3,439,389	-	-	3,439,389	242,412	163,371	-	405,783	3,033,606	3,196,977
FURNITURE & FIXTURES	26,327,398	3,630,809	-	29,958,205	2,856,167	1,837,914	-	4,894,081	25,264,124	23,471,229
OFFICE EQUIPMENTS	80,135,458	7,496,003	-	87,631,459	16,051,045	9,038,523	-	25,069,568	42,541,891	44,084,411
VEHICLES	41,957,117	27,578,856	2,908,163	86,627,809	11,289,628	4,862,501	869,239	15,282,891	51,344,918	30,867,488
INTANGIBLE ASSETS										
R&D TECHNOLOGY- GOODWILL	62,548,537	501,046,541	-	563,595,078	18,812,795	12,509,707	-	31,322,503	532,272,575	43,735,742
	520,025	3,537,628	-	4,057,653	-	-	-	4,057,653	520,025	-
TOTAL	3,931,687,470	879,337,466	110,438,177	4,700,586,759	314,173,787	188,836,727	15,939,691	486,870,824	4,213,715,935	3,617,513,683
PREVIOUS YEAR	2,117,892,665	1,955,047,369	141,252,564	3,931,687,470	223,501,498	123,061,279	32,388,991	314,173,787	3,817,513,685	1,894,391,167

Note: Depreciation provided during the year includes depreciation on Revalued Fixed Assets amounting to Rs. 3,67,34,895/- which is deducted from Revaluation Reserves. Fixed Assets comprising of Plant & Machinery, Buildings & Electric Installations installed at Pilot Plant have been segregated.

CAPITAL WORK IN PROGRESS	AS ON 1/04/2007	ADDITIONS	CAPITALISATION	AS ON 31/03/2008				AS ON 31/03/2008	AS ON 31/03/2007
DESCRIPTION									
(a) BUILDING	-	98,880,662	61,672,547	37,208,115	-	-	-	37,208,115	-
(b) PLANT & MACHINERY	-	312,768,323	177,056,521	135,711,802	-	-	-	135,711,802	-
(c) ELECTRICAL FITTINGS	-	44,849,175	24,854,253	19,994,922	-	-	-	19,994,922	-
(d) EXPENSES PENDING CAPITALISATION	-	61,843,126	43,407,793	18,435,333	-	-	-	18,435,333	-
INTANGIBLE ASSETS									
(e) PRODUCT TECH. DEVELOPMENT EXP. IN PROGRESS	-	718,956,584	501,046,541	217,910,043	-	-	-	217,910,043	-
(f) ADVANCE FOR CAPITAL GOODS	210,330,630	-	-	21,539,728	-	-	-	21,539,728	210,330,630
TOTAL	210,330,630	1,237,297,870	808,037,655	450,799,943	-	-	-	450,799,943	210,330,630
PREVIOUS YEAR	479,153,176	591,392,038	818,191,228	210,330,630	-	-	-	210,330,630	479,153,176

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

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
SCHEDULE-VI		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
I) INVENTORIES		
(As per inventories taken, valued & certified by the Management)		
Stores & Consumable	13,428,556	11,811,584
Raw Materials	376,784,851	265,959,205
Work in Process	640,278,846	541,734,561
Finished Goods	100,617,058	55,101,995
TOTAL	1,131,109,311	874,607,344
II) SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	29,092,473	65,453,016
- Considered doubtful	5,783,122	5,783,122
Other Debts	1,024,838,436	771,766,121
	1,059,714,031	843,002,259
Less: Provision for Doubtful Debts	5,783,122	5,783,122
TOTAL	1,053,930,909	837,219,137
III) CASH AND BANK BALANCES		
Cash in hand	3,209,097	4,392,537
Bank balances with Scheduled Banks :		-
Fixed deposits	82,436,791	68,292,234
Interest accrued on fixed deposits	3,346,191	1,281,194
Current Accounts	33,157,985	41,802,531
TOTAL	122,150,065	115,768,497
B) LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in Cash or in Kind or for value to be received	590,381,031	475,099,715
Cenvat/ Vat Recoverable	213,836,616	128,881,007
Advance Custom Duty Paid/DEPB	406,452	1,370,547
Advance Tax/ TDS	59,591,884	26,498,993
Prepaid Expenses	9,962,497	8,046,563
Security deposits	6,768,798	9,437,561
TOTAL	880,947,278	649,334,386

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

PARTICULARS	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
SCHEDULE - VII		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding dues to small scale Industrial undertakings	3,344,403	993,058
Outstanding dues of Creditors other than Small Scale Industrial Undertaking	1,037,458,702	639,127,778
Statutory Liabilities	7,543,850	7,100,677
Expenses Payable	94,839,478	31,384,153
Interest accrued but not due	47,883,856	40,949,250
SUB TOTAL	1,191,070,289	719,554,916
B) PROVISIONS :		
Income Tax	44,210,250	28,381,469
Equity Share Dividend	24,031,950	22,835,950
Tax on proposed equity share dividend	4,085,432	3,880,970
TOTAL	1,263,397,920	774,653,304
SCHEDULE : VIII		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
1 Capital Enhancement Expenses	-	220,500
2 Research & Development upto 31.03.03	-	540,995
3. Development Expenditure	-	460,763,928
4. Development Expenditure not adjusted	-	21,267,409
5. Deffered Employee Compensation Expenses	11,679,633	-
6. Foreign Currency Translation Loss	2,253,790	218,281
TOTAL	13,933,423	483,011,113

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

PARTICULARS	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
SCHEDULE -IX		
Gross Sales & Operating Income		
Domestic	2,760,301,954	2,017,428,157
Exports	1,791,400,756	1,553,993,099
Operating Income	105,407,946	28,619,944
TOTAL	4,657,110,655	3,600,041,200
SCHEDULE -X		
COST OF MATERIAL CONSUMED/SOLD		
Opening Stock	264,883,305	343,366,703
Purchases	3,318,281,379	2,316,893,607
	3,583,164,684	2,660,260,310
Less: Closing Stock	373,224,999	264,883,305
Total (A)	3,209,939,685	2,395,377,005
INCREASE /DECREASE IN INVENTORY		
Opening Stock		
Work in Process	541,734,561	418,070,572
Finished Goods	55,101,995	53,350,182
	596,836,556	471,420,754
Closing Stock		
Work in Process	640,278,846	541,734,561
Finished Goods	100,617,058	55,101,995
	740,895,904	596,836,556
Total (B)	144,059,348	125,415,802
TOTAL (A-B)	3,065,880,337	2,269,961,203
SCHEDULE -XI		
MANUFACTURING EXPENSES		
Job Work Charges	68,300,236	70,813,717
Wages	70,315,528	49,996,632
P.F. & other funds	3,955,051	4,185,326
Power, Fuel & Water Charges	100,839,083	83,658,145
Stores & Spares	15,324,537	12,777,108
Repair & Maint. :	-	-
Plant & Machinery	943,903	955,978
Buildings	205,642	916,401
Electrical	1,084,826	374,107
Excise Duty Paid	-	54,567,660
Other manufacturing Expenses	439,585	813,436
TOTAL	261,408,392	279,058,511
SCHEDULE -XII		
ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneration		
–Salary & Allowances	12,600,000	10,800,000
–Contribution to P.F.	18,720	18,720
Salary & Allowances	45,893,772	43,790,707
P.F. & other funds	1,796,818	1,854,963
Gratuity Premium	4,452,475	1,431,558
Travelling & conveyance	13,240,021	14,836,197
Payment to Auditors	-	-
Audit Fees	337,080	300,000
Taxation Matters	45,000	180,000
Rent	5,383,813	2,631,034

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

PARTICULARS	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
Rate & Taxes	1,906,003	2,826,462
Insurance	7,952,388	6,939,906
Legal & Professional Charges	3,925,225	2,229,124
Printing & Stationary	6,634,648	5,545,824
Vehicle Running & Maint.	11,431,514	9,838,518
Telephone & Postage	7,145,838	8,576,417
Office Expenses	5,652,158	4,235,306
Charity & Donation	196,702	282,263
Listing Fees	137,686	369,318
Books & Periodicals	544,982	374,576
Meeting, Membership & Subscription Fees	957,078	1,749,611
Security Expenses	2,985,794	2,739,945
Staff Welfare	4,212,429	3,888,412
Training & Development Exp	435,619	3,258,182
Repair & Maintenance Gen.	1,958,464	1,461,789
Recruitment Exp	799,044	387,142
Other Expenses	647,895	532,050
TOTAL	141,291,168	131,078,022
SCHEDULE -XIII		
SELLING & DISTRIBUTION EXPENSES		
Advertisement & publicity	676,433	1,148,362
Business Promotion	2,512,488	3,897,024
Commission on Sales	25,578,900	33,230,123
Packing Material	11,133,186	7,749,871
Rebate & Discount	1,247,470	88,600
Freight Outward	25,933,382	22,526,956
Insurance Charges	656,201	569,879
ECGC Premium	2,950,961	2,391,632
Bad Debts w/off	11,286	2,348,532
Other Expenses	18,222	-
TOTAL	70,718,527	73,950,978
SCHEDULE -XIV		
INTEREST AND FINANCIAL CHARGES (NET)		
Interest on Term Loans	162,627,967	172,713,676
Interest on Working Capital from Banks	98,584,792	61,934,322
Bank Charges & Others	29,887,244	20,114,440
Brokerage & Commission	1,619,909	3,977,671
Diff in Foreign Ex Fluctuation	-	17,045
TOTAL	292,719,911	258,757,154
SCHEDULE -XV		
RESEARCH & DEVELOPMENT EXPENSES		
Salary & Wages & Other Allowances	18,849,545	15,600,977
Administration Exp	680,793	431,676
Consumables & Chemicals & Regents	14,417,683	35,216,357
Repair & Maintenance - Machinery	1,528,078	591,137
Technical Study & Consultancy	1,360,090	2,611,019
TOTAL	36,836,189	54,451,166

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

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 07 to March 08 whereas the financial year of Subsidiary Company is from Jan 07 to Dec 07. Accordingly, subsidiary's audited financial statements for the year ended on 31-12-2007 are considered for the purpose of consolidation. No significant transactions or events have occurred in that subsidiary for period Jan 01, 2008 to March 31, 2008.
- 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 net of cenvat credit wherever eligible. Cost includes all expenses and borrowing cost attributable to the project till the date of commissioning.

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

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:

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

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

5 BORROWING COSTS

In relation to the Parent Company

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

6 INVENTORIES

In relation to the Parent Company

Inventories are valued as under :

Stores & spares are valued at cost.

Raw Materials are valued at cost on FIFO basis

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

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

7 RECOGNITION OF INCOME AND EXPENDITURE

In relation to the Parent Company

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

In relation to the Subsidiary Company

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

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

8 FOREIGN CURRENCY TRANSACTIONS

In relation to the Parent Company

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

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

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

In relation to the Subsidiary Company

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

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

9 OTHER SIGNIFICANT ACCOUNTING POLICIES

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

B. NOTES ON ACCOUNTS

	Amount (Rs. in Lacs)	
	2007-08	2006-07
1 Contingent liabilities not provided for:		
a. Letter of Credit against purchase of raw material:	1426.57	958.00
b. Bank Guarantees	NIL	NIL
c. Export bills purchased by bank :	NIL	NIL
d. Export obligation in respect of cutom duty :	171.60	300.43
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 Land Ltd	2500.00	3000.00
Ind Swift Ltd	Nil	9.90
Kiran Flour Mills Pvt Ltd*	7100.00	Nil

* Corporate Gurantee given to State Bank of India against the Working Capital Facilities sanctioned to Kiran Flour Mills Pvt Ltd. The Extent of working capital limit released by the Bank & outstanding amount against that is Rs. 1017.11 Lac as on 31.03.08

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

- 2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 320.11 lacs (Previous year Rs. 426.07 Lacs)
- 3 In the opinion of the Board, the Current Assets, Loans & Advances shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 4 Company has revalued its assets Comprising of Land, Building, Machinery of Derabassi Unit by the approved External Valuer to reflect the market value and accordingly the appreciation amounting to Rs.10138.73 Lac have been credited to Capital Reserve Account (Re-valuation Reserve A/c) as on 31.03.2007.
Depreciation amounting to Rs. 367.35 Lac has been provided during the year & the same is reduced from Revaluation Reserve.

5 Director Remuneration includes

A SALARY	2007-08	2006-07
Managing Director	6,300,000	5,400,000
Jt. Managing Director	6,300,000	5,400,000
B CONTRIBUTION TO PROVIDENT FUND		
Managing Director	9,360	9,360
Jt. Managing Director	9,360	9,360
C PERQUISITES		
Managing Director	452,079	424,120
Jt. Managing Director	214,452	522,530
TOTAL	13,285,251	11,765,370

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

	2007-08	2006-07
Profit for the year before taxation as per P&L Account	393,244,050	254,359,085
Add: Directors' Remuneration	13,285,251	11,765,370
Loss on sale of Fixed Assets	2,860,138	6,814,435
Provision for Doubtful Debts	-	943,415
Eligible Profit for Computation of Director Remuneration	409,389,439	273,882,305

- 6 Other expenses under head administrative expenses includes Rs.35,000 (Previous Year Rs. 55,500) paid to directors as sitting fee.
- 7 In accordance with Accounting Standard 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company has compiled the following information:

a. List of related parties and their relationship

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

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

b. Related party transactions

Rs. in Lacs

Name of related party	Ind-Swift Limited		Essix Biosciences Limited		Ind Swift Laboratories Inc. USA		Ind Swift Land Ltd.		Hakim Faryand Cheml Co. (Iran)	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
(1) Nature of transactions										
Transactions during the year.										
Purchases.	2256.15	112.64	28.67	430.21						
Sales	2883.16	1287.11	411.98		297.82	62.12	1.78	9.99	254.38	
Purchased DEPB										
Interest Receivable	450.95	170.45					26.95			
Expenses	2.85	4.09								
Corporate Gurantee Given		9.90					2500.00	3000.00		
(ii) Outstanding balances as on 31.03.07										
Share Capital	623.07	503.47	18.26	17.86						
Investment			767.50	767.50		50.76	482.00	482.00	413.47	340.52
Advances	3238.20	3279.27		31.50			25.77	4.93		
Debtors	530.30	1024.45	359.13		686.20	55.67	11.77	9.99	225.72	
Creditors	30.74	55.96								
Unsecured Loans										

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)

	2007-08	2006-07
Profit available for Equity Shareholders	314213601	193638143
For Basic Earning		
No of weighted average equity shares	23045087	22203514
For Diluted Earning		
Effect of diluted equity shares equivalent to (Equity Share Warrants 37,69,000 (Previous Year 24,65,000) pending for conversion)	344852	249877
No of weighted average of Diluted Equity Shares	23389939	22453390
Nominal Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
Basic	13.63	8.72
Diluted	13.43	8.62

9 Deferred Tax:

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2008 is as under:

Rs. In lacs

Deferred Tax Liabilities	2007-08	2006-07
Timing Difference on account of :		
A: Depreciation	6026.28	3392.81
B:Deferred amounts in respect of		
a) Research & Development Exp (upto 31.03.2003)	0.00	1.84
b) Seed Marketing Expenditure	0.00	0.75
c) Development Expenditure	0.00	1638.42
Total B	0.00	1641.01
Total A+B	6026.28	5033.82
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	19.66	19.66
Carried Forward Loss as per Income Tax Act	2701.74	3259.94
Total	2721.39	3279.60
Deferred Tax Liabilities net	3304.89	1754.21
Deferred Tax Liabilities (Assets) Charged to Revenue Reserve	1419.03	0.00
Deferred Tax Liabilities (Assets) Charged to P&L A/c	131.64	273.12

Income Tax Returns have been revised on account of Depreciation in respect of earlier years commencing from 01-04-01 to 31-03-06. The Impact of Deferred Tax Liability of these years amounting to Rs.1419.03 Lac have been deducted from Opening Balance of Revenue Reserve.

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

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

11 Operating Income consists of following

Particulars	Rs./Lac	
	FY 2007-08	FY 2006-07
Interest Income (Gross)	537.33	199.24
Foreign Exchange Fluctuation	475.87	77.50
Other Operating Income	40.88	9.46
Total	1054.08	286.19
TDS Deducted on Interest Income	119.30	45.78

12 Excess Interest Provision of Rs. 138.23 Lac relating to previous year has been written back and adjusted in the financial cost of current year.

13 Fixed deposits with banks of Rs. 655.20 Lacs (Previous year Rs.470.33 Lacs) are pledged with banks as margin money for working capital facilities.

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

15 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.

16 Investment of Rs.1792.97 Lac (Previous Year Rs.1770.78 Lac Unquoted-Long Term) are at Cost.

- Units of Principle Global Opportunities Fund Rs. 5.00 Lac (Previous Year Rs.5.00 Lac)
- 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.
- Investment in Nimbua Green Field (Punjab)Ltd
2,07,200 (Previous Year 42,800)
Equity Share of Rs. 10/- each fully paid Rs. 20,72,000 (Previous Year Rs.4,28,000)
- Investment in Swift Land Limited 48,20,000 (Previous Year 20,60,000) Equity Share of Rs.10/- each fully paid up. Rs. 482.00 Lac (Previous Year Rs. 206.00 Lac) Share Application Money Rs. Nil (Previous Year Rs.276.00 Lac).
- Investment in Essix Bioscience Limited 3,00,000 (Previous Year Nil) Equity Share of Rs.10/- each fully paid up issued at a premium of Rs. 90/-per share, Rs. 300.00 Lac (Previous Year Rs. Nil)
Share Application Money Rs. 467.50 Lac (Previous Year Rs.767.50 Lac).
- Investment in Farayand Chemi Hakim Company Ltd (Iran) Common Stock RS. 27.17 Lac (Previous Year Rs. 27.17 Lac) Share Application Money Rs. 386.30 Lac (Previous Year Rs. 313.35 Lac)

17 As at the Balance Sheet Date, Company has Unhedged Foreign Currency Exposure (Net) to the tune of US \$/Mn 11.32 , Rs.45.26 crore (Previous Year \$/Mn 10.94, Rs. 47.38 crore).

18 In compliance with AS-28, During the year, company has identified fixed assets amounting to Rs.539.00 Lac for impairment. The Net Realisable Value of such fixed assets has been estimated at Rs. 64.79 lac. Accordingly Impairment Loss of Rs.474.21 Lac has been charged to Profit & Loss Account during the year.

19 In compliance with AS-15, During the year, company has provided Rs. 28.59 Lac as additional provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

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

21 Additional information pursuant to the provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 is as under :

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

S.R. MEHTA
Chairman

N.R. MUNJAL
Vice-Chairman

V.K. MEHTA
Managing Director

R.K Gulati
Partner
Membership No. 11999

Dr. G. Munjal
Director

Dr. V.R.MEHTA
Director

Dr. S.D.NANDA
Director

Date: 19.06.2008
Place: Chandigarh

K.M.S. NAMBIAR
Director

Dr. J.K. Kakkar
Director

HIMANSHU JAIN
Director

N.K. BANSAL
Chief Financial Officer

PARDEEP VERMA
Company Secretary

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

SEGMENT REPORTING

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

	Rs in Lacs		
	In India	Outside India	Total
REVENUE-EXTERNAL	26810 (19484)	17914 (15436)	44724 (34920)
RESULTS	2942 (2746)	7737 (5891)	10679 (8637)
Less: Financial Expenses			2927 (2388)
Less: Unallocated Expenses			4873 (3793)
Add: Other Income			1054 (86)
Less: Income Tax Provision including FBT			674 (334)
Less: Deferred Tax			117 (273)
Profit after Tax			3142 (1935)
OTHER INFORMATION			
SEGMENT ASSETS	3393 (3540)	7146 (4832)	10539 (8372)
UNALLOCATED ASSETS			70034 (61704)
TOTAL ASSETS			80574 (70076)
SEGMENT LIABILITIES	8516 (5335)	3395 (1838)	11911 (7173)
UNALLOCATED LIABILITIES			35321 (31433)
TOTAL LIABILITIES			47232 (38606)
CAPITAL EXPENDITURE			46760 (38386)
DEPRECIATION			1517 (1224)
NON CASH EXPENSES OTHER THAN DEPRECIATION			1617 (885)

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.**



Ind-Swift

www.indswiftlabs.com

Ind-Swift Laboratories Limited

Registered Office: SCO: 493-94 Sector-35-C, Chandigarh - 160 022

Website : www.indswiftlabs.com

Share Transfer Agent: Aternit Assignments Ltd., 205-208, Aternit Complex, Jhandewalan Extension, New Delhi - 110 055

ATTENDANCE SLIP

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

Folio No. / Client I.D. No.
No. of Shares held

D.P.No.

I/We hereby record my/our presence at the 13th Annual General Meeting of the company held at B.M.S. Lobana Bhawan, Sector 30-A, Chandigarh at 10.00 a.m. on 28th September, 2008.

Name and address of the Shareholder(s) in Block letter: _____

If Shareholder(s) please sign here

If proxy, please mention and sign here

Notes:

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



Ind-Swift

www.indswiftlabs.com

Ind-Swift Laboratories Limited

Registered Office: SCO: 493-94 Sector-35-C, Chandigarh - 160 022

Website : www.indswiftlabs.com

Share Transfer Agent: Aternit Assignments Ltd., 205-208, Aternit Complex, Jhandewalan Extension, New Delhi - 110 055

FORM OF PROXY

Folio No. / Client I.D. No.
No. of Shares held

D.P.No.

I/We _____ of _____ being a Member/Members of Ind-Swift Laboratories Limited, hereby appoint _____ of _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held at B.M.S. Lobana Bhawan, Sector 30-A, Chandigarh at 10.00 p.m. on 28th September, 2008 and at any adjournment there of.

Dated this _____ day of _____, 2008

Signature _____

Notes:

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

Please affix Rs. 1 Revenue Stamp

Ind-Swift LABORATORIES LTD.

SCO 850 NAC Manimajra, Chandigarh-160 101

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