Ind-Swift

www.indswiftlabs.com

info@advacommunique.com

On a growth trajectory

Ind-Swift Laboratories Ltd. | Annual Report 2009-10

Ind-Swift Laboratories Limited:
High margin complex chemical synthesis

Key strengths

- High margin API player leveraging strong research skills in complex chemistry
- Global leadership in key products
- USFDA approved facilities
- Reliable supplier to domestic as well global formulation players
- Global reach - presence in more than 50 countries including large markets of USA and Japan through strategic alliances and tie-ups
- Research capabilities, manufacturing scale and regulatory approvals makes preferred partner of global pharmaceutical companies for CRAMS.

Future road map

- Increasing API product range through leveraging research skill for complex chemistry
- Creating global scale of key high value products going off-patent in next 2-3 years
- Enhancing global reach by increasing geographical presence.
- More product registrations for regulated markets - mainly for complex products.
- Continuously tapping long term CRAMs opportunities through strategic alliances with global players.

Contents

Ind Swift Labs Ltd. is placed attractively on the growth curve.

Aptly demonstrating our capability to usher in growth in good times and bad, by proactively investing in our intellectual capital, core infrastructure and longstanding client relationships to build on our foundation of strength.

Growth in regulated markets.
Growth in certified capacities.
Growth in product portfolio and pipeline.
Growth in R&D infrastructure.
Growth in resident intellectual capital.
Growth in customer base.

Growth in financial performance.

Parentage

Ind Swift Laboratories Ltd. (Ind Swift Labs) is a part of the Rs. 2000 crores Ind Swift Group, headquartered in Chandigarh, India. The Company was set up in 1995 by Ind Swift Ltd., a leading manufacturer of Finished Dosages Form. Ind Swift has emerged as a single largest shareholder, holding now 27.16% equity in Ind Swift Laboratories Ltd.

Products

Ind Swift Labs has emerged as one of the largest manufacturers of APIs and advanced intermediates. Ind Swift Labs has prudently selected to be present in 16 therapeutic segments, of which five comprise sustained use therapies (cardiology, diabetology, oncology, anti-depressant and anti-hyperlipidemic). Its product portfolio comprises 40 APIs that are marketed in India and in the International markets. Of the product basket, 8 APIs pertain to sustained-use therapies. The Company is fully integrated and leading global manufacturers of Clarithromycin/granules, Atorvastatin, Fexofenadine, Clopidogrel and Nitazoxanide.

Presence

Ind Swift Labs markets its products in strategic partnership with two distinct client categories: respected Indian finished dosage manufacturers with a large global exposure and to those in Soft to Regulated Markets, the former accounting for 59.5% of the turnover and the latter 40.5%

Performance

Ind Swift Labs has grown its topline in each year of its existence. Revenue grew at a CAGR of 25.57% over the last five years, while profits increased at a CAGR of 13.65% during the period.

Public holding

In 2009-10, the Company's shares were listed on the Mumbai, National and Luxembourg Stock Exchange and enjoyed a market capitalization of Rs 186.27 cr as on 31st March 2010.

Plants

Ind Swift Labs has invested prudently in relevant assets, equipment and infrastructure. It possesses 19 manufacturing blocks located at Derabassi, Patiala (Punjab) and Samba, Jammu (J&K)-designed to manufacture products from basic stage and to comply with stringent USFDA and cGMP standards. The Company possesses a cumulative reactor capacity of 370 TPA, one of the largest in India. The Company's competitive edge has been reinforced with a sophisticated State of the art R&D centre manned by more than 100 scientists, again one of the largest of its kind in the region for API development.

Groundwork for growth

Turnover
Rs 783.55 cr

Growth of 35.18% over 2008-09

PAT
Rs 57.96 cr

Growth of 39.6% over 2008-09

Cash profit
Rs 96.22 cr

Growth of 31.36% over 2008-09

EBIDTA margin
18.83%

Exports
40.40%

Growth of 46.11% over 2008-09

Vice- Chairman and MD's statement

"Our business strategy has been a reconciliation of value and volume growth, a lower-than-industry conversion cost and higher-than-industry value addition."

Operationally the year 2009-10 was a good one: operational revenue grew by 35 per cent, profit after tax increased in excess of 39 per cent, export jump of more than 46 per cent, an increase in our market capitalisation by more than 184 per cent and a proposed dividend for our shareholders.

Considering that this improvement came in the face of intense competition and a stronger rupee, I see the improvement as a watershed in our history and a vindication of our business model, firmly establishing that the Company is on a growth trajectory.

Before seizing this opportunity to enumerate the intrinsic reasons for our optimistic performance, there were myriad external reasons that have influenced the Company's prospects and will continue to do so over the foreseeable future. Amongst the key markets outside the United States and Europe, the Japanese market offers potential to drive significant growth in the medium term. With healthcare reforms aimed to reduce healthcare budgets and generic-friendly policies being adopted by the Japanese Government, the pharmaceutical market is gradually opening up to generics. The current generic penetration in Japan, estimated at 6-7%, is amongst the lowest in the world. As a result, despite being the second largest pharmaceutical market in the world, the Japanese market ranks only as the sixth largest generic market. The Japanese Government has set a target of reaching a generic penetration of 30% by 2012, implying strong growth potential in the market. The Japanese pharmaceutical market is characterised by a complex regulatory framework, thereby creating a high entry barrier. Thus, partnerships with local generic companies and/or acquisitions of local companies are emerging as the likely route to gain presence. Ind-Swift is also making inroads in this market through various partnerships .

Generic business by its nature grows at the expense of branded products on patent expiry, bringing in potential conflict of interest between the two. Ind-Swift continues to seek ways to accelerate entry into the market through development of non-infringing processes/ patent challenges, innovator companies seek to extend their product life through effective patent defense. In recent times, the pressure on innovator companies has increased due to large impending patent expiries and shrinking new product pipelines.

Noting the large patent expiries over the next five years and weak pipeline quality of Innovator Companies have increased the pressure on innovator companies to explore other avenues including generic business. While the global pharmaceutical business is expected to register moderate single digit growths, the growth in generic business is likely to be in double digits, reflecting the attractive potential of the business. Some of the global innovator companies already have their generic arms which are aggressively pursuing the business in all markets. In recent periods, a number of innovator companies have explored alliances and M&A in the generic space. In recent periods some of the innovator companies have entered into alliances with Indian generic companies. These alliances are designed to exploit the low-cost manufacturing skills of Indian players with the reach of innovator companies in the branded generic space across world markets.

With innovator companies focusing on cost rationalisation, outsourcing opportunities across the value chain -from low volume drug discovery activities to higher volume commercial scale manufacturing- have emerged over the past few years. Ind Swift is in the process of establishing relations with several innovator companies as a precursor

We also conscientiously invested in eco-friendly manufacturing practices to make further investments in our sustainability.

to scaling up this business, which also entails significant investments in manufacturing and R&D capabilities. Innovator companies typically look for strong R&D capabilities and human resources as the key criteria while selecting contract research companies, while the ability to ensure low-cost manufacturing is seen as their key strength.

Initiatives

At Ind Swift, we undertook all necessary actions to be on the growth track. While we consolidated our footprints in high-growth and regulated markets such as the US, we also focused on emerging markets and the domestic space. We have undergone various internal re-orientations to evolve as the preferred supply chain partner, with an eye on robust infrastructure and enhanced R&D practices.

A mature market presence: We expect to expand in global markets by continuous addition of new products and increasing the strategic partnerships with the leading players. We also expect to strengthen our export exposure in fully regulated markets by 2014.

Focused product development: We will continue to focus our product development creation of novel platform technologies possessing the cost and the capacity impact.

Evolution of product mix: We have selectively evolved our product mix towards high growth therapeutic segments catering to lifestyle diseases. As a result of this focus, revenues from lifestyle therapeutic groups are expected to grow substantially over the next five years.

Pioneering launches: Over the years, the Company has maintained its position of being among the first three in the country and among the first five in the world to launch a majority of complex products. This translated into attractive margins and shorter payback, allowing us to invest horizontally (new product development) and vertically (capacity expansion).

Launch of new products: We expect to grow our basket of 40 products to around 80 over the next five years with an eye on patent expiry in the US and Europe. Around 6-7 products will be launched in the current fiscal.

At Ind Swift, we realize that serving customers through the well-defined service portfolio, including post-shipment technical assistance, protecting the quality and responsiveness of this service in accordance with client feedback is the cornerstone of our success. Providing an enjoyable work environment to catalyse intellectual capital growth through a global employment of skills, established culture of meritocracy and institutionalization of systems has also been pivotal in our growth path.

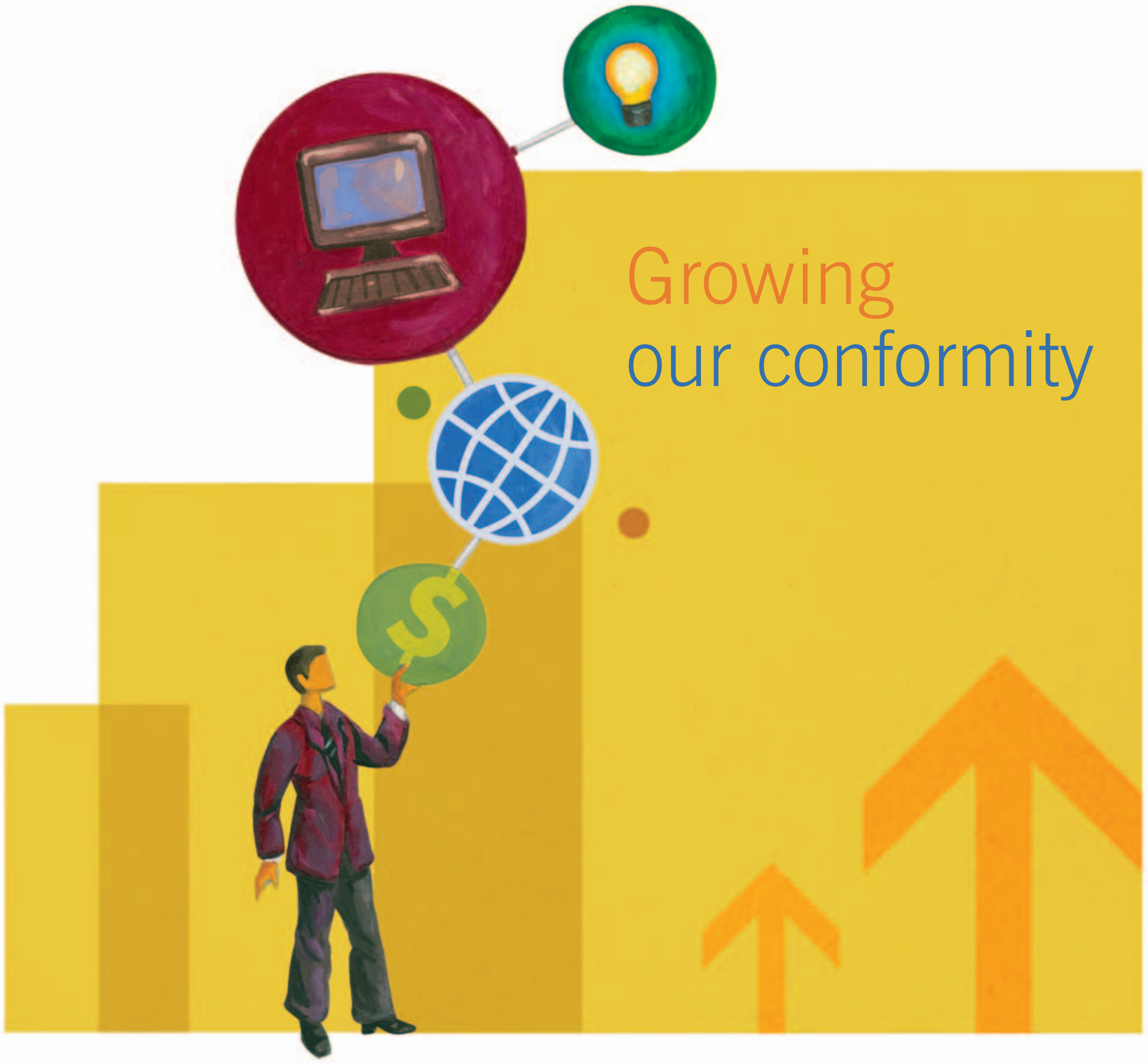
Over the years, Ind-Swift Laboratories long-term optimism has been reflected in the selection of assets that were not only contemporary when they were commissioned but which have remained so over time. By increasing our operational scalability in line with globally benchmarked standards has fared well for the Company across the long-term. We expanded the production capacity of various products to meet the growing demand. We are also continuously upgrading our systems and processes to adhere to the new stringent USFDA and cGMP standards.

We also conscientiously invested in eco-friendly manufacturing practices to make further investments in our sustainability.

Although the current environment is challenging, but at the same time it throws up several new opportunities for the Ind-Swift. What worked in the past may not necessarily hold them in good stead in the future. We have taken cognizance of the fundamental changes the industry is going through and re-jig our strategies accordingly and will be able to successfully navigate the future.

Our business strategy has been a reconciliation of value and volume growth, a lower-than-industry conversion cost and higher-than-industry value addition. In doing so, we expect to report robust margins over the coming years. Ind Swift Laboratories expects to emerge as one of the most profitable pharmaceutical companies in India, enhancing value for the user, consumer, community and shareholder.

Signed
N. R. Munjal
Vice Chairman and Managing Director



Growing our conformity

In recent times, the global pharmaceutical industry has shown high interest in India due to its sustained economic growth, health care reforms. In the last few years Indian pharmaceutical industry has achieved significant momentum, making its presence felt in the global market primarily through its focus on global generics markets.

Ind Swift Labs has been able to successfully establish itself in more than 50 countries across the globe

Ind Swift is conveniently placed, with the advantage of cost competitiveness, ability and experience in reverse engineering, availability of skilled scientific and engineering personnel and the capability to produce raw materials for a wide range of drugs from the basic stage.

The Indian generic manufacturers are expected to grow at a faster clip as drugs worth approximately US$ 20 bn in annual sales will face patent expiry in 2011. Nearly US$ 80 billion worth of patent-protected drugs will go off-patent (including 30 of the best selling US patent-protected drugs) by 2012-13. The generic penetration in Europe has increased manifold over last 7 years. UK which is second largest market in EU has grown by 2 times during last 7 years. Europe's generics market is expected to over US$30 billion in 2011-12.

With intent to consolidate its presence in the international scene and become a preferred business partner for reputed international pharmaceutical corporates, Ind Swift Labs embarked proactively on taking the following steps:

- Made substantial investment in capacities over the last three years in preparation of regulated market foray
- Commissioned all manufacturing facilities in alignment with the cGMP which is recognised and accepted in the stringent regulated markets like USA, Europe, Australia and Japan
- Enlisted itself with internationally renowned associations
- Commissioned an R&D centre in Mohali at an investment of Rs 25 cr with 100 qualified professionals

In doing so,

- Ind Swift Labs filed more than 288 DMFs across the globe in the CTD format.
- It is among the first few Indian companies to file DMFs in a number of European countries in 2009-10 alone
- It has been able to successfully establish itself in more than 50 countries across the globe

Commenced the supply of commercial quantities to the United States. Currently, the Company exports three products commercially to the United States: Clarithromycin (started in 2007) and Ropinorole (started in November 2008) and Naratriptan (in 2009-10) besides the export of development quantities of over 7-8 products.

Growing our capacities

At the point of selection of a supplier or service provider, more emphasis is placed on the levels of infrastructure, training facilities, scalability, quality standards, service delivery, process capability, and the comparative rates of employee turnover.

A key critical aspect of selection process is the ensuring alignment of the culture and values of both the partners. This is crucial as far as process transition is concerned. These are also key areas that affect not only the choice of service provider, but the shape of ongoing governance. The quality of the due diligence visits and the composition and capability of the due diligence teams to cover both operational and strategic aspects of the relationship will ensure a quality decision.

Faced with increasing cost and commercialization pressures, global pharmaceutical companies are looking at how to tap India's fast-growing domestic market and provide a 'faster and cheaper' value proposition in terms of manufacturing and R&D. The hope inside India is that the country's pharma firms can replicate the success of its Business Process Outsourcing (BPO) companies as preferred international partners, both in terms of competitive costs and world-class capabilities. One key is the important transition already underway in some Indian pharmaceutical firms as they shift from developing imitative drugs to also focusing on innovation.

To accelerate this change, India's pharmaceutical industry needs to ensure that its current 'faster and cheaper' value proposition is sustainable and scalable.

Keeping this reality in view, Ind Swift Labs has undertaken the following initiatives:

- In the last four years, ISLL has cumulatively invested around Rs. 2,760 million towards capacity expansion for existing products, setting up of new plants (modules at Derabassi and Jammu Plant) and R&D centre at Mohali :-

1. In 2006-07, the capex was directed largely at the Mohali R&D centre.
2. The capex in 2007-08 was towards the menthol facility at Derabassi, an anti-cancer plant, capacity expansion and balancing equipment at existing Derabassi and Jammu manufacturing facilities.
3. In 2008-10, the capex was directed towards capacity expansion, balancing equipment at existing facilities and setting up of London office.

- Of its manufacturing plants, few are dedicated to certain products and the others are for multiple purposes.
- The capital expenditure programmes for the Company in 2010-11 include setting up a multipurpose plant for manufacturing of APIs and a 4.6 MW coal-based captive power plant, alongwith the enhancement of capacities.
- In 2009-10, the Company added capacities for its seven to eight of its existing products such as Fexofenadine (added 18 TPA), Clarithromycin granules (added 48 TPA), Clopidogrel (added 12 TPA), Clopidogrel intermediates (added 6 TPA), Atorvastatin (6 TPA).
- The Company has also commissioned a new facility for Nitazoxanide with a capacity of 30 TPA
- The Company commissioned an 8.5 ton boiler in 2009-10 at Derabassi, which will lead to an enhancement in production capacity. The Company had installed capital equipment requiring more steam, the demand of which can easily be met with the steam generated by the boiler
- ISLL has converted utilities using power-generating systems with steam-generated systems, leading to a reduction in operating costs to a great extent

As a result,

- The Company is expected to continue its capacity expansion as it plans to file 4-5 DMFs a year and entering the highly lucrative therapeutic segments of Oncology,
- Its production volumes of API increased 40% over the previous year.
- Its production volumes of Menthol related products also increased substantially.
- It forged alliances with reputed international pharmaceutical companies for servicing their requirements of four primary APIs-Clarithromycin, Fexofenadine, Atorvastatin and Clopidogrel-exclusively from the Company once they go off-patent

Ind Swift Labs' production volumes of API increased 40% over the previous year.

Growing our portfolio

With the growth in US and developed economies expected to decline, emerging economies like India are expected to drive future growth. The key growth drivers in these countries are increasing per capita income, growing insurance penetration, better health awareness, higher government expenditure, adherence to IPR norms and shift in disease profiles.

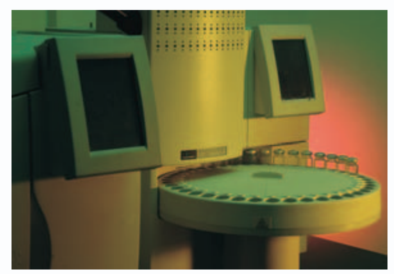
Indian companies are well positioned to partake of this huge domestic opportunity. Indian companies need to broaden their product portfolio to include growing therapeutic segments such as anti-diabetics, central nervous system and cardiovascular. Companies can now sell premium products to aspiring Indian middle and high class, while at the same time continue their focus on low value but high volume bottom of the pyramid class.

ISLL is involved in the manufacturing of APIs and advanced intermediates. The Company derives more than 30% of its revenues from macrolides-a class of antibiotics. Clarithromycin is a second generation macrolide with the largest revenue contribution. Atorvastatin (cardiovascular) and Fexofenadine (anti-allergy) are the other key products of the Company.

ISLL currently has a portfolio of 40 products including drugs like Clarithromycin (macrolide anti-biotic), Atorvastatin (anti-cholestrol), Fexofenadine (anti-histamine), Clopidogrel (anti-cholestrol), Nitazoxanide (anti-diarrheal), Pioglitazone (anti-diabetic), Letrozole & Anastrozole (anti-cancer), Venlafaxine (anti-depressants), Quetiapine & Aripiprazole (anti-psychotic), Donepezil(Alzhiemer disease) and Naratriptan(Anti-Migrane).

Ind Swift responded to industry reality in the following manner:

- During the year, the Company launched new drugs like Cinacalcet, Duloxetine, Mecloxamine citrate, Atomoxetine, Exemestane, Ezetimibe, Pregabalin, Ranolazine, Telmisartan and Posaconazole. The other products driving the growth of the Company are Letrozole, Anastrozole (Anti-Cancer) Venlafaxine (Anti-Depressants) Levofloxacin (Anti-Biotic) Quetiapine & Aripiprazole (Anti-Psychotic) Ezetimibe (anti-hyperlipidemic) and Pioglitazone, an anti-diabetic drug.
- The Company is further developing newer products such as Dutasteride, Argatroban, Gefitinib, Eletriptan & others.
- The Company has increased its range of APIs in the Domestic market with the successful introduction of new products like Ivabradine and Cinacalcet for which Ind Swift Labs is the first and only Company to launch the products in the Indian Market.
- It selected to manufacture complex APIs with high entry barriers, hazardous reactions and involving large working capital requirements
- Clarithromycin contributed more than 19% of the total sales of the Company in 2009-10. The dependence on old products has reduced over the last four to five years through addition of new products to its portfolio.
- Atorvastatin is the second largest product of ISLL. The Company derives more than 80% of the revenues for this product from exports to Eastern Europe and Latin America, given the basic product patent protection for this product in the United States until 2010.
- Fexofenadine emerged as the third largest product for ISLL in 2009-10, with more than 50% of sales realised from exports.



Fexofenadine emerged as the third largest product for ISLL in 2009-10, with more than 50% of its sales realised from exports.

Growing our research base

The key to growth for Indian companies in the pharmaceutical business, today, are a formidable research and development pipeline, a significantly broader portfolio of medicines and an expanded presence in key international markets, particularly in high growth emerging markets. The global consolidation may trigger optimization of assets both in manufacturing and research thus affecting the future business of contract service providers.

Strategic tie-ups with global companies offer several opportunities for Indian companies to create 'win-win' situations, particularly in R&D. R&D divisions of Indian pharma companies have started making the move from reverse engineering to development of new molecules.

Over the years, Ind-Swift has strengthened its R&D through the following initiatives:

Pledge: Ind Swift Labs invested Rs 261 cr in the last ten years towards its R&D initiative, approximating 33% of its annual turnover in 2009-10.

Strength: The Company R&D strengths comprised niche chemistry skill sets, with specialized expert talent pool of scientists and technical personnel.

Capability: it developed an expertise model for the development of the stable management of complex techniques and processes (chiral separations, Grignard reaction, Stetter reaction, Silylation, Oximation, Ketallisation, Hydrogenation under pressure, Beckmann rearrangement and stereoselective synthesis).

Equipment: It invested in sophisticated world-class equipment capable of handling extreme reactions involving a temperature range from - 1500C to +2500C and pressure capacity upto 15 kg/sq. inch. R&D is fully equipped with state of the art analytical equipments comprising several HPLCs, LCMASS, GCMASS, DSC, XRD and several other equipments.

Partnership: It entered into a tie-up with reputed academic institutes facilitating an easy access to critical insights

International: It is continuously upgrading its R&D infrastructure at par with international standards

Bio batch plant: The Company has installed a bio-batch plant, operating as per cGMP norms, facilitating the approvals of its products in the international and domestic markets.

Facility: The Company's Rs 70 cr and 40000 sq. ft. state-of-the-art R&D centre at Mohali, comprises eight synthetic labs (five generic, the rest dedicated for contract research for international majors), the latest equipment and gadgets to facilitate development of non-infringing processes, helping generate data as per ICH guidelines and prepare DMFs in CTD format for US and other regulated markets.

In doing so, the Company:

- Filed over 80 DMFs in 2009-10; taking the total count to 288 DMFs
- The number of patents filed during the year also increased to 145 as on March 2010.
- Launched several new molecules through in-house research, a majority launched within a year in India of their launch by the innovator Company, belonging to the top 10 therapeutic groups
- Emerged as the first in the world to develop Clarithromycin granules and the first to develop Roxithromycin granules.
- Possesses a Research and Development, Chemical Research and Analytical Development facility duly recognized by the Department of Science and Technology (Government of India)
- Possesses an attractive pipeline of 20 products expected to go off-patent by end of 2010
- Undertook process optimisation and improvements for molecules in 2009-10 such as the following

– Donepezil Hcl-Process for improving residual solvents contents to meet current regulatory needs as well as a process for robust polymorph formation.

– Ropinirole-Process to control impurity formation during crystallization.

– Nateglinide-Process for consistency of Polymorph formation at large scale.

- Process developed for the following molecules in 2009-10- Eletriptan HBr.(API), Dutasteride (API), Raloxeifene (API), Bexarotene (API), Prasugrel Hcl (API), Dapoxetin (API), Colesevelam (API), Ketoconazole (API), Temozolamide (API)
- Developed non-infringing processes for molecules including Eletriptan HBr, Raloxifene, Temozolamide and Olmesartan in 2009-10
- Undertook pilot studies for Cinacalcet HCL (API), Telmisartan (API), Ezetimibe (API), Prasugrel and Colesevelam in 2009-10
- Commercialised the production of Donepezil (Alzheimer's Disease), Nateglinide (Anti Diabetic), Naratriptan (Anti Migrane) and Risedronate (Osteoporosis) in 2009-10
- Developed a key intermediate of Quetiapine
- Possesses an attractive pipeline of products including Aripiprazole, Montelukast, Adefovir, Saxagliptin, Sunitinib, Rosuvastatin and Ertapenem as on March 2010.

Growing
our intellectual capital

The pharmaceutical industry is facing increased pressure from shortening new product development times, from escalating research costs, and from governmental reforms aimed at constraining healthcare costs. In this climate, companies depend on their ability to discover, develop and market innovative products faster and more effectively than the competition.

Production per employee increased by 47%, while profit per employee strengthened from Rs 4.40 lakhs to Rs 5.85 lakhs in 2009-10

The pharmaceutical industry perhaps relies more than any other on innovation and the efficient transfer of knowledge. When knowledge management is tied directly to critical business processes, it can deliver remarkable benefits. In the pharmaceutical business, people are knowledge banks who drive profitability, making it imperative to retain them.

Ind Swift labs has attracted and retained the best talent within the industry through the following initiatives:

- Team: The Company created a 3 member team for career profiling and competency mapping to ensure that the right person is recruited for the right job
- Knowledge: It focused on knowledge-enhancement through an institutionalized training (hard and soft skills) calendar that covered all employees.
- Investment: it invested Rs 30 lakhs in training programmes
- Training: It ensured that each person got alteast four days of Training per year .
- Meritocracy: Migrated to a culture of incentive-linked performance pay structure
- The Board also allotted 670,000 options to employees under Employee Stock Option Plan (ESOP).
- Quality of life: The Company inducted a culture of work life balance, where employees were encouraged to avail 50% of their leaves and special care was taken to reduce overtime
- Defining: Role and job clarity was introduced and institutionalized and employees were made clearer of their roles and responsibilities
- Outlining: Competency mapping to ensure that gaps in the skills needed for upward mobility in the Organizational Hierarchy could be filled through enhancement of responsibilities on the current function.
- Appraisal: KPI's-based appraisal forms were introduced to ensure more reliability in appraisal of employees
- Key employees were identified and given fast track promotions keeping in view their good service record with Company.
- Automation was initiated at every level and is treated as a continuous exercise to reduce casual manpower improve efficiency/productivity and increase profit per employee

The main HR Initiative that transpired in the year under review was to carry out a detailed exercise to enhance role clarity and role expectations covering the entire Derabassi manufacturing facility. This entailed mapping out all the positions again with a focus on enhancing clarity regarding the skill sets required to do the job well and the alignment of responsibilities and duties with each position.

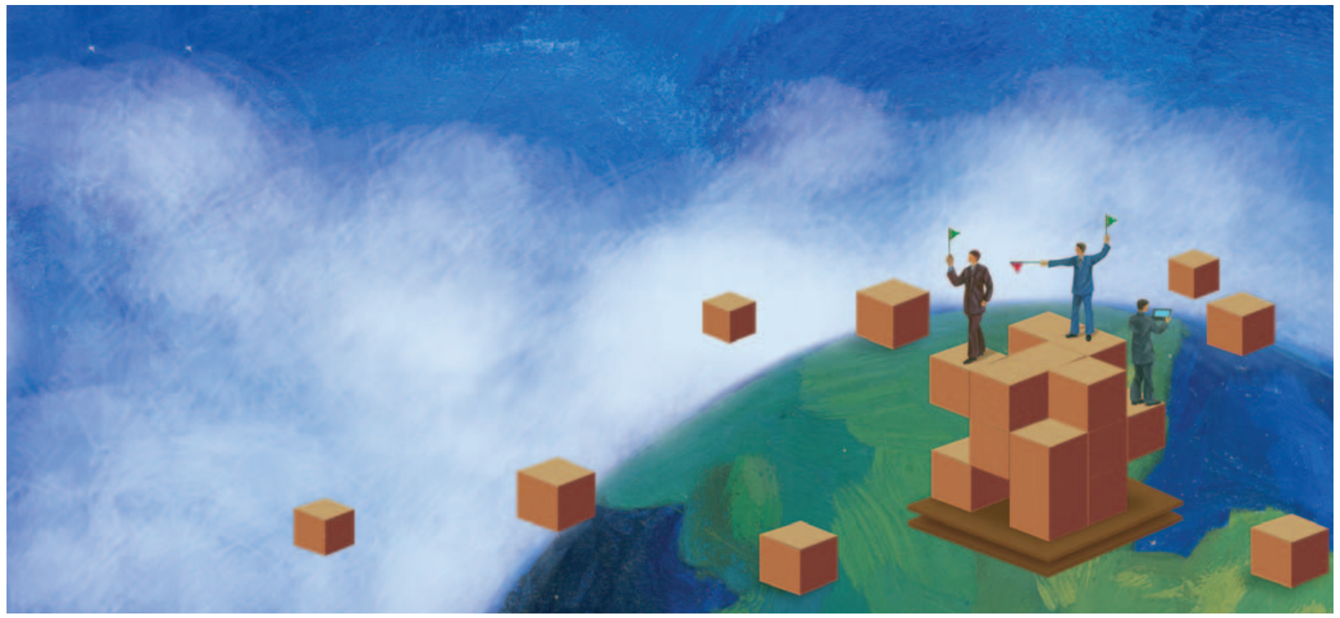
Employees were involved to make the system more effective through Project 'Junoon', which was launched to reduce wastage and collect valuable suggestions from employees.

As a result,

- Production per employee increased by 47%, while profit per employee strengthened from Rs 4.40 lakhs to Rs 5.85 lakhs in 2009-10

Growing our footprint

Global pharmaceutical companies are increasingly under pressure due to a host of factors, including relatively dry pipeline for new drugs, higher R&D costs and increasing pressure from Governments for reduced healthcare costs.
The industry is bracing itself for some fundamental changes in the market place and is looking at newer ways to drive growth. These global trends will have serious implications for domestic pharmaceutical companies. However with the right strategy, Indian companies are very well poised to take advantage of these changes and successfully navigate the future.



The pharmaceutical industry is currently growing at the rate of 12 per cent, but this will accelerate soon. Pharmaceutical exports during April-December 2009 were worth US$ 6.33 billion, according to the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers. The sale of all types of medicines in the country stands at US$ 9.61 billion, which is expected to reach around US$ 19.22 billion by 2012. Further, a RNCOS report titled 'Booming Pharma Sector in India' projects the industry to continue growing at a CAGR of around 13 per cent during 2010-11 to 2012-13. India tops the world in exporting generic medicines worth US$ 11 billion and currently, the Indian pharmaceutical industry is one of the world's largest and most developed.

Increasing number of global acquisitions have been made in the recent past by Indian companies for strategic objectives like market entry, technological or manufacturing expertise and distribution facilities. The global market continues to offer these opportunities for domestic companies looking to expand their international presence. Strategic tie-ups with global companies offer several opportunities for Indian companies to create 'win-win' situations, particularly in R&D and distribution.

US Market

- The Company has filed 16 US Drug Master Files (DMF) with USFDA so far.
- ISLL has been shipping commercial supply of three major molecules in US markets (besides supply of 7-8 products in development quantities and is planning to launch couple of more products in US immediately after expiry of their patent in coming years.
- The Company is building its presence in the high value generic markets in North America and has entered into supply agreements with North American generic pharmaceutical companies.
- The last year of the US operations has gone into establishing the customer development for molecules which will be expiring post 2012onwards.

Europe & Turkey

The continent has experienced its worst recession since the Second World War. The Euro-zone debt crisis is hanging like a dark cloud over Europe's economic forecast. Emergency austerity measures across the zone are here to stay and will have a long lasting impact on all industries. Price control mechanisms came into play and pharmaceutical industry was amongst the first to be hit by such measures. Several European governments recently announced aggressive product price cuts as part of widespread measures aimed at cutting down serious budget deficits. This led to fanning of fears in the Pharma sector over worries on fall in sales and profits from the region. In countries such as Greece the 'electronic prescription system' has been introduced in January 2010 together with the law for the controlling and monitoring of the prescription patterns of the doctors. Our Company did suffer small setbacks in terms of lower sales in markets deep in crisis, like Greece, but only to recover the lost revenues through other opportunities.

The Company has no doubtful debts in any of the crisis countries and all business is carried on with utmost financial care and control.

For Ind-Swift Laboratories Ltd. we have exceeded our growth projections from budgeted revenue by 13% for European region. Launch of Clopidogrel across Europe has been the key growth driver.

The key for us was to hit the market at exactly the right time. The Company with its local presence in the UK, through a marketing office, has grown not only in value but in its customer base and reach as well. A local European presence has increased customer satisfaction levels like never before. Our API's are well established in more than 15 countries in Europe and Turkey.

Statins, with a total world market of more than USD 25 billion in 2009, constitutes one of the most important sectors of the European pharmaceutical industry. Atorvastatin which is being produced regularly by Ind Swift Laboratories Ltd. is biggest of all statins the world over.

The Company has made the right efforts to reach the market effectively through its partners in Europe and Turkey for Atorvastatin and other cardiovascular drugs like Clopidogrel and shall continue to focus on this therapeutic segment for years to come. The Company has already received accreditations from Germany Health Authorities for these drugs for sale to Europe.

The anti diabetics drug Pioglitazone stated to go off patent by 2010 will be another growth product for the next financial year. The Company continues to improve its presence and market reach in the Central and Eastern European Countries and this region has once again contributed to the largest share of Company's revenues from the entire European region.

Turkey remains an important market and continues to generate good revenues for the Company. The market for macrolide Antibiotic Clarithromycin and its coated granules is stable over the years and Ind-Swift Laboratories Ltd. has maintained its position as the leading supplier to the top generic companies.

Despite the present turmoil, there still lie tremendous opportunities and potential in the continent. No one wants to witness a situation where in a downward trend in product innovation and health care provision is seen as an outcome of countries grappling with huge budget deficits. The industry sentiment may be at its lowest level, but long terms prospects still remain intact. The Company forecasts revenues from Europe/Turkey to growth between 8-10% annually.

Latin America

Latin America is rebounding from the shock more rapidly than the majority of developed economies. Most importantly, it is doing so without compromising its significant progress towards its long-term development goals. The rate of recovery is expected to be substantial in 2010, even if short of the typical growth rates of over 5% that characterized the bonanza of 2004-08. The duration of the global recession will be only one factor in determining future growth rates and at least as important for each country will be its capacity to stimulate its economy through sustainable policy efforts. Burgeoning populations, infrastructure advancements and ramped-up government spend on healthcare means the pharmaceutical markets in Latin America are thriving. While Brazil is leading the way, new alliances such as the US-Peru free trade agreement see the smaller economies fighting back with sparkling growth of their own.

The sale of ISLL's products in Latin America, for the year 2009-10, increased by 11% compared to the previous financial year. Brazil and Mexico led the LATAM, followed by Argentina, Colombia, Chile, Paraguay, Uruguay and the Central American markets. Brazil and Mexico considerable growth not only in the sales of the existing range of products but ISLL was also able to place new products with the customers with ease, owing to the excellent reputation that the Company. Argentina has now started showing sign of economic recovery and ISLL is reaping the benefits of being in the market with the customer during the economic turmoil which has created a favorable image. Markets of Colombia, Chile, Paraguay, Uruguay and the Central America have shown positive growth.

Asia Pacific (Excluding India)

- The Asia pacific region recorded a growth of 7.2%, major countries contributing to their growth were Korea, Malaysia, Vietnam, Thailand, Philippines, Bangladesh & Pakistan.
- This recent development in the Japan market has provided Generic companies and also API manufacturers with great opportunity to work with the Generic companies in Japan. In Japan the ISLL has been successful in developing the network for placing their APIs and has been able to successfully place Clarithromycin USP. Foreign Manufacturers Accreditation is already granted and the Company has identified partners and has filed 3 DMF's with MHLW. With the patent of these products expiring in next 2-3 years, Company expects to leverage maximum potential from this market.
- In Korea, ISLL has been able to tie up with the major generic players. ISLL was inspected by KFDA-Korea and approved, which makes it amongst the few companies from India to be accredited by KFDA.
- In markets like Bangladesh and Pakistan, ISLL enjoys a major market share of their products and is the established supplier of APIs from India. The customer coverage in these markets has been exceptional and ISLL continues to consolidate on its leadership position.
- Thailand and Philippines are the markets where the Company has been able to add more products and customers for its existing range.
- The Company has formed a subsidiary, Ind Swift Laboratories PTE Ltd, Singapore to aid its operations and business in the Asia Pacific region
- The Company is now focusing on China for the API sales and has identified many products which have great potential in China and have started the process of seeking IDLs for such identified products.

Middle East (Iran, Jordan, Egypt, Syria and UAE)

- Middle East is a focus area for the Company and there is high growth potential in these markets. Company has identified and targeting therapeutic segments like Cardio Vascular, Macrolide Antibiotics, Antihistamine, Antidepressant, Antipsychotic and Alzheimer's disease for substantial growth and for greater market presence and share in all the markets, as these segments are growing rapidly in the region.
- Business in the Middle East region has been growing at a reasonable rate over the last few years. Annual combined sales for above mentioned markets in 2009-10 registered about 51% growth from previous year.
- ISLL has formed a subsidiary, Ind Swift Middle East FZE to aid its operations in the Gulf countries
- Company's JV operations in Iran under the name of Hackim Farayand Chemie Co. have been growing at a steady speed with considerable growth in revenue in 2009-10.

Corporate information

Board of Directors (as on 25.08.2010)

S.R. Mehta	*Chairman*
N.R. Munjal	*Vice-Chairman cum Managing Director*
Himanshu Jain	*Jt. Managing Director*
Dr.V.R. Mehta	*Director*
Dr.G. Munjal	*Director*
Rishav Mehta	*Director*
K.M.S. Nambiar	*Director*
Dr.H.P.S. Chawla	*Director*
S.P. Sharma	*Director*
Dr. J.K. Kakkar	*Director*
Pradeep Kumar	*Director*

Executive Board

Dr.Lalit K. Wadhwa	*Director & Chief Operating Officer*
Vijay Kumar	*Director Marketing & Special Project*
N.K.Bansal	*Chief Financial Officer*
Vikas Narendra	*President – US Operations*
R.S.Dhaliwal	*Member*
G.K.Sharma	*Member*
Subodh Gupta	*Member*

Committees of the Board

Audit Committee

K.M.S. Nambiar	*Chairman*
Dr. J.K. Kakkar	*Member*
S.P. Sharma	*Member*
S.R.Mehta	*Member*
N.R Munjal	*Permanent Invitee*
Himanshu Jain	*Permanent Invitee*
N.K.Bansal	*Permanent Invitee*

Remuneration Committee

K.M.S. Nambiar	*Chairman*
S.P. Sharma	*Member*
S.R. Mehta	*Member*
N.R Munjal	*Permanent Invitee*
Himanshu Jain	*Permanent Invitee*

Share Transfer & Shareholder/Investor Grievance Committee

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

Compensation Committee

Dr. J.K. Kakkar	*Chairman*
K.M.S. Nambiar	*Member*
S.P. Sharma	*Member*
N.R.Munjal	*Permanent Invitee*
Himanshu Jain	*Permanent Invitee*

Sub-Committee of Board

N.R.Munjal	*Chairman*
Dr. J.K. Kakkar	*Member*
K.M.S. Nambiar	*Member*
Himanshu Jain	*Member*

Company Secretary & Compliance Officer

Pardeep Verma

Solicitors

P.K.Goklaney & Company
Advocate & Solicitors
#38,Sector 16 A, Chandigarh - 160 015

Auditors

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

Bankers

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

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

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

Registered Office

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

Share Department

SCO 850,Shivalik Enclave, NAC,
Manimajra, Chandigarh - 160 101
Tel: +91-172-2730503, 2730920
Fax: +91-172-2730504, 2736294
Email:investor@indswiftlabs.com
Website: www.indswiftlabs.com

Directors' Report

Dear Shareowners,

Your Directors have great pleasures in presenting the Fifteenth Annual Report together with audited statements of accounts for the year ended 31st March, 2010

Financial Results

(Rs. in million)

Particulars	Year ending 31st March 2010	Year ending 31st March 2009
Sales(net of excise) and other income	7835.52	5881.38
Profit before Interest, Depreciation, Tax & Amortisation	1377.24	1314.40
Less: - Interest	510.63	469.55
- Foreign Exchange fluctuating	(69.75)	44.63
- Depreciation	368.82	268.83
- Impairment of Assets	50.18	25.26
- Extra Ordinary Item (Loss on Insurance claim)	(29.97)	8.11
Loss on sale of fixed assets	1.52	8.99
Profit before Tax	546.64	489.29
Less: - Provision for Taxation	106.52	56.50
- Mat Credit Entitlement	(102.45)	-
- Provision for Fringe Benefit Tax	NIL	3.08
- Provision for Deffered Tax	(37.07)	31.84
Profit after Tax (A)	579.64	397.86
Amount B/F from Previous year(B)	1120.43	887.08
Profit after Tax available for Appropriations (A+B)	1700.07	1284.94
Transfer to deferred tax liability	-	114.24
Provision for Dividend on Equity shares	27.85	25.97
Provision for Equity Dividend Tax	4.73	4.41
Transfer to General Reserve	28.98	19.89
Balance carried forward to Balance sheet	1638.49	1120.43

Operations and Business Performance

On a standalone basis your company has achieved a turnover of Rs 7835.52 Millions registering a growth of 33.23 % over the previous year's turnover of Rs 5881.38 Millions. Profit before tax also increased from Rs489.39 millions to Rs 546.64 millions registering a growth of 11.72 % whereas profit after tax increased by 45.69 % from Rs 397.86 millions to Rs 579.64 millions. The Earning per share during the year increased to Rs 21.45 per share from Rs 15.98 per share in the previous year .

Consolidated Financial Performance

Your company recorded a turnover of Rs.7852.89 Million as compared to Rs. 5901.96 Millions recording a growth of 32.68 % in consolidated revenue for the year. Profit After Tax achieved a growth of 39.60 % at Rs.563.86 Millions. As required under Clause 32 of the Listing Agreement with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report and the same are annexed to this Report.

Exports

Exports during the year saw a significant jump as the revenue from exports during the financial year ending 31st March, 2010 increased to Rs.3165.66 millions as compared to Rs. 2166.66 million recorded in the previous financial year, recording an increase of 46.11%.

Dividend

Your Directors are pleased to recommend dividend of Re.1/- per equity share of Rs.10/- each for the financial year 2009-10. The dividend, if approved at the ensuing annual general meeting, will be paid on or after 1st October, 2010 to those shareholders whose names appear on the register of members of the company as on 20th September, 2010. 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.32.58 millions (previous year 30.39 million), which is approximately 7.21% 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

Pursuant to the Provisions of the Securities and Exchange Board of India(Employee Stock option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 the details of the stock option granted by the Company as on March 31, 2010 under the ESOP scheme 2006 are set out in Annexure B forming part of this report.

Capital Structure

During the year the paid-up equity share capital of your company has been increased to Rs.278.52 Millions by issue of 25,79,460 equity shares upon conversion of equal number of Zero coupon optionally convertible warrants at a price of Rs.70/- per share on preferential basis to promoters Group Companies and issue of Share under the ESOP scheme of the Company. These equity shares have been duly listed at the Stock Exchanges.

The funds raised through the preferential allotment of shares were utilized for Derabassi Facility expansion including capital advances and Augmentation of NWC.

Subsidiaries

During the year Company incorporated two new subsidiaries one in Dubai under the name of M/s Ind-Swift Middle East FZE, UAE and Second in Singapore under the name of M/s Ind-Swift Laboratories Pte Ltd., Singapore. These subsidiaries did not commence any business during the previous financial year.

The US subsidiary " Ind-Swift Laboratories Inc " continued to expand its footprint in the US market. The total income of the Company was INR 47729330 as compared to INR 4045065 in the previous year. It however recorded a net loss of $ 331493/- as compared to Profit of $ 13783/- in last year.

The Annual Accounts and reports of the US Subsidiary along with statement pursuant to Section 212 of the Companies Act, 1956, forms a part of this annual report. The annual accounts of the two new subsidiaries incorporated in the last Financial year were not prepared and hence not enclosed.

Auditors

The Statutory Auditors of the Company M/s Jain & Associates, Chartered Accountants retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The Audit Committee and the Board of Directors recommend the appointment of M/s. Jain & Associates, as Statutory Auditors of the Company for the Financial year 2010-11 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 2009-10. The Cost Audit is under process and the company will submit the Cost Auditor's Report to the Central Government in time.

Deposits

During the year under review, your company has received overwhelming response from the public. The aggregate amount of fixed deposit as on 31st March 2010 was Rs. 57.93 crores approx (previous year Rs.16.94 crores) and there was no unclaimed deposit as on that date.

Directors

Your directors with great grief announce the sad and untimely demise of Sh. V.K.Mehta the Managing Director of the Company on 21.03.2010. He was a great visionary and the spirit behind the growth of the Ind-Swift Laboratories. No words can describe the amount of contribution made by him for taking your Company to this level. We pray to the almighty that may his soul rest in peace and give strength to the grieved family to bear the loss. In his place his son Mr. Rishav Mehta was appointed as director on the Board of the Company.

The untimely death of Mr. Mehta necessitated the re-constitution of the Board and accordingly Sh. N.R.Munjal again took over the charge of the Managing Director and was re-designated as Vice- Chiarman cum Managing Director, Sh. Himanshu Jain was designated as Jt. Managing Director.

Dr. S.D.Nanda and Dr. N.D.Aggarwal resigned from the Board of the Company during this period and Sh. Pradeep Kumar were inducted as Independent Director as per the provisions of the Companies Act,1956. The additional Director will hold their office up to the date of the forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing the appointment as directors of Mr. Rishav Mehta & Mr. Pardeep Kumar subject to retirement by rotation.

In accordance with the provisions of Section 256 of the Companies Act, 1956, Dr. V.R. Mehta, Mr. K.M.S. Nambiar and Dr.J.K. Kakkar, directors retire by rotation at the company's forthcoming annual general meeting and being eligible offer themselves for re-appointment. The Board recommends their reappointment.

Management Discussion and Analysis

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.

Listing Fees

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

Conservation of Energy Research and Developments, Technology Absorption, Foreign Exchange Earning and Outgo

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Employees) Rules, 1975 are set out in the Annexure-A to the Director's Report.

Particulars of Employees

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

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

Internal Control Systems and Their Adequacy

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures are in place to ensure that all transactions are authorized, recorded and reported correctly as well as to provide for adequate checks and balances.

The Internal audit department together with independent firms of Chartered Accountants review the effectiveness and efficiency of these systems and procedures. Audits are finalized and conducted based on Internal risk assessment. Significant deviations are brought to the notice of the Audit Committee of the Board periodically and corrective measures recommended for implementation. All these steps facilitate timely detection of any irregularities and early remedial measures.

Corporate Governance

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

Directors Responsibility Statement

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

(i) In the preparation of Annual Accounts, the applicable accounting standards have been followed. There are no material departures from prescribed accounting standards.

(ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year 2009-10 and of profit of the Company for that period;

(iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) We have prepared the annual accounts on an on going concern basis.

Acknowledgement

Your Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered.

Your Directors thank the shareholders of the Company for the confidence reposed in the Management of the Company.

You Directors place on record their gratitude to the Customers, Suppliers, company's Bankers and Financial Institutions for their support and co-operation during the year under review.

On behalf of the Board of Directors

S.R. Mehta

Chandigarh, 25th August, 2010 — Chairman

Annexure to Directors' Report

Annexure 'A'

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

A. Conservation of Energy

a) Energy Conservation measures taken and impact of measures taken
   - i) Improved the power factor of electrical system upto 0.98. Thus reduced losses in distribution system.
   - ii) Use separate cooling tower for SRP and HVAC system.
   - iii) Optimizing of solvent distillation process to reduce energy consumption by 10%.
   - iv) Optimization of lightening load.
   - v) Installed new energy efficient boiler

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.

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

a) Electricity and Fuel Consumption	2009-10	2008-09
1 Electricity		
A Purchase Unit (KWH)	14627649	12373177
Total amount (Rs.)	57629614	47951678
Average Rate (Rs.)	3.94	3.88
B Own Generation		
i Through Diesel Generator set (KWH)	4807069	4155286
UNIT PER LITRE OF DIESEL OIL	3.35	3.55
Cost of fuel per unit	8.45	8.47
ii Through steam turbine/generator	NIL	NIL
2 Coal (specify quantity and where used)	NIL	NIL
3 Furnace Oil/L.D.O. (Quantity)	47125	21350
Total amount (Rs.)	1121006.05	441054
Average Rate (Rs. Per litre)	23.79	20.66
4 Other/Internal Generation (please give details)	NIL	NIL

Consumption Per Unit of Production

b) Electricity and Fuel Consumption	Standard	2009-10	2008-09
Electricity	(KWH)	16.63	18.17
Furnace Oil/L.D.O	Litre/Kg	0.04	0.02
Diesel Ltr	Litre	1.23	1.29
Petroleum Coke	Kg	4.45	5.94

B) Technology Absorption

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

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

The focus of research efforts are:

1. Development of Active Pharmaceutical Ingredients going off patents in regulatory Markets with opportunity to be first among others players by developing nine non infringing proc4esses to help develop strong partnership with ANDA players.
2. Cost effective development of API technologies for semi regulated markets.
3. Creating Intellectual Property bank with filling of process patents at national& international level.

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

1. Development of basket of API's for global markets.
2. Quick launches of products by utilizing state of art of R&D infrastructure to carve out niche business pocket.
3. Company has filed total of 145 process patents at national & International Level.
4. Over 80 DMF's are filed in last one year.

c) **Future plan of action**

1. MOU for Research Collaborative on discovery of NCE,s with Punjabi University, Patiala signed in the area of diabetes etc.
2. Contract Research Agreement signed with M/s Bosnalijek Pharmaceutical and Chemical Industry, Bosnia for development of an API .

Expenditure on R & D during the year 2009-10 (Rs. in million)

	2009-10	2008-09
a. Capital	50.97	37.01
b. Revenue	890.97	753.41
Total	**941.94**	**790.42**
c. Total R&D expenditure as percentage of total turnover	12.15	13.58
d. Turnover	7752.30	5818.79

II. Technology Absorption, Adaptation And Innovation.

1. Efforts, in brief made towards technology, absorption, adaptation and innovation:
   - Research & Development(R&D)
   - The developed technologies have been put to commerclization for both regulated and semi-regulated markets.
2. Benefits derived as a result of above efforts e.g. product improvements; cost reduction, product development etc.
   a) Cost reduction, quality improvement.
   b) No. of products commercialized have been increased.
   c) R&D Centre is recognized by DSIR, New Delhi.
3. Information in case of imported technology (imports during last five years).
   Not applicable

C) Foreign Exchange Earning and Outgo

1 **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:**

Exports in the year under review are Rs.3165.66 millions as compared to Rs.2166.66 million with increase of 46.11%.

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.129.35 million and the earnings in foreign exchange were Rs.2693.97 million. Details have been given at Point No. F & G of Note 28 of Notes on Accounts.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2010 are given below:

a. Total Options Granted	6,86,000	
b. Exercise Price	Rs.27/-	
c. Options Vested	2,76,000	
d. Options Exercised	1,42,460	
e. The total number of shares arising as a result of exercise of Options	1,42,460	
f. Options Lapsed/cancelled	7,500	
g. Variation in terms of Options	-	
h. Money realised by exercise of Options	Rs.38,46,420/-	
i. Total number of Options in force	5,36,040	
j. Employee wise details of Options granted to:		
i. Directors :	1. Sh. KMS Nambiar	5000
	2. Dr. J.K.Kakkar	5000
	3. Sh. S.P.Sharma	5000
	4. Dr. H.P.S. Chawla	5000
ii) Senior Management Personnel :	1. Shri N.K.Bansal	25000
	2. Dr. Lalit Wadhwa	25000
	3. Sh. Vijay Kumar	25000
	4. Sh.G.K.Sharma	25000
	5. Sh.R.S.Dhaliwal	25000
	6. Sh. Vikas Narendra	25000
	7. Sh. Subodh Gupta	25000
iii) 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	
iv. 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. 20.76	

Management discussion and analysis

Industry overview

Emerging markets are set to play pivotal role in future pharmaceutical successes

Currently, emerging pharmaceutical markets are typically small. However, their rapid growth vis-à-vis the more regulated markets make them attractive prospects for the pharmaceutical industry. Rapidly growing economies, increasing population and greater health awareness combined with larger incomes to spend on healthcare will drive the growth of pharmaceuticals in emerging markets. By 2017, IMS forecasts revenues from emerging markets at US$ 290 billion to US$ 320 billion, with a CAGR of 12% to 15%.

Therapy area growth dynamics will be driven by innovation cycles and unmet needs

As the pharmaceutical industry's research and development (R&D) programs adjust to creating low-cost generic options in many chronic therapy areas, higher growth will occur in those areas where there is significant unmet clinical need. In oncology, diabetes, multiple sclerosis and HIV, annual growth is expected to exceed 10% right up to 2014, as new drugs are brought to market, patient access is expanded and funding is redirected from other areas where lower-cost generics take over.

Transition from small molecules to big molecules, or the expansion of Biologics in developed markets; and branded and off-patent small molecule medicines in fast growing emerging markets

In the developed markets of the US, Europe and Japan, the industry is perceptibly moving away from the small molecule driven sales model, towards targeting specialist secondary care indications through the use of high-value biologic therapies. The key driver of sales growth up to year 2014 will be injectable biologic therapies for the treatment of more secondary care indications. In emerging markets, branded and off-patent medicines will continue to dominate, with occasional breakthroughs and revenue spikes coming from Biologics. Primary care drugs will still drive sales in these markets, with medicines for infectious diseases and endocrine / metabolic disorder experiencing the largest growth.

Mergers, acquisitions and strategic partnerships are here to stay

In line with recovery from the global economic downturn, the number of M&A and strategic deals has been on the rise throughout the second half of 2009. While neither M&A nor strategic partnerships can totally offset sales declines from the impending patent cliff of 2011, these partnerships and mergers will offer improved profitability because of higher combined sales, cost saving opportunities and operational synergies.

A number of events may occur in 2010-11 onwards that could have long term effects on the pharmaceutical market. These include actual initiation of the comprehensive healthcare reform in the US and cost-saving legislative or regulatory actions in other countries.

REGIONAL PERFORMANCE

The US market's growth to slow down in 2010

In 2009, the US market grew by 5.5% to US$ 322 billion - thus crossing US$ 300 billion mark for the first time. However, the growth is expected to slow down to somewhere between 3% and 5% in 2010. This is due to growing substitution, taking the margin away from innovator brands in favor of generics. Generics have been growing much faster than brands due to the enormous number of patent expiries. Consequently, generics now account for more than 70% of the total US prescriptions.

Other mature markets: Europe and Japan Europe contributed US$ 247 billion to the total pharmaceutical market, and showed a growth of 4.8% in 2009 versus 7% in 2008, in constant dollar terms. The expected market growth in Europe is in the 3% to 5% range in 2010. While Europe is seeing increased demand from an ageing population and for preventive care, growth is being hindered by constrained government healthcare budgets, and payer agencies using contracting and auctions to control costs. The Japanese pharmaceutical market grew by 7.6% to US$ 90 billion in 2009, versus 2.1% growth in 2008.

'Pharmerging' markets in the aggregate sustain strong growth

Seven 'pharmerging' countries - Brazil, Russia, India, China, South Korea, Turkey and Mexico - are expected in aggregate to grow by 12% to 14% in 2010, and a CAGR of 13% to 16% over the next five years. China's pharmaceutical market is expected to grow at over 20% annually, and contribute 21% of overall global growth right up to 2013. Russia and Turkey may be negatively impacted by new measures intended to reduce the level of healthcare spending.

TRENDS IN NORTH AMERICA

Patent cliff to drive the generics market through 2014

The impending 2011 patent cliff is set to erode US$ 78 billion in global branded sales from drugs facing patent expiry over 2010-14. This is in addition to another US$ 32 billion from continued erosion of already expired brands. The patent cliff will be a major catalyst for the growth of generic pharmaceutical companies. Generics will be an aggressive driver of sales and, in the process, deliver cheaper drugs for all.

US healthcare reforms

On 21 March 2010, with the US Congress passing The Patient Protection and Affordable Care Act, there are expectations of significant changes in the US pharmaceutical market. There are three parts to the US healthcare reform. The first is expanding healthcare coverage to citizens, mostly those employed in smaller companies, the unemployed and reducing co-payments for Medicaid - the federal insurance program for the poor. This should boost volumes for generic companies in the long term. The second is a higher emphasis on insurance regulation and access. There will be new regulations governing the insurance industry that will prohibit the denial of coverage due to pre-existing diseases, and ban placing life-time value limits on policy coverage. Indirectly, these reforms, too, should help improve overall generic penetration, and hence the opportunity for Indian pharmaceutical companies. The third part consists of regulations and data exclusivity protection in the biologics drugs space. The legislation grants innovator firms 12 years of data protection, and allows the first interchangeable biosimilar 18 months of exclusivity.

TRENDS IN INDIA

Note: Information in this section is based on the Indian Pharmaceutical Overview Report, published by ORG IMS Research Private Ltd. for the year ended December 2009, and other latest reports from ORG IMS.

The Indian pharmaceutical market has seen a CAGR of about 14% in the last five years. It continues to be highly fragmented and dominated by Indian companies. The domestic pharmaceutical industry grew by 18% in March 2010 (ORG's moving annual total, or MAT) versus 10% in March 2009. Acute therapy dominates, with a share of over 75% of the total market value. The chronic segment has registered a growth of 21%, versus 16% in the acute segment. Anti-infectives grew by 14%, respiratory and dermatology by 21%, cardiac by 21% and CNS by 20%.

The Government of India's Vision 2015 statement indicates an 18% plus CAGR for the pharmaceutical sector, translating to a doubling of revenues over the next five years. According to this report, growth will be driven by all verticals: domestic formulations, generics exports, and outsourcing. By 2015, the report expects specialty and super-specialty therapies to account for 45% of the market. Growing lifestyle disorders, particularly metabolic disorders like diabetes, obesity and hypertension, coronary heart disease, cardiovascular, neuropsychiatry and oncology drugs are likely to gain significance.

Company's Outlook

PRODUCT LAUNCHES

During the year, the company launched new drugs like Cinacalcet, Duloxetine, Mecloxamine citrate, Atomoxetine, Exemestane, Ezetimibe, Pregabalin, Ranolazine, Telmisartan & Posaconazole. The other products driving the growth of the Company are Letrozole, Anastrozole (Anti-Cancer) Venlafaxine (Anti-Depressants) Lavofloxacin (Anti-Biotic) Quetiapine and Aripiprazole (Anti-Pshychotic) Ezetimibe (anti-hyperlipidemic) and Pioglitazone, an anti-diabetic drug. The Company is further developing newer products such as Dutasteride, Argatroban, Gefitinib, Elitriptan and others. The company has successfully introduced for the first time in India new products like Ivabradine and Cinacalcet . Ind-Swift is the first and only company to launch these products in the Indian market.

CERTIFICATIONS

The Company has received various international and national accreditations which includes USFDA, COS from EDQM, TGA Australia, approval from The Ministry of Iran, BSG Certification and Germany KFDA , NIP (Hungary) and WHOGMP for its various products.

EXPANSION AND MODERNISATION PLANS

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

PHARMACEUTICAL SERVICES

The Company has aggressive plans of increasing and stepping up its regulatory filing as it filed over 80 DMFs in the last year. The Company has filed over 288 DMFs in different countries including US, Europe, Australia, Russia and Japan. The total number of patents filed by the company has also increased to 145. The Company is actively exploring opportunities to make innovative breakthrough in the CRAMS space and expects substantial revenue from this space in the coming years.

As per the latest report of the office of the Controller of Patents, Designs, Trade Marks and Geographical Indications, Ind Swift Labs is among the top 10 pharma corporates in terms of the number of patents filed.

INTERNATIONAL BUSINESS STRENGTHENING ALLIANCES

The Company has increased its international visibility by opening offices in Europe and alliances with European customers. ISLL has formed two more subsidiaries during the year, Ind Swift Middle East FZE to aid its operations in the Gulf countries and one in Singapore to aid its operations in the Asia Pacific.

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 had an optimum combination of executive and non-executive directors and presently comprises of 12 Directors, out of which 10 were non-executive Directors. The Company had a non-executive Chairman and 6 Independent Directors which comprises of 1/2 strength of the Board, thus complying with the Corporate Governance Regulations as to the composition of the Board as on 31.03.2010.

The Vice-Chairman cum Managing Director and Jt. 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 Vice-Chairman cum Managing Director regarding compliance with all applicable laws on a quarterly basis.

The Board of the Company met 12 times during the financial year on the following dates:

25.05.2009	30.07.2009	28.01.2010
28.05.2009	29.08.2009	23.03.2010
15.06.2009	31.08.2009	
29.06.2009	30.10.2009	
24.07.2009	12.12.2009	

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

Name of Director	Category	FY 2009-10 attendance		As on 31.3.2010			Share-holding
		BM	Last AGM	No. of D'ships #	Committees Member	Committees Chairman	
Mr. S.R. Mehta	Non Executive Chairman, Promoter	11	Yes	2	3	Nil	233600
Mr. N.R. Munjal	Vice-Chairman cum Managing Director, Promoter	12	Yes	2	3	Nil	105000
Mr. Himanshu Jain	Non Executive Jt. Managing Director, Promoter	12	Yes	3	2	Nil	43325
Dr. G. Munjal	Non Executive Director, Promoter	11	Yes	3	Nil	Nil	60900
Dr. V.R. Mehta	Non Executive Director, Promoter	12	Yes	2	1	Nil	52900
Dr. J.K. Kakkar	Independent Director	12	Yes	Nil	4	1	3000
Mr. K.M.S. Nambiar	Independent Director	12	Yes	1	7	5	3000
Mr. H.P.S. Chawla	Independent Director	5	Yes	2	Nil	Nil	Nil
Mr. S. P. Sharma	Independent Director	1	Yes	1	3	Nil	Nil
Mr. V.K. Mehta *	Managing Director, Promoter	11	Yes	4	1	Nil	237000
Mr.N.D. Aggarwal***	Independent Director	3	No	1	2	Nil	Nil
Mrs.Nirmal Aggarwal ***	Independent Director	3	N.A.	N.A.	Nil	Nil	Nil
Dr. S.D. Nanda ***	Independent Director	NIL	No	N.A.	3	Nil	Nil
Mr. Rishav Mehta **	Non Executive Director, Promoter	NIL	N.A.	2	Nil	Nil	
Mr. Pradeep Kumar	Independent Director	NIL	N.A.	Nil	Nil	Nil	Nil

Excludes private limited Companies.

* Ceased to be Managing Director due to death on 21.03.2010.

** Mr. Rishav Mehta and Mr. Pradeep Kumar were co-opted as additional Directors with effect from 23.03.2010.

*** Mrs. Nirmal Aggarwal, Dr. S.D. Nanda and Dr. N.D. Aggarwal resigned from the Board w.e.f. 31.08.2009 12.12.2009 and 29.05.2010 respectively.

Dr. J.K. Kakkar, Sh. K.M.S. Nambiar and Dr. V.R. Mehta, Directors 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 15th 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 five Board-level Committees, namely:

- Audit Committee
- Remuneration Committee
- Shareholders' Grievance Redressal Committee
- Compensation Committee
- Sub-Committee of Board

(a) Audit Committee

During the financial year 2009-10, Six Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of quarterly financial results by the Board:

15.04.2009	30.10.2009
29.06.2009	28.01.2010
30.07.2009	23.03.2010

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

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr.K.M.S Nambiar	Chairman	Independent/ Non-Executive	6	6
Dr. J.K Kakkar	Member	Independent/ Non-Executive	6	6
Mr.S.R. Mehta	Member	Non-Executive	6	5
*Sh.S.P Sharma	Member	Independent/ Non-Executive	3	1
*Dr. S.D Nanda	Member	Independent/ Non-Executive	3	Nil
Mr. N.R Munjal	Permanent Invitee	Permanent Invitee	6	6
**Mr. V.K Mehta	Permanent Invitee	Permanent Invitee	5	5
Mr. N.K. Bansal	Permanent Invitee	Permanent Invitee	6	6

* Sh. Sh.S.P Sharma was nominated as member of the Audit Committee in place of Dr. S.D Nanda w.e.f 30.10.2009

** Ceased to be member due to death on 21.03.2010.

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

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

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

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, 2010 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 on 29.08.2009

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. K.M.S Nambiar	Chairman	Independent/Non-Exe	1	1
Dr S.D Nanda*	Member	Independent/Non-Exe	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
Sh. S.P. Sharma*	Member	Independent/Non-Exe	Nil	Nil
Sh. Himanshu Jain***	Permanent Invitee	Permanent Invitee	Nil	Nil

* Sh. S.P Sharma were nominated as member of the Remuneration Committee in place of Dr. S.D Nanda w.e.f 30.10.2009.

** Ceased to be member due to death on 21.03.2010.

*** Sh. Himanshu Jain were nominated as Permanent Invitee of the Remuneration Committee w.e.f. 29.05.2010

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 2009-10 is given below:

(Rs. in lacs)

Director	Designation	Business Relationship with Company	Remuneration for the year ended 31st March, 2010			
			Salary	Contribution to Provident Fund	Perquisites	Total
Mr. N.R. Munjal	Vice-Chairman	Promoter	87.05	0.09	3.61	90.75
Mr. V.K. Mehta*	Managing Director	Promoter	87.05	0.09	3.61	90.75

* Ceased to be Managing Director due to death on 21.03.2010.

The Executive Directors were paid remuneration, as approved by the shareholders in the Annual General Meeting held on 24.09.2009. No options under the ESOP were granted to be Executive Director during the year.

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

Independent Directors

Remuneration to Independent Directors comprises sitting fees only. Sitting fees payable to the Independent Directors were approved by the shareholders in the Annual general Meeting held on 28th 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 2009-10 is given below:

(Rs. in lacs)

Director	Designation	Business Relationship with Company	Sitting Fees	Other Expenses	Total
Dr. J.K. Kakkar	Independent Director	-	0.17	-	0.17
Mr. K.M.S. Nambiar	Independent Director	-	0.17	-	0.17
Dr. H.P.S. Chawla	Independent Director	-	0.05	-	0.05
Sh.N.D.Aggrawal	Independent Director	-	0.03	-	0.03
Sh.Nirmal Aggrawal	Independent Director	-	0.03	-	0.03
*Sh.S.P Sharma	Independent Director	-	0.02	-	0.02
Dr. S.D. Nanda	Independent Director	-	Nil	-	Nil

* Appointed with the effect from 31.08.2009

During the year 5000 options each were granted to Sh. S.P. Sharma and Dr. H.P.S. Chawla.

During the year 3000 shares each were allotted to Sh. K.M.S. Nambiar and Dr. J.K. Kakkar, under ESOP scheme of the Company.

(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, 2010 Committee met 5 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:-

30.05.2009	27.02.2010
16.11.2009	15.03.2010
15.01.2010	

The Remuneration Committee met once during the year on 29.08.2009

Name	Designation	Non/Exec independent	No. of meeting Attended
Mr. K.M.S. Nambiar	Chairman	Independent/ Non Executive Director	5
Dr. J.K. Kakkar	Member	Independent/Non Executive Director	5
Mr. N.R. Munjal	Member	Executive Director	5
Mr. S.R. Mehta	Member	Non Executive Director	NIL

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 2009-10 were 2400.
- As on 31st March, 2010 there were no equity shares pending for transfer.
- Total No. of Duplicate Share Certificates issued during the year 2009-10 were 1100.
- Total No. of shares Remat during the year 2009-10 were 20.

Secretarial Audit

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

Investor Relations

The following table shows the number of complaints received from the shareholders during 2009-10 all of which have been resolved during the year. There was no complaint pending as on 31st March, 2010.

Status of Complaints	2009-10
Opening as on 1.4.2009	Nil
Received during the year	3
Resolved during the year	3
Closing as on 31.03.2010	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.

The Compensation Committee met once during the year on 29.01.2010 for Grant of 2,26,000 Stock options under ESOP scheme to eligible employees of the Company.

(E) Sub-Committee of Board

The Sub Committee of Board was constituted in the year 2009 to consider the term loan & other facilities were held on the following dates:

24.09.2009	31.12.2009	4.03.2010
8.10.2009	8.08.2010	
8.12.2009	23.02.2010	

The constitution of the Sub-Committee of Board and the attendance of each member of the committee are given below:

Name	Designation	Executive/Non-Executive/ Independent	No. of Committee Meeting held during their Tenure	No. of Committee Meeting attended
Mr. N.R Munjal	Chairman	Executive Director	7	7
Mr. V.K Mehta*	Member	Executive Director	7	7
Mr. Himanshu Jain**	Member	Executive Director	7	7
Mr.K.M.S Nambiar	Member	Independent/Non-Exe	7	7
Dr. J.K Kakkar	Member	Independent/ Non-Executive	7	7

* Ceased to be member due to death on 21.03.2010.

** Sh. Himanshu Jain were nominated as member of the Sub-Committee of Board w.e.f 29.05.2010

4. General Body Meetings for Last Three Years

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

Financial Year	Category	Venue	Date	Time	Special Resolution
2008-09	14th AGM	PHD Chamber of commerce/industry Sector-31 A, Chandigarh	24.09.2010	10.15 A.M.	8
2007-08	13th AGM	B.M.S. Lobana Bhawan, Sector - 30 A, Chandigarh	26.09.2008	10.00 A.M.	3
2007-08	EGM	Bal Bhawan, Sector - 23, Chandigarh	29.02.2008	10.30 A.M.	1
2006-07	12th AGM	B.M.S. Lobana Bhawan, Sector - 30 A, Chandigarh	29.09.2007	11.00 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 2008-09 the following mentioned Special Resolutions were passed seeking approval of shareholders.

- Appointment of Sh H.P.S Chawla as a Additional Director of the Company.
- Appointment of Dr.Naranjan D.Aggarwal as an Additional Director of the Company.
- Appointment of Sri Prakash Sharma as a Additional Director of the Company
- Approve the increase in Remuneration of Mr. N.R. Munjal, Vice Chairman of the Company.
- Approve the increase in Remuneration of Mr. V.K. Mehta, Managing Director Chairman of the Company.
- Approve U/S 293(1)(a) for mortgaging whole / substantially whole company's property within the overall limit of 1000 Crores.
- Approve U/S 293(d) for borrowing money within overall limit of Rs.1000 Crores.
- Issue of Zero Coupon Convertible Warrants

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, 2010.

N.R Munjal
CEO/ Vice Chairman
Chandigarh Cum Managing Director

6. CEO / CFO Certification under clause 49 of the Listing Agreement

The Chairman cum Managing Director (CEO) 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 cum 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. Disclosure of Accounting Treatment

There has not been any significant changes in the accounting policies during the years.

D. Risk Management

The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Board of directors periodically reviews the risk management framework of the company.

E. 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

During the Year, audited quarterly and annual financial results on the standalone basis and un-audited quarterly & half-yearly and audited annual financial results on the consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these and un-audited quarterly and half-yearly and audited annual financial results on the consolidated basis were published in two leading newspapers- The Economics Times /Business Standard (English) and Nav Bharat Times (Hindi). These were also promptly put on the company's website www.indswiftlabs.com. All official news release of relevance to the investors are also made available on the website for a reasonable period of time.

9. General Shareholder Information

I Annual General Meeting

- Date	25th September, 2010
- Time	10.30 a.m.
- Venue	PHD Chamber of Commerce and Industry. PHD House, Sector 31-A, Chandigarh - 16003

II Financial Calendar

Financial reporting for the financial year 2010-11 for

- Quarter ending June 30, 2010	already adopted on 28th July, 2010
- Quarter ending September 30, 2010	By 15th November, 2010
- Quarter ending December 31, 2010	By 15th February, 2011
- Year ending March 31, 2011	By 31st May, 2011 (As Audited Results will be considered)
- Annual General Meeting for the year ending March 31, 2011	In September 2011.

III Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Monday, 20th September, 2010 to Wednesday, 22nd September, 2010 (both days inclusive) for the purpose of payment of 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, 2010 to those members whose names stand registered in the Register of Members as on Monday the 20th September 2010 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 Wednesday the 22nd September, 2010 and dividend warrants will be dispatched before Thursday, 23rd October, 2010.

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 2010-11 have already been paid to all Stock Exchanges.

VI Stock Market Data

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

Name of 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 2009-10 at BSE & NSE

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April 2009	31.90	23.55	776728	32.00	23.50	795294
May 2009	49.35	28.75	1805436	49.50	29.00	2311099
June 2009	48.70	37.05	743954	48.70	36.50	976808
July 2009	44.00	34.20	533452	44.00	34.00	594210
August 2009	65.45	42.50	4360945	65.30	42.80	6685950
September 2009	74.50	55.00	3852527	74.70	57.00	5507733
October 2009	74.90	58.80	2154737	74.90	59.00	3014807
November 2009	71.00	57.75	985094	71.80	57.65	1506140
December 2009	79.50	63.65	4058884	79.40	64.25	5367261
January 2010	79.00	65.00	1483515	79.25	61.80	1877093
February 2010	72.00	61.20	686006	72.00	62.20	1233959
March 2010	74.20	62.65	1830134	82.10	62.50	2444336
Total						

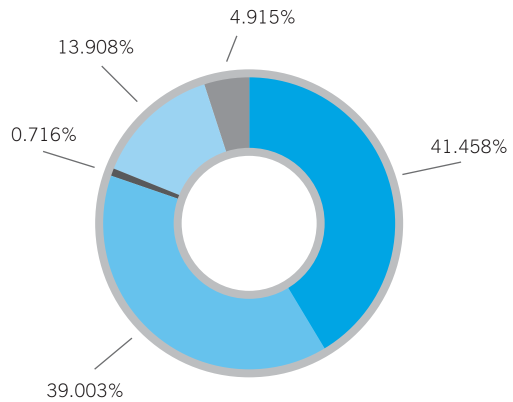
(Source: www.bseindia.com) (Source: www.nseindia.com)

VII Registrar and Transfer Agent

Transfer Agent for physical transfer and Demat of Shares:

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

Shrareholding Pattern as on 31.03.2010



VIII Distribution of Equity Shareholding as on March 31, 2010.

Category	No. of Shares Held	%age of Shareholding
Promoters & PAIC	10863346	39.003
Banks,FI's, Mutual Funds and UTI	199529	0.716
FII's & NRI's	1368870	4.915
Private Corporate Bodies	3873571	13.908
Indian Public	11547094	41.458
Total	**27852410**	**100.00**

IX Distribution Schedule as on 31st March 2010

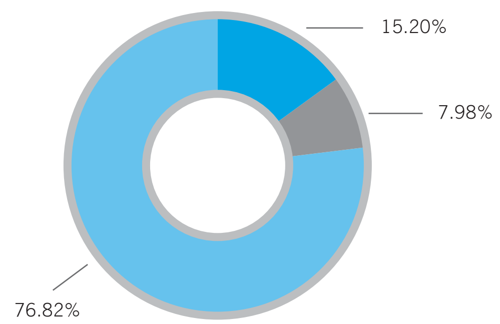
Shares or Debenture holding of Nominal Value of	No. of Share Holders	% age of Total Holders	Shares/Debenture Amount	% age of Total Equity
Upto 5000	21050	83.658	35190350	12.635
5001 to 10,000	2123	8.437	17643500	6.335
10,001 to 20,000	969	3.851	14981420	5.379
20,001 to 30,000	352	1.399	9109740	3.721
30,001 to 40,000	163	0.648	5903920	2.12
40,000 to 50,000	118	0.469	5586510	2.006
50,001 to 1,00,000	200	0.795	14458950	5.191
1,00,000 and above	187	0.743	175649710	63.064
TOTAL	**25162**	**100.000**	**278524100**	**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 2010, 25630125 equity shares of the company, forming 92.02% of the share capital of the company, stand dematerialized.

Mode of Shares	Number of Shares	%
Physical	2222285	7.98%
NSDL	21395994	76.82%
CDSL	4234131	15.20%
Total	**27852410**	**100.00**

Shares held in Physical Form and Dematerialized Form as on 31.03.2010



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

The Company issued 25,00,000 Global Depository Receipts (GDRs) to FIIs on 12th August, 2005 after getting the previous approval from the shareholders in the Extra-Ordinary general Meeting held on 27th April, 2005. These GDRs were listed at the Luxemburg Stock Exchange. As on 31st March, 2010, 24213 GDR's were outstanding.

Optionally Convertible Warrants

Out of 2500000 Zero Coupon Optionally Converted Warrants (Series 2008), 700000, 500000, 600000 & 637000 warrants were converted into Equity shares on 15.06.2009, 29.06.2009, 30.07.2009 & 29.08.2009 respectively and 63000 warrants were forfeited in 2009-2010 on account of non-payment of allotment money.

Out of 3000000 Zero Coupon optionally converted warrants (2009 series), 1465000 warrants were converted into Equity shares on 29.05.2010 and 1535000 warrants are outstanding.

XII Registered office

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

XIII Plant Locations

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

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 2010 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, 2010.

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: 24.08.2010

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 2010 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) Order, 2003, 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 Notes on Accounts no. 35 regarding change in accounting policy in respect of Mat Credit Entitlement.
   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 31.3.2010 & 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 2010.
      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 Accountant

Place: Chandigarh
Date: 29.05.2010

R. K. Gulati
Partner
Membership No. 11999

Annexure to the Auditors' Report

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

I. In respect of its fixed assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets over a period of two years. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.

c) During the year, Company has not disposed off any substantial / major part of fixed assets.

II. In respect of its inventories:

a) The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

III. a) According to the information and explanations given to us, the company has granted unsecured loans during the year & the amounts outstanding at the year end is Rs. 352.98 Lac 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) In respect of aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

d) In respect of aforesaid loans granted, there is no overdue amount more than Rs. one lac.

e) According to the information and explanations given to us, the company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly clause III (e) (f) (g) of paragraph 4 of the order are not applicable to the company.

IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in Internal Control System.

V. In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956

a) To the best of our knowledge and belief and according to the information and explanation given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.

b) According to the information and explanations given to us, these contracts or arrangements have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.

VI. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act 1956 and the rules framed there under and the directives issued by the Reserve Bank of India, with regard to the deposits accepted from the public.

VII. In our opinion, the Company has an adequate internal audit system which commensurate with the size and nature of its business.

VIII. The Company is required to maintain cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the company and according to the information and explanation given to us, the company has maintained proper records as prescribed by the Central Government.

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, there is no amount of Income tax/sales tax/ custom duty/ wealth tax/excise duty/service tax/Cess which have not been deposited on account of any dispute.

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 issued Non Convertible debentures during the year & necessary charge has been created.

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 Accountant

R. K. Gulati
Partner
Membership No. 11999

Place: Chandigarh
Date: 29.05.2010

Balance Sheet

(Amount in Rs.)

Particulars	Schedule		As at 31.03.2010	As at 31.03.2009
I. SOURCES OF FUNDS				
(1) Shareholders' Funds				
Share Capital	I		278,524,100	252,729,500
Reserves & Surplus	II		4,204,794,006	3,382,835,585
Share Application Money			37,500,000	17,760,000
(2) Loan Funds				
Secured Loans	III		4,802,734,374	3,536,754,380
Unsecured Loans	IV		1,080,529,328	257,281,977
(3) Deferred Tax Liability			438,002,198	475,071,322
Total			**10,842,084,006**	**7,922,432,765**
II. APPLICATION OF FUNDS				
(1) Fixed Assets (Cost/Revalued Cost)	V			
Gross Block			5,948,859,859	5,700,737,158
Less: Depreciation			1,161,351,530	779,731,182
Net Block			4,787,508,329	4,921,005,977
Assets held for Disposal			23,594,942	14,599,412
Capital Work In Progress (including Capital Advances)			1,725,227,082	486,739,191
			6,536,330,353	**5,422,344,542**
(2) Investments				
(a) Long Term Investments		234,655,672		
(b) Short Term Investments		450,000,000	684,655,672	233,751,107
(3) Current Assets, Loans and Advances	VI			
(a) Inventories			2,372,422,545	2,033,104,802
(b) Sundry Debtors			1,780,949,029	1,089,573,599
(c) Cash and Bank Balances			535,980,399	228,777,510
(d) Loans and Advances			861,623,541	577,155,307
			5,550,975,513	**3,928,611,218**
Less :				
(a) Current Liabilities			1,792,121,370	1,583,204,523
(b) Provisions			139,915,109	86,392,812
Current Liabilities & Provisions	VII		1,932,036,479	1,669,597,335
Net Current Assets			**3,618,939,035**	**2,259,013,883**
(4) Miscellaneous Expenditure				
(To the extent not written off or adjusted)				
Deffered Employee Compensation Expenses			2,158,946	7,323,233
Total			**10,842,084,006**	**7,922,432,765**
Significant Accounting Policies & Notes on Accounts	XV			

AUDITORS' REPORT

As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	**N. R. Munjal** Vice Chairman cum M.D	**Himanshu Jain** Joint Managing Director	**Dr G. Munjal** Director	**Dr. V. R. Mehta** Director
R. K. Gulati Partner Membership No. 11999	**K. M. S. Nambiar** Director	**Dr. J. K. Kakkar** Director	**Rishav Mehta** Director	**S. P. Sharma** Director
Date: 29.05.10 Place: Chandigarh	Dr. **H. P. S. Chawla** Director	**N. K. Bansal** Chief Financial Officer	**Pardeep Verma** Company Secretary	

Profit and Loss Account

(Amount in Rs.)

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Gross Sales & Operating Income	VIII	7,930,185,214	5,990,008,652
Less: Excise Duty		94,664,817	108,626,442
Net Sales & Operating Income		**7,835,520,397**	**5,881,382,210**
Total - A		**7,835,520,397**	**5,881,382,210**
EXPENDITURE			
Cost of Materials Consumed	IX	5,698,626,939	3,937,537,076
Manufacturing Expenses	X	383,021,676	336,930,667
Administrative & Other Expenses	XI	150,184,286	127,847,743
Selling and Distribution Expenses	XII	165,011,381	116,391,873
Financial Charges	XIII	510,624,754	469,549,558
Research & Development Expenses	XIV	52,268,554	49,381,178
Loss on Sale of Fixed Assets		1,519,051	8,993,270
Depreciation		368,002,446	268,569,215
Impairment of Assets		50,181,053	25,260,155
Foreign Exchange Fluctuations		(69,754,460)	44,632,077
Provision for Doubtful Debts		5,972,850	2,852,714
Total - B		**7,315,658,530**	**5,387,945,527**
Profit For the Year Before Tax (A-B)		**519,861,867**	**493,436,683**
Previous Year Income		1,237,844	4,812,009
Previous Year Expenses		(4,433,331)	(856,652)
Extra ordinary Items:			
(a) Loss on Insurance Claim		-	(8,105,565)
(b) Reversal of Previous year Provision		29,973,692	-
Profit for the year before Tax		**546,640,072**	**489,286,474**
Provision for Income Tax		(102,444,836)	(56,005,759)
Income Tax Adjustment of Previous Years		(4,070,628)	(495,607)
Provision for F.B.T		-	(3,078,192)
Mat Credit Entitlement		102,444,836	-
Profit Before Deferred Tax		**542,569,444**	**429,706,917**
Deferred Tax		37,069,124	(31,842,490)
Profit available for appropriation		**579,638,568**	**397,864,427**
Profit available for Equity Shareholders		**579,638,568**	**397,864,427**
Provision for Dividend on Equity Shares		27,852,410	25,972,950
Provision for Equity Dividend Tax		4,733,517	4,414,103
Transfer to General Reserve		28,981,928	19,893,221
Retained Profit transferred to Balance Sheet		**518,070,713**	**347,584,152**
Basic Earning per Share		**21.45**	**15.98**
Diluted Earning per Share		**20.76**	**15.08**
Nominal Value of each Share		**10.00**	**10.00**

AUDITORS' REPORT

As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	**N. R. Munjal** Vice Chairman cum M.D	**Himanshu Jain** Joint Managing Director	**Dr G. Munjal** Director	**Dr. V. R. Mehta** Director
R. K. Gulati Partner Membership No. 11999	**K. M. S. Nambiar** Director	**Dr. J. K. Kakkar** Director	**Rishav Mehta** Director	**S. P. Sharma** Director
Date: 29.05.10 Place: Chandigarh	Dr. **H. P. S. Chawla** Director	**N. K. Bansal** Chief Financial Officer	**Pardeep Verma** Company Secretary	

Cash Flow Statement

(Rs. in lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-Ordinary Items	5166.67	4892.86
Adjustment for:		
i) Depreciation/Impairment	4181.83	2938.29
ii) Employee Stock Option Expenses	51.64	43.56
iii) Exchange (profit)/loss	(697.54)	446.32
iv) Interest on Term Loans	2105.96	2336.43
v) Interest Rreceived	(135.60)	(464.34)
vi) Provision for Doubtful Debts	59.73	28.53
vii) Loss on sale of Fixed Assets	15.19	89.93
Operating Profit before Working Capital Charges	10747.89	10311.58
Adjustment for:		
i) Trade & Other Receivables	(7324.03)	(1586.32)
ii) Inventories	(3393.18)	(9019.95)
iii) Loan & Advances	(1107.29)	2862.10
iv) Current Liabilities	2792.62	4807.85
v) Working Capital Borrowings	3145.25	2681.59
vi) Income Tax (Including Advance Tax/TDS)	(489.14)	(273.35)
	(6375.77)	(528.08)
Net Cash Flow from Operating Activities	4372.12	9783.50
B. CASH FLOW FROM INVESTING ACTIVITES		
i) Purchase of Fixed Assets	(10139.93)	(6498.28)
ii) Sale of Fixed Assets	1086.58	1817.52
iii) Purchase of Investments	(4509.05)	0.00
iv) Product Technology Development Expenditure	(5803.22)	(5674.73)
v) Interest Received	135.60	464.34
Net Cash from Investing Activities	(19230.02)	(6569.55)

Cash Flow Statement (Contd.)

(Rs. in lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Share Capital	257.95	126.06
ii) Advance From Share Capital	201.81	(138.75)
iii) Proceeds from Securities Premium	1524.07	754.96
iv) Proceeds from NCDs	1500.00	0.00
v) Repayment of NCDs	(115.00)	0.00
vi) Proceeds from Term Loans From Banks & Financial Institutions	18901.85	21447.96
vii) Repayment of Term Loans to Banks & Financial Institutions	(10534.43)	(15746.98)
viii) Proceeds from Short Term Loans from Others	7255.35	0.00
ix) Repayment of Short Term Loans to Others	(2256.87)	(2000.00)
x) Interest paid on Term Loans	(2600.01)	(3192.94)
xi) Proceeds from Fixed Deposits	4698.45	788.30
xii) Repayments of Fixed Deposits	(599.37)	(538.39)
xiii) Equity Dividend Paid	(259.73)	(240.32)
xiv) Equity Dividend Tax Paid	(44.14)	(40.85)
Net Cash Flow from Financing Activities	17929.93	1219.05
Net Increase in Cash or Cash Equivalents	3072.02	1111.43
Cash & Cash Equivalents as on 31.3.2009	2287.78	1176.36
Cash & Cash Equivalents as on 31.3.2010	5359.80	2287.78

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	**N. R. Munjal** Vice Chairman cum M.D	**Himanshu Jain** Joint Managing Director	**Dr G. Munjal** Director	**Dr. V. R. Mehta** Director
R. K. Gulati Partner Membership No. 11999	**K. M. S. Nambiar** Director	**Dr. J. K. Kakkar** Director	**Rishav Mehta** Director	**S. P. Sharma** Director
Date: 29.05.10 Place: Chandigarh	**Dr. H. P. S. Chawla** 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 2010 and found the same to drawn in accordance therewith and also with requirements of clause 32 of the Listing Agreement with the Stock Exchange.

For Jain & Associates
Chartered Accountants

R. K. Gulati
Partner
Membership No. 11999

Date: 29.05.10
Place: Chandigarh

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE I SHARE CAPITAL		
Authorised		
3,50,00,000 Equity Shares of Rs.10/- Each	350,000,000	350,000,000
	350,000,000	350,000,000
Issued, Subscribed & Paid Up		
2,78,52,410 (Previous Year 2,52,72,950) Equity Shares of Rs.10/-each fully called up and paid up.	278,524,100	252,729,500
	278,524,100	252,729,500

SCHEDULE II RESERVES & SURPLUS	As at 31.03.2010	As at 31.03.2009
(a) Capital Reserves		
Capital Redemption Reserve	2,000	2,000
Share Warrants Forfieted Account	6,323,113	5,882,113
Equity Share Forfieted Account	866,500	866,500
State Subsidy on DG Set	1,918,370	2,039,643
(b) Securities Premium	1,344,445,164	1,191,916,900
(c) Revaluation Reserve	903,667,815	940,402,710
(d) Employees Stock Option Outstanding	9,182,756	13,069,200
(e) General Reserve		
As per Last Balance Sheet	108,235,516	88,342,295
Add: Transfer during the year	28,981,928	19,893,221
Add: Mat Credit Entitlement of earlier years	162,679,127	
(f) Profit & Loss Account	415,847,761	274,803,403
As per Last Balance Sheet	1,120,421,003	887,075,866
Less: Defferred Tax Liability of Previous Years	-	114239015
Add: Transfer from Profit & Loss Account	518,070,713	347,584,153
	4,204,794,006	3,382,835,585

SCHEDULE III SECURED LOANS	As at 31.03.2010	As at 31.03.2009
(A) Non Convertible Debentures	138,500,000	0.00
(B) Loans and Advances from Banks		
(a) Borrowings for Working Capital	1,302,085,682	987,560,766
(b) Term Loans	3,237,885,708	2,401,148,202
(c) Other Loans	20,004,751	19,135,403
(C) Other Loans and Advances	104,258,233	128,910,009
	4,802,734,374	3,536,754,380

Schedules forming part of Balance Sheet and Profit and Loss Account

Note:

A) 14% Non Convertible Debentures amounting to Rs. 13.85 Crores (P.Y. Nil) from Tata Capital Limited are secured by first ranking pari passu charge on the immovable properties measuring 68 bighas & 13 biswas situated at Village Behra & village Bhagwanpura Tehsil Rajpura, Distt. Patiala in the state of Punjab & land admeasuring 9435.56 square yards being Plot No E-V, Industrial Focal Point, Phase II , Mohali in the state of Punjab together with all Buildings & Structures, Plant & Machinery thereon and personal guarantees of Mr. S.R. Mehta, & Mr. N.R. Munjal.

B) a) Bank borrowings for working capital Rs. 130.20 crores (P.Y. Rs. 98.76 crores) are secured by a Pari-Passu, first charge by way of hypothecation of the company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to Plant and Machinery (Consumable Stores & Spares), Bills Receivable and Book Debts and all other movables of the Company both present and future excluding such movables as may be permitted by the said Banks from time to time. The said facility is further secured by way of pari passu second charge on the company's immovable and movable properties (other than current assets) and personal guarantees of Mr. S.R.Mehta, Dr. V.R. Mehta , Mr. N.R. Munjal , Dr. G. Munjal & Mr. Himanshu Jain.

b) Term Loans of Rs. 323.27 crores (P. Y. Rs. 237.45 crores) are from State Bank of India , Axis Bank , State Bank of Patiala , Bank of India , Catholic Syrian Bank, Export Import Bank of India , IDBI Bank , South Indian Bank , ABN Amro Bank , Standard Chartered Bank , Bank of Rajasthan, State Bank of Indore, State Bank of Hyderabad, Barclays Bank,IFCI, State Bank of Travencore & DEG-Deutsche Investitions-Und Entwicklungsgesellschaft Mbh 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 & Plot No E-V, industrial Focal Point, Mohali and second charge on all its movable assets, including machinery, machinery spares , tools and accessories present and future, subject to the charges created /to be created , in favour of the company banker for working capital. The above loan include term loan amounting to Rs Nil (P.Y. Rs 2.89 crores) from State Bank of India which are further secured by Corporate Guarantee of Ind Swift Ltd. These loans are further secured by the personal guarantee of Promoter Directors.

The Term loan of Bank of India Rs. 0.52 Crores (P.Y. Rs. 2.66 crores) is secured only on the movable fixed assets including plant and machinery located at company's plant at Samba , Jammu.

c) Other Term Loans Rs. 2.00 crores (P.Y. Rs. 1.91 crores) include Vehicle loan Rs. 1.78 crore (P.Y. Rs.1.67) are secured against hypothecation of the vehicles under the hire purchase agreement & ICICI Home Loan Rs. 0.22 crores (P.Y. Rs. 0.24crores) is in the name of Mr. N.R.Munjal, and is secured against the office premises in Mumbai.

C) Other loans & advances Rs. 10.43 crores (P.Y. Rs. 12.89 crores) include Term Loans from Technology Development Board Rs. 0.27 crores (P.Y. Rs 0.53 crores) is secured by way of charge on the movable assets , Rs. 8.89 crores (P.Y. Rs. 9.40 crores) is secured by way of charges on movable fixed assets & personal guarantee of Shri N.R.Munjal and Vehicle loans (NBFC) Rs. 1.27 crores (P.Y Rs. 2.96 crores) are secured against hypothecation of the vehicles under the hire purchase agreements.

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE IV UNSECURED LOANS		
(a) Fixed Deposits	579,304,999	169,397,406
(b) Short Term Loans & Advances		
From Others	349,901,543	87,884,571
From Banks	151,322,786	-
Total	**1,080,529,328**	**257,281,977**

SCHEDULE V FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As On 01.04.09	Addition	Sale/ Transfer	As On 31.03.10	As On 01.04.09	During The Period	During The Year Written Back	As On 31.03.10	As On 31.03.10	As On 31.03.09
Tangible Assets										
Land Free Hold	343,971,307	103,847,081	8,400,000	439,418,388	-	-	-	-	439,418,388	343,971,307
Land Lease Hold	17,189,390	-	-	17,189,390	617,074	177,206	-	794,280	16,395,110	16,572,316
Factory Buildings	563,064,686	531,842	-	563,596,528	60,641,436	18,822,906	-	79,464,342	484,132,186	502,423,250
Office Buildings	37,653,739	305,750	-	37,959,489	3,394,202	614,794	-	4,008,996	33,950,493	34,259,537
Flats		145,810,070		145,810,070	-	6,512		6,512	145,803,558	-
R&D Buildings	145,588,240	-	-	145,588,240	11,569,424	4,862,647	-	16,432,071	129,156,168	134,018,815
Buildings - Pilot Plant	17,021,567	-	-	17,021,567	2,000,683	568,520	-	2,569,204	14,452,363	15,020,884
Plant&Machinery	2,458,242,444	4,944,772	97,267,137	2,365,920,079	386,192,917	127,405,745	21,736,318	491,862,344	1,874,057,735	2,072,049,528
R&D Machinery	402,137,482	21,710,366	-	423,847,848	60,505,408	21,355,839	-	81,861,247	341,986,602	341,632,075
Plant & Machinery - Pilot Plant	39,233,698	-	-	39,233,698	7,236,965	2,071,539	-	9,308,505	29,925,193	31,996,733
Electric Instalations	305,612,360	120,339	-	305,732,699	42,067,099	14,689,821	-	56,756,920	248,975,780	263,545,262
Electric Installations - Pilot Plant	3,439,389	-	-	3,439,389	569,154	163,371	-	732,525	2,706,864	2,870,235
Furniture & Fixtures	32,134,363	1,327,570	-	33,461,933	6,724,757	2,355,834	-	9,080,592	24,381,341	25,409,605
Office Equipments	72,208,749	6,172,263	-	78,381,012	34,940,664	11,150,116	-	46,090,781	32,290,232	37,268,085
Vehicles	73,873,929	14,010,743	2,990,958	84,893,714	19,229,881	7,764,460	1,380,674	25,613,667	59,280,047	54,644,048
Other Assets										
R&D Technology	1,189,365,814	58,000,000	-	1,247,365,814	144,041,516	192,728,029	-	336,769,546	910,596,269	1,045,324,298
Total	**5,700,737,158**	**356,780,796**	**108,658,095**	**5,948,859,859**	**779,731,182**	**404,737,340**	**23,116,992**	**1,161,351,530**	**4,787,508,330**	**4,921,005,977**
Previous Year	**4,693,895,957**	**1,188,593,681**	**181,752,480**	**5,700,737,158**	**485,239,993**	**305,887,767**	**11,396,578**	**779,731,182**	**4,921,005,977**	**4,208,655,965**

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

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE VI CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
I) Inventories (As per inventories taken, valued & certified by the Management)		
Stores & Consumables	25,222,999	19,734,149
Raw Materials	762,445,516	502,159,086
Work in Process	1,307,471,503	1,093,274,591
Finished Goods	277,282,527	417,936,975
Total	2,372,422,545	2,033,104,802

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE VI CURRENT ASSETS, LOANS & ADVANCES (Contd.)		
II) **SUNDRY DEBTORS** (Unsecured & Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	24,715,822	28,716,798
- Considered doubtful	14,320,718	8,635,836
Other Debts	1,756,233,207	1,060,856,801
	1,795,269,747	1,098,209,435
Less: Provision for Doubtful Debts	14,320,718	8,635,836
Total	**1,780,949,029**	**1,089,573,599**
III) CASH AND BANK BALANCES		
Cash balance in hand	18,978,912	21,261,790
Bank balances with Scheduled Banks :		
Fixed Deposits	218,731,411	163,626,845
Interest accured but not due on Fixed Deposits	11,387,365	7,909,360
Current Accounts	286,882,711	35,980,404
Total	**535,980,399**	**228,778,398**
IV) **LOANS AND ADVANCES** (Unsecured ,Considered good)		
Advances recoverable in Cash or in Kind or for value to be received	363,061,784	377,335,473
Mat Credit Entitlement	276,184,055	-
Cenvat/ Vat Recoverable	148,093,081	133,499,614
Advance Custom Duty Paid/DEPB	17,778,393	12,411,709
Advance Tax/ TDS	44,843,475	42,157,184
Prepaid Expenses	4,538,081	4,994,913
Security Deposits	7,124,672	6,756,414
Total	**861,623,541**	**577,155,307**

SCHEDULE VII CURRENT LIABILITIES & PROVISIONS

A) CURRENT LIABILITIES		
(i) Total outstanding dues to small scale		
Industrial undertakings	2,999,229	2,970,627
(ii) Outstanding dues of Creditors other than	1,664,598,278	1,487,615,278
Small Scale Industrial Undertaking	-	-
Statutory Liabilities	12,937,351	14,604,904
Expenses Payable	58,873,746	58,580,842
Interest accured but not Due	52,712,765	19,432,873
Sub Total	**1,792,121,370**	**1,583,204,523**
B) PROVISIONS		
Income Tax	107,329,182	56,005,759
Equity Share Dividend	27,852,410	25,972,950
Tax on proposed Equity Share Dividend	4,733,517	4,414,103
Total	**1,932,036,479**	**1,669,597,335**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE VIII GROSS SALES & OPERATING INCOME		
Domestic	4,681,302,824	3,760,761,529
Exports	3,165,658,558	2,166,660,772
Operating Income	83,223,832	62,586,351
Total	**7,930,185,214**	**5,990,008,652**
SCHEDULE IX COST OF MATERIAL CONSUMED/SOLD		
Opening Stock	500,527,868	373,224,999
Purchases	6,030,889,628	4,835,155,608
	6,531,417,496	5,208,380,607
Less: Closing Stock	759,248,093	500,527,868
Total (A)	**5,772,169,403**	**4,707,852,738**
Increase/Decrease in Inventory		
Opening Stock		
Work in Process	1,093,274,591	640,278,846
Finished Goods	417,936,975	100,617,058
	1,511,211,566	**740,895,904**
Closing Stock		
Work in Process	1,307,471,503	1,093,274,591
Finished Goods	277,282,527	417,936,975
	1,584,754,030	**1,511,211,566**
Total (B)	**73,542,464**	**770,315,662**
Total (A-B)	**5,698,626,939**	**3,937,537,076**
SCHEDULE X MANUFACTURING EXPENSES		
Job Work Charges	68,192,334	80,522,169
Wages	126,880,093	100,914,153
P.F. & Other Funds	6,822,851	4,439,968
Power, Fuel & Water Charges	146,353,739	130,521,909
Stores & Spares	22,130,798	13,987,414
Repair & Maint		
Plant & Machinery	9,104,584	4,580,612
Buildings	1,582,014	490,243
Electrical	1,620,278	1,274,474
Excise Duty on Finished Goods	154,731	-
Other Manufacturing Expenses	180,254	199,727
Total	**383,021,676**	**336,930,667**
SCHEDULE XI ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneartion		
- Salary & Allowances	17,400,000	15,000,000
- Contribution to P.F.	18,720	18,720
Salary & Allowances	35,839,481	29,626,102
P. F. & Other Funds	2,712,837	2,558,007
Gratuity Premium	1,193,196	3,554,066
Travelling & Conveyance	16,869,245	13,165,885

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE XI ADMINISTRATIVE & OTHER EXPENSES (Contd.)		
Auditors Remuneration	894,350	502,400
Office Rent	5,931,581	3,959,552
Rate & Taxes	4,298,401	2,629,115
Insurance Charges	8,876,440	9,589,367
Legal & Professional Charges	5,572,774	3,573,106
Printing & Stationary	6,823,302	6,972,315
Vehicle Running & Maint.	9,904,757	11,328,894
Telephone & Postage	10,570,839	7,701,225
Office Expenses	4,338,492	3,909,302
Charity & Donation	347,713	217,689
Listing Fees	497,372	426,293
Books & Periodicals	130,733	626,599
Meeting, Membership & Subscription Fees	486,803	671,650
Security Expenses	3,875,119	3,361,367
Staff Welfare	5,044,237	4,126,591
Training & Development Expenses	654,458	823,105
Repair & Maintenance-General	5,904,799	2,112,690
Recruitment Expenses	586,808	765,799
Other Expenses	1,411,828	627,904
Total	**150,184,286**	**127,847,743**
SCHEDULE XII SELLING & DISTRIBUTION EXPENSES		
Advertisement & Publicity	771,512	694,444
Business Promotion	3,930,902	6,671,372
Commission on Sales	95,058,216	56,940,658
Packing Material	14,560,011	14,887,691
Rebate & Discount	8,181,117	1,576,550
Freight Outward	38,042,435	30,091,177
Insurance Charges	1,506,731	1,503,792
ECGC Premium	2,716,921	3,172,010
Bad Debts w/off	51,488	-
Other Expenses	192,048	854,179
Total	**165,011,381**	**116,391,873**
SCHEDULE XIII INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans (Net)	210,596,447	197,103,899
Interest on Working Capital from Banks	91,096,539	99,978,948
Bank Charges & Others	199,712,344	170,124,468
Brokerage & Commission	9,219,424	2,342,242
Total	**510,624,754**	**469,549,558**
SCHEDULE XIV RESEARCH & DEVELOPMENT EXPENSES		
Salary, Wages & Other Allowances	29,244,111	23,355,680
Administration Expenses	33,864	121,232
Consumables, Chemicals & Regents	20,477,063	22,667,712
Repair & Maintenace - Machinery	1,306,398	1,504,620
Technical Study & Consultancy	1,207,118	1,731,934
Total	**52,268,554**	**49,381,178**

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1 System of Accounting

The financial statements of the company have been prepared to comply with all material aspects of the 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 concern.

2 Fixed Assets & Depreciation

a Cost of Fixed Assets

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

b Depreciation /Amortisation

Depreciation is provided on straight line method at the rates specified in schedule XIV of the Companies Act 1956 on pro rata basis and the assets having the value upto Rs. 5000 have been depreciated at the rate of 100%. Lease hold Land is amortised over the period of lease. The policy of company is to provide depreciation on the Buildings, Plant & Machinery and Other Fixed assests from the date of commercial production/ put to use.

c Intangible Assets (Other Assets)

Cost of product development for which the company becomes entitled to a Patent/DMF filed with regulatory authorities is recognised as other assets. The policy of company is to amortise such assets acquired upto 31-03-2008 on straight-line basis in five subsequent years and those acquired during the year 2008-09 and onward in eight subsequent years from the year in which these are acquired.

3 Borrowing Costs

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

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. The gain or loss arising from forward transactions have been stated on prorata basis over the terms of the contract. Foreign currency denominated current assests & current liablities 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 offices for incorporation in main financial statements, the monetary assets and liabilties are translated at the closing rates non monetary assets and liabilities are translated at exchange rates prevailing at the dates of the transactions and income and expenses items are converted at the yearly average rate.

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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. Contirbution 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 Employees Stock Option Scheme

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 " on 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.

MAT Credit Entitlement is shown under the Current Assets in the Balance Sheet. The same will be charged to profit & loss account in coming years as per the provisions of Section 115JB of Income Tax Act, 1961.

10 Contingent Liabilities

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 liablities which are possible of maturing are provided for.

11 Government Subsidy

The policy of company is to account for the Government Subsidy on actual receipt basis.

12 Export Incentives

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

b) Export incentives are treated as income on export under DEPB & other post export incentive schemes and the same is offset & treated as expenditure in the year of import/utilisation of license.

13 Investments

Long Term Investements are being valued at cost
Current Investments are carried at lower of cost & fair value,determined on an individual investment basis.

14 Impairement of Assets

Management periodically assesses using external and internal sources where 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 continous use of the assets and its eventual disposal. The impairment loss to be accounted for is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

15 Other Accounting Policies

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

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

B: NOTES ON ACCOUNTS :

1 **Contingent liabilities not provided for:** (Rs. in lacs)

	2009-10	2008-09
a. Letter of Credit against purchase of raw material:	12524.76	13125.63
b. Export obligation in respect of custom duty :	85.49	200.93
c. Contingent Liabilties in respect of unassessed cases of	Unascertained	Unascertained
Income Tax, Excise Duty, Sales Tax and Service Tax.		
d. Corporate guarantees given on behalf of (To the extent Utilized)		
Ind Swift Ltd	5000.00	NIL
Essix Biosciences Ltd	1167.00	656.00
Kiran Flour Mills Industries Pvt Ltd	2776.31	2870.24

2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 1448.90 lacs (Previous year Rs. 675.87 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 (Rs 367.35 Lac) has been provided during the year & the same is reduced from Revaluation Reserve.

5 Director Remuneration includes

	2009-10	2008-09
A Salary		
Vice Chairman	8,705,040	7,505,040
Managing Director	8,705,040	7,505,040
B Contribution to Provident Fund		
Vice Chairman	9,360	9,360
Managing Director	9,360	9,360
C Perquisites		
Vice Chairman	360,918	337,972
Managing Director	360,918	337,973
Total	**18,150,636**	**15,704,745**
Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956		
Profit for the year before taxation as per P&L Account	546,640,072	489,286,474
Add: Directors' Remuneration	18,150,636	15,704,745
Provision for Doubtful Debts	5,972,850	2,852,714
Eligible Profit for Computation of Directors Remuneration	570,763,558	507,843,933
Maximum amount permissible u/s 309 of Companies Act, 1956 for payment to Directors	62,783,991	55,862,833

6 Other expenses under head admnistrative expenses includes Rs. 47,000 (Previous Year Rs. 37,000) paid to directors as sitting fee.

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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

a. **List of related parties and their relationship**

Associates	Ind Swift Limited
	Essix Biosciences Limited
	Ind swift communications (P) ltd
	Ind Swift Land Ltd
	Hakim Farayand Chemi Co (Iran)
	Kiran Flour Mills Industries Pvt Ltd.
	Mansa print & Publishers Limited
	Swift Fundamental Research & Education Society
Key Management personnel-Directors	Mr. N.R.Munjal
	Mr. Himanshu Jain
	Mr. V.K. Mehta*
Subsidiary	Ind Swift Laboratories Inc. USA
	Ind Swift Laboratories Pte. Ltd. (Singapore)**
	Ind-Swift Middle East FZE (UAE)**

b. **Related party transactions** (Rs. in lacs)

	Ind Swift Limited		Essix Biosciences Limited		Ind Swift Laboratories Inc USA		Kiran Flour Mills Industries Pvt Ltd		Ind Swift Land Ltd.		Hakim Faryand Chemi Co. (Iran)		Ind-Swift Middle East FZE UAE		Ind Swift Laboratories Pte Ltd. Singapore	
Nature of transactions	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
(i) Transactions during the year.																
Purchases.	3721.57	1747.52	1146.06	89.40			8501.36	3528.75								
Capital Assets Purchase									2433.10							
Intangible Assets Purchase	300.00															
Sales	2918.47	1837.55	1047.75	322.08	174.18	1152.09	17.72	17.90			793.78	379.77	0.00	0.00	0.00	0.00
Interest Receivable	296.89	348.57							1.05	0.00						
Expenses	91.70	7.50	71.42	270.56												
Corporate Gurantee Given	5,000		1167	656.00			2,776.31	2870.24		0.00						
(To the extent utilized)																
(ii) Outstanding balances as on 31.03.10																
Share Capital Received	649.97	649.97	249.18	115.48												
Advance recd Agst.. Share Capital	375.00															
Investment made			767.50	767.50	544.54	544.54			482.00	482.00	413.47	413.47	6.85	0.00	2.20	0.00
Loans & Advances	195.38	1803.27	157.60	375.80					0.00	0.00						
Capital Advanves			0.00						1547.66	117.97						
Debtors		1228.22	460.77		68.52	264.89				11.77	419.49	443.39	0.00	0.00	0.00	0.00
Creditors	238.75			128.35			1845.62	724.25					0.00	0.00	0.00	0.00
(iii) Maximum Amount due at anytime during the year(Loans & Advances)	6235.85	4717.51	1010.98	810.86												

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

*Since Expired on 21/03/2010

** Both the Companies were incorporated as subsidary companies but no share capital have been issued.

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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

	2009-10	2008-09
Profit available for Equity Shareholders	579638568	397864427
For Basic Earning		
No of weighted average equity shares	27028089	24902399
For Diluted Earning		
Equity Share Warrants 3000000 (Previous Year 2500000) pending for conversion	895890	1472603
No of weighted average of Diluted Equity Shares	27923979	26375002
Nomial Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
Basic	21.45	15.98
Diluted	20.76	15.08

9 **Deferred Tax:**

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2010 is as under: (Rs. in lacs)

	2009-10	2008-09
Deferred Tax Liabilties		
Timing Difference on account of :		
Depreciation	7663.30	7983.78
Total	**7663.30**	**7983.78**
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	48.68	29.35
Carried Forward Losses as per Income Tax Act	3234.60	3203.72
Total	**3283.28**	**3233.07**
Deferred Tax Liabilties net	**4380.02**	**4750.71**
Deferred Tax Liabilties (Assets) Charged to Revenue Reserve	0.00	1142.39
Deferred Tax Liabilties (Assets) Charged to P&L A/c	(370.69)	318.42

10 The balance in the parties accounts whether in debit or credit are subject to confirmation,reconciliation and adjustment. The impact of the same on the accounts at the year end is unascertainable .

11 **Operating Income consists of following** (Rs. in lacs)

	2009-10	2008-09
Interest Income (Gross)	135.60	464.34
Export Incentives	572.92	76.13
Other Operating Income	123.72	85.39
Total	**832.24**	**625.86**
TDS Deducted on Interest Income	15.05	101.64

12 Fixed deposits with banks of Rs. 1435.36 Lacs (Previous year Rs.1320.08 Lacs) are pledged with banks as margin money for working capitial facilities.

13 As per best estimate of the management,no provision is required to be made as per Accounting Standard (AS) 29 as notified by Companies(Accounting Standards) Rules 2006, in respect of any present obligationas as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

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

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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	45866 (36521)	31657 (21667)	77523 (58188)
Results	6467 (4926)	8552 (9328)	15019 (14254)
Less: Financial Expenses			5106 (4695)
Less: Unallocated Expenses			6276 (4764)
Add: Operating Income			832 (626)
Add:Extra Ordinary Item & Flcutuation In Foreign Exchange			997 (527)
Less: Income Tax Provision			1065 (596)
Add: Mat Credit Entitlement			1024 -
Add: Deferred Tax			371 (318)
Profit After Tax			5796 (3979)
Other Information			
Segment Assets	10279 (4256)	7530 (6640)	17809 (10896)
Unallocated Assets			109910 (84951)
Total Assets			127720 (95847)
Segment Liabilities	10799 (9558)	7122 (6274)	17921 (15832)
Unallocated Liabilities			64612 (43555)
Total Liabilities			82533 (59387)
Capital Expenditure			65363 (54223)
Depreciation			3680 (2686)
Non Cash Expenses Other Than Depreciation			562 (281)

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.**

15 Total amount of secured Term Loans installments payable during twelve months following 31-03-2010 are Rs. 10207.54 Lacs (Previous year Rs.7949.24 Lacs)

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

16 Expenditure on Research & Development (Rs. in lacs)

	2009-10	2008-09
a) Addition in Fixed Assets -DB Unit (Tangible)	8.31	111.56
b) Addition in Fixed Assets -DB Unit (Intangible)	280.00	0.00
c) Addition in Fixed Assets - Mohali Unit	221.43	5.61
d) Revenue Exp -Derabassi Unit	5197.97	4735.97
e) Revenue R&D Expenditure-Mohali Unit	971.57	892.40
f) Debited to Profit & Loss Account as per Annexure XIV(DB Unit)	522.69	493.81
g) Depreciation	2217.50	1412.61

The Depreciation related to research & development is clubbed under respective head in profit & loss account.

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

(Rs. in lacs)

Description	Opening Balnce	Addition during the year	TRF R&D Technology Internally	Closing Balance
Consumbales, Lab Chemicals & Regents	1081.45	4997.02	-	6078.47
Salary & Wages	422.63	525.17	-	947.80
Utility & Running/Maint Expenses	85.79	97.39	-	183.18
Analytical Fees & Study	0.00	6.11	-	6.11
Finance & Interest Charges	137.77	447.13	-	584.89
Patent Filling	26.52	10.83	-	37.35
Administrative Expenses	45.62	85.89	-	131.51
Total	1799.77	6169.54	-	7969.31
Previou year	2179.14	5628.37	6007.74	1799.77

The expenditure incurred has been capitalised and carried in Capital Work in Process .The Management beleive that it is in the nature of development expenditure and meets the capitalisation cretiria set out in AS-26 on Intangible Assets issued by ICAI.

The management believes that these products would be commercially viable & there is no reason to believe that there is any uncertainity that may lead to not securing registration for the products from regulating authorities in US and/or Europe.

18 The outstanding dues of small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the cmpnay.

The parties to whom the Company owes sum outstanding for more than 30 days as at the balance sheet date are:
(1) Euro Containers (2) Ammonia Supply Co.

19 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.

20 The Compnay has ESOP scheme called "ESOS 2006".During the year, Company has granted no Employee Stock Option.(Previous Year Nil)

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 51.64 Lac has been amortised during the year.

During the year the employees have opted 142460 options which were granted to them in earlier year & the same has been allotted to them in the form of equity shares

21 Obligations/Entitlements on account of advance license not recognised at the time of export during the year amounts to Rs. 357.78 Lac (Previous year Rs.726.93 Lac).

The above treatment has no impact on the profit & loss account.

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

22 I) Long Term Investments:

Investment of Rs. 2346.55 Lac (Rs. 2337.51 Lac) Unquoted-Long Term are at Cost.

a) Investment in Ind Swift Laboratories Inc, USA	
Common Stock	Rs. 0.45 Lac (Rs.0.45 Lac)
Share Application Money	Rs. 544.09 Lac (Rs.544.09 Lac)
b) Units of Principle Global Opportunities Fund	Rs. 5.00 Lac (Rs.5.00 Lac)
c) Investment in Vardhman Chemtech Pvt Limited	
10,00,000 Equity Share of Rs. 10/- each fully paid up.	Rs.100.00 Lac (100.00 Lac)
d) Investment in Nimbua Green Field (Punjab) Ltd	
250000 Equity Share of Rs. 10/- each fully paid	Rs 25.00 Lacs (Rs 25.00 Lacs)
e) Investment in Ind-Swift Land Limited	
48,20,000 Equity Share of Rs.10/- each fully paid up.	Rs. 482.00 Lac (Rs. 482.00 Lac)
f) Investment in Essix Bioscience Limited	
12,35,000 Equity Share of Rs.10/- each fully paid up.)	Rs 767.50 Lacs(Rs 300 Lacs)
Share Application Money	Rs Nil (Rs 467.50 Lacs)
g) Investment in Farayand Chemi Hakim Company Ltd (Iran)	
Common Stock	Rs. 27.17 Lac (Rs. 27.17 Lac)
Share Application Money	Rs. 386.30 Lac (Rs. 386.30 Lac)
(h) Investment in Singapore	
Share Application Money	Rs 2.20 Lac (Nil)
(i) Investment in UAE	
Share Application Money	Rs. 6.84 Lacs (Nil)

II) Short Term Investments

(i) Investment in SBI Mutual Fund	Rs. 4500 Lacs (Nil)
26865190 Units of Magnum Insta Cash Fund Daily Dividend Options	

Note: Figure in brackets are in respect of previous years.

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.

Freehold land includes Rs.13.79 crores and Flats Rs. 14.58 Crore for which agreement to sell and GPA in favour of the company has been executed but the same are put to use.

The Freehold Land & Flats are yet to be registered /transferred 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
15-Jun-2009	700000	700000
29-Jun-09	500000	500000
30-Jul-09	600000	600000
29-Aug-09	637000	637000
31-Dec-09	142460	142460

The proceeds of preferential allotments was fully utilised towards the expenditure/projects/investments/product development undertaken by the company.

25 Share Application Money of Rs. 375.00 lacs is in respect of Zero coupon optionally convertible warrants subscribed by Ind Swift Limited

26 Capital Work in Progress includes:

a) Capital advances Rs. 4023.53 Lacs (Previous Year ; Rs. 2537.03 Lacs).

b) Product development expenditure of R&D Mohali Unit Rs.971.57 lacs (Previous Year ; Rs. 892.40 lacs)

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

c) Expenses pending capitalisation Rs. 1426.64 Lacs (Previous Year; Rs. 186.61 lacs).

(Rs. in lacs)

Description	Opening Balnce	Addition	Capitalised	Closing Balance
Interest Cost Fixed Assets	107.92	484.59	0.00	592.51
Upfront/Processing Fees	0.00	370.49	0.00	370.49
Salary & Wages	15.60	344.60	0.00	360.20
Legal & Professional	63.09	0.00	0.00	63.09
Electricity Charges	0.00	40.35	0.00	40.35
Total	**186.61**	**1240.03**	**0.00**	**1426.64**
Previous Year	184.35	1079.66	1077.44	186.61

27 Sundry Debtors, Loans and Advances includes Rs.948.78 Lacs (Previous Year ; Rs. 1948.27 Lacs) & Rs 352.98 Lacs(Previous Year; Rs. 2179.07 Lacs) as debtors and loans respectively recoverable from companies under the same management. Pl. refer to notes No 7of Notes to Accounts

28 The company entered into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

29 In compliance with AS-28, during the year, company has identified fixed assets amounting to Rs.899.54 Lac for impairement whose accumulated depreciation was 212.39 Lacs. The Net Realisable Value of such fixed assets has been estimated at Rs.185.34 lacs. Accordingly, Impairment Loss of Rs. 501.81 Lacs has been charged to Profit & Loss Account during the year.

30 In compliance with AS-15, during the year, company has provided Rs. 11.93 Lacs as provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

31 During the year, the Company has incurred foreign currency revenue expenditure of RMB 448117.44 on its China Office and GBP 111521.88 on its U.K office

Operation. Such Foreign Currency Expenditure has been translated in Indian Currency @ One RMB equivalent to Rs. 69,429 and One GBP equivalent to Rs. 75.88 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 includesRs. 19.18 Lacs being Subsidy for DG Set which is net of Rs 1.21 Lacs amortised and treated as income during the year.

33 Detail of Auditor's Remuneration (i.e. payment to Auditors)

(Amount in Rs.)

Particulars	2009-10	2008-09
Audit Fees	551500	330900
Taxation Matters	24266	0
Out of pocket exp	22350	21500
Certification Fees	386050	165450
	984166	517850

The above figure are inclusive of Service Tax

34 Loans & Advances include Rs. 4.33 lacs (Previous Year 3.87 lacs) due from Company Secretary. Maximum amount due during the year is Rs. 4.33 Lacs (Previous Year 3.87 Lacs)

35 There is change in accounting policy during the year in regard to Mat credit entitlement under the provsions of Section 115JB of Income tax act,1961.The impact due to this change in policy has increased the General Reserves of the company by Rs 1626.79 lacs and increase in current assets to that extent.

36 Due to occurrence of fire at Derabassi Plant,there was loss of stocks and thus the company has lodged an insurance claim of Rs. 39.15 lacs with United India Assurance Co. Ltd & the same is pending as on 31.03.2010

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

37 14% Non Convertible Debentures amounting to Rs 13.85 crores are redeemable in 13 quarterly instalments with effect from February,2010

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

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

A. Particulars of Capacity & Production :

Sr. No.	Product	Licensed Capacity	Installed Capacity
1	Bulk Drugs, Intermediates, Solvents & Others	N.A.	590481 kgs (348400 Kgs)
2	Mint Derivatives	N.A.	3600000 Kg (840000 Kg)

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

B-I Production, Turnover & Stocks :

Sr. No.	Product	Opening Stock		Production/ Pruchase	Turnover		Closing Stock	
		Qty (Kgs.)	Value (Rs.)	Qty	Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
1	Clarithromycin	12,748 (8,168)	84,512,229 (38,990,798)	150,648 (135,226)	158,731 (130,645)	1,523,793,848 (1,100,401,177)	4,665 (12,748)	31,776,982 (841,122,229)
2	Clopi	5,294 (1,795)	18,056,449 (4,229,278)	105,968 (45,512)	105,410 (42,013)	663,917,354 (297,264,952)	5,853 (5,294)	16,706,954 (18,056,449)
3	Mint Derivatives	132,841 (46,825)	78,620,811 (27,872,104)	792,529 (522,741)	897,296 (436,725)	690,773,074 (227,369,887)	28,074 (132,841)	17,334,241 (78,620,811)
4	Others	96,128 (5,227)	236,747,486 (29,524,877)	119,606 (311,319)	103,920 (220,417.00)	2,521,486,792 (1,798,989,207)	111,812 (96,128)	211,661,750 (237,147,486)
	Total	**247,012** (62,014)	**417,936,975** (100,617,058)	**1,168,751** (1,014,797)	**1,265,356** (829,799.00)	**5,399,971,068** (3,424,025,223)	**150,404** (247012)	**277,479,927** (417,936,975)

The stock of Finished Goods include 149499.69 Kg (246052.79 Kg) of the goods which are under test amounting to Rs. 2682.48 Lacs (Rs. 4076.07 Lacs)

#Figures in brackets are in respect of previous year

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

Sr. No.	Product	Opening Stock		Purchase		Turnover		Closing Stock	
		Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
	Trading Goods	62,970	12,227,621	3,224,623	2,417,827,615	3,268,026	2,446,449,115	19,567	26,099,404
	(Intermediates & Chemicals etc.)	(22,734)	(13,247,018)	(6,696,644)	(2,486,457,138)	(6,656,408)	(2,503,397,078)	(62,970)	(12,227,621)

Figures in brackets are in respect of Previous year.

C. Detail of consumption of material

Sr. No.	Raw Material Consumed	2009-10		2008-09	
		Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
1	TIOC	218,973	610,383,459	236,038	645,831,795
2	Erthromycin Oxime	135,438	515,775,905	127,789	441,572,063
3	Mint Derivatives	1,037,629	776,402,498	686,686	371,557,893
4	Beta	-	-	323	21,070,962
5	Others		1,465,651,707		740,343,491
6	Trading Goods (Intermediates & Chemicals etc.)		2,403,955,832		2,487,476,534
	Total		5,772,169,401		4,707,852,738

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE XV SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

D Detail of Raw Material, Stores & Spares Consumed

Particulars	Raw Material				Stores & Spares			
	2009-10		2008-09		2009-10		2008-09	
	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of Total Consumption
Imported	2,074,224,061	35.93%	1,349,750,833	28.67%	NIL	NIL	NIL	NIL
Indigenous	3,697,945,340	64.07%	3,358,101,905	71.33%	183,044,548	100.00%	13987414	100%
Total	5,772,169,401	100.00%	4,707,852,738	100.00%	183,044,548	100.00%		100%

	2009-10	2008-09
E. C.I.F. Value of Imports : (Amount in Rs.)		
(i) For Raw Materials	1,648,555,497	1,690,818,607
(ii) For Capital Goods	5,374,368	4,035,497
F. Expenditure in Foreign Currency : (Amount in Rs.)		
Interest	16,287,008	30,673,848
Others	113,065,547	69,436,200
Total	129,352,555	100,110,048
G. Earnings in Foreign Currency (Amount in Rs.)		
FOB Value of Goods	2,693,968,354	2,245,893,210

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

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	N. R. Munjal Vice Chairman cum M.D	Himanshu Jain Joint Managing Director	Dr G. Munjal Director	Dr. V. R. Mehta Director
R. K. Gulati Partner Membership No. 11999	K. M. S. Nambiar Director	Dr. J. K. Kakkar Director	Rishav Mehta Director	S. P. Sharma Director
Date: 29.05.10 Place: Chandigarh	Dr. H. P. S. Chawla Director	N. K. Bansal Chief Financial Officer	Pardeep Verma Company Secretary	

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	15553	State Code	53
Balance Sheet Date	31 03 2010 (Date Month Year)		

II Capital raised during the year (Amount in Rs. '000)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	25795

III Position of Mobildation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	10842084	Total Assets	10842084
Sources of Funds		**Application of funds**	
Paid-up Capital	278524	Net Fixed Assets	6536330
Reserves & Surplus	4204794	Net Currents Assets	3618939
Secured Loans	4802734	Investments	684656
Unsecured Loans	1080529	Misc. Expenditure	2159
Deferred payment liabilities	438002		

IV Performance of Company (Amount in Rs. '000)

Turnover & other income	7835520	Total Expenditure	7288880
Profit/Loss Before Tax	546640	Profit/Loss After Tax	579639
Earning per Share(Basic) in Rs.	21.45	Dividend Rate %	10%

V Generic Names of principal products of Company

Product Description	Item Code No.
Clarithromycin	294150
Betamethsone Salt	294200

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	N. R. Munjal Vice Chairman cum M.D	Himanshu Jain Joint Managing Director	Dr G. Munjal Director	Dr. V. R. Mehta Director
R. K. Gulati Partner Membership No. 11999	K. M. S. Nambiar Director	Dr. J. K. Kakkar Director	Rishav Mehta Director	S. P. Sharma Director
Date: 29.05.10 Place: Chandigarh	Dr. H. P. S. Chawla Director	N. K. Bansal Chief Financial Officer	Pardeep Verma Company Secretary	

Statement Pursuant to the Section 212 of the Companies Act, 1956

1 Name of the Subsidiary Company	Ind Swift Laboratories Inc.
2 Financial Year of the Subsidiary Company	01-01-2009 to 31-12-2009
3 Share of Subsidiary Company held by Ind Swift Laboratories Limited	
(i) No of Shares (Common Stock)	100
(ii) Face Value	N.A.
(iii) Paid up value	Rs. 49390
(iv) Additional Paid up Capital	Rs 53877996
(v) Extent of Holding	100%
	Rs. in Lac
4 Net aggregate amount of Profit/(Loss) of the subsidiary company so far as they concern the members of Ind Swift Laboratories Limited not dealt with in the accounts of the Ind Swift Laboratories Limited amount to:	
(a) For the subsidiary Company's financial year ended on 31.12.2009.	(157.78)
(b) For the previous financial year of the subsidiary since it became the Holding Company's subsidiary	(381.24)
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 Compnay's financial year ended ib 31.12.2009	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, 2010 incorporating changes since close of the financial year of the subsidiary company	No Change

Note:

The Profit & Loss figures of Subsidiay company has been transalted on the basis of average rate of Balance sheet items are translated at closing exchange rate applicable to Subsidiary Company as at 31.12.2009

Non Monetary items are translated at the historical rates.

Balance Sheet Monetary items are translated at clsoing exchange rate as at 31.12.2009

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

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	N. R. Munjal Vice Chairman cum M.D	Himanshu Jain Joint Managing Director	Dr G. Munjal Director	Dr. V. R. Mehta Director
R. K. Gulati Partner Membership No. 11999	K. M. S. Nambiar Director	Dr. J. K. Kakkar Director	Rishav Mehta Director	S. P. Sharma Director
Date: 29.05.10 Place: Chandigarh	Dr. H. P. S. Chawla Director	N. K. Bansal Chief Financial Officer	Pardeep Verma Company Secretary	

Directors' Report

To the Members,

Your Directors have pleasure in presenting the sixth report on the operations of your company and annual financial statements of the company for the financial year ended 31st December, 2009.

Principal Activity

The Company is primarily engaged in the supply of key APIs to the pharmaceutical companies in USA. The Company has filed 16 US Drug Master Files (DMF's) by this year and the Company is progressing with its plans in North America and also entered into the supply agreement with North American Generic Pharmaceutical Companies.

Financial Results

The Company could not achieve the targeted turnover as of December, 2009 due to some regulatory issues faced by our Partners, which resulted in a net loss of US$ 331493/-. The supplies to these customers have resumed in 2010 and the Company expect to fare better in the current fiscal. The Annual Accounts and reports of the US Subsidiary alongwith statement pursuant to Section 212 of the Companies Act, 1956, forming a part of this annual report are enclosed.

Board of Directors

There has been no change in the directorship of the company till December, 2009.

Directors' Responsibility Statement

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

Auditors

During the financial year under review Mr. Arun C. Sarkar, Certified Public Accountant was appointed as the Auditor of the Company in place of Mr. William Smith + Brown who resigned as Auditor of the Company.

Appreciations

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

Place : Chandigarh	N.R. Munjal	G. Munjal
Date : 30.04.2010	(Director)	(Director)

Independent Auditors' Report

To
The Stockholders
Ind-Swift Laboratories, Inc

I have audited the accompanying balance sheet of Ind-Swift Laboratories, Inc. (a development stage company) as of December 31, 2009, 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 auditing standards generally accepted in the United States of America. 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, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Dayton, NJ
March 26, 2010

Arun C. Sarkar
Certified Public Accountant

Balance Sheet

Particulars	As at December 31, 2009		As at December 31, 2008	
	US $	INR	US $	INR
ASSETS				
Current assets				
Cash in bank	101149	4721657	20790	1007277
Accounts receivable - Trade	420600	19633608	1321875	64044844
Taxes Receivable	13187	615569	0	0
Security deposit	3815	178084	3165	153344
Notes Receivable	660	30809	660	31977
Total current assets	**539411**	**25179727**	**1346490**	**65237442**
Fixed Assets				
Automobile, Furniture & Equipment	60494	2705013	60494	2705013
Less: Accumulated Depreciation	60494	2705013	42662	1890611
Net Fixed Assets	**0**	**0**	**17832**	**814402**
Total Assets	**539411**	**25179727**	**1364322**	**66051844**
LIABILITIES & SHAREHOLDER'S EQUITY				
Current Liability				
Accrued Expenses	154642	7218697	648058	31398428
Tax Payable	1000	46680	1000	48450
Total Current liability	**155642**	**7265377**	**649058**	**31446878**
Stockholders equity				
Capital Stock	1100	49390	1100	49390.0
Common Stock, no par value, 1500 shares authorised, 100 shares issued and outstanding				
ADDITIONAL PAID UP CAPITAL	1203750	53877996	1203750	53877996
Accumulated Deficit	-821079	(38124063)	(489586)	(22346444)
Total Stockholder's Equity	**383771**	**15803323**	**715264**	**31580942**
Translation Reserve		**2111027**		**3024025**
Total Liabilities and Stockholder's equity	**539413**	**25179727**	**1364322**	**66051845**

Statement of Operations & Accumulated Deficit

Particulars	As at December 31, 2009		As at December 31, 2008	
	US $	INR	US $	INR
NNet Sales	1000510	47729330	4045065	177719931
Cost of Sales	612200	29205001	3128492	137450314
Gross profit	**388310**	**18524329**	**916573**	**40269617**
Expenses:				
Selling,General & Administrative	699268	33358599	770177	33837749
PROFIT/(LOSS) FROM OPERATION	**(310958)**	**(14834270)**	**146396**	**6431869**
OTHER EXPENSES				
Depreciation	17831.96	814402	5837	259781
Total Other expenses	**17831.96**	**814402**	**5837**	**259781**
NET PROFIT/(LOSS) BEFORE STATE				
INCOME TAX EXPENSE	**(328790)**	**(15648672)**	**140558**	**6172088**
State Income tax	2703	128947	2725	119723
NET PROFIT/ (LOSS)	(331493)	(15777619)	137833	6052365
ACCUMULATED DEFICIT-BEGINNING	(489586)	(22346444)	(627419)	(28398809)
PREVIOUS YEAR ADJUSTMENT	0	0	0	0
ACCUMULATED DEFICIT-ENDING	**(821079)**	**(38124063)**	**(489586)**	**(22346444)**

Statement of Cash Flows

Particulars	As at December 31, 2009		As at December 31, 2008	
	US $	INR	US $	INR
Cash Flows From Operating Activities :				
Net income	(331,493)	(15,777,619)	137,833	6,052,365
Adjustments to reconcile net income to net cash provided by operating activities:				
Prior year Adjustment	0	0	0	0
Depreciation and amortization	17,832	814,402	5,837	259,781
Changes in:				
Security deposits	(650)	(24,740)	(95)	(32,355)
Notes Receivable	0	1,168	0	(5,966)
Taxes Receivable	(13,187)	(615,569)		
Accounts Receivable	901,275	44,411,236	593,985	11,459,199
Accured expenses	(493,416)	(24,181,501)	(909,533)	(29,977,193)
Net Cash Used by Operating Activities	**80,361**	**4,627,377**	**(171,973)**	**(12,244,168)**
Cash Flows from Investing Activities				
Purchase of furniture and equipment	0	0	(1,785)	(71,864)
Cash Flows from Financing Activities				
Proceeds from issuance of common stock	0	0	0	0
Repayment of note payable	0	0	0	0
Additional Paid up Capital	0	0	80,000	3,531,200
Proceeds from note payable	0	0	0	0
Net Cash Provided by Fincing Activities	**0**	**0**	**80,000**	**3,531,200**
Net Increase in Cash	**80,361**	**4,627,377**	**(93,758)**	**(8,784,834)**
Cash - Beginning of Year	**20,789**	**1,007,275**	**114,547**	**4,514,297**
Cash -End of Year	**101,150**	**4,721,654**	**20,789**	**1,007,275**

Notes to the Financial Statements

1. **Organization and Business:**
   Ind-Swift Laboratories, Inc, a Delaware Corporation, was formed on January 2,2004. The Company is a wholly owned subsidiary of Ind-Swift Laboratories Ltd. (India). At present, the Company is engaged in the sale of raw materials to pharmaceutical Companies. During 2008 the Company purchased 100% of its merchandise from its parent Company.

2. **Summary of Significant Accounting Policies:**
   a. **Method of Accounting**
   The company employs accrual method of accounting for its revenues and expenses.
   b. **Cash and Cash Equivalents**
   The Company considers all liquid investments maturing in 90 days or less to be cash equivalents.
   c. **Revenue Recognition**
   Revenue from sales is recognized when the risk and rights of ownership have passed to the customers. The Company, under certain conditions, permits its customers to return or exchange. A provision for sales returns is recorded concurrently with revenue recognition.
   d. **Furniture and Equipment**
   Furniture and Equipments are carried at cost and are depreciated using the straight line method based on the estimated useful life ranging from three to seven years.
   e. **Use of Estimates**
   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.
   f. **Development Stage**
   The Company has been in the Development stage since its formation on January 2, 2004. The operations of the company since then consisted of raising capital and the legal process for importing raw materials from a foreign country.
   The Company has been shipping commercial supply of Clarithromycin in North America. Also, the company's two additional products are being actively reviewed by regulatory agencies. The company is progressing with its plans in North America and entered into supply agreements with North American generic pharmaceutical companies.

3. **Furniture and Equipment:**
   Furniture and Equipment at cost consisted of the following on December 31, 2009 and 2008:

	2009	2008
Furniture	$ 5,018	$ 5,018
Office Equipments	11,365	11,365
Vehicle	44,111	44,111
	60,494	60,494
Less: Accumulated Depreciation	60,494	42,662
	$ 0	$ 17,832

Depreciation expenses for the year ended December 31, 2009 and 2008 amounted to $ 17,832 and $ 5,837 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, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

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

We did not audit the financial statements of Ind Swift Laboratories Inc USA (wholly owned subsidiary) which has been considered for consolidation, whose financial statements reflect total assets of Rs. 251.80 Lacs and the total revenue of Rs. 477.29 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, 2010.

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 Accountant

R. K. Gulati
Partner
Membership No. 11999

Place: Chandigarh
Date: 29.05.2010

Consolidated Balance Sheet

(Amount in Rs.)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
I. SOURCES OF FUNDS			
(1) Shareholders' Funds			
Share Capital	I	278524100	252729500
Reserves & Surplus	II	4166669944	3360489140
Share Application Money		37500000	17760000
(2) Loan Funds			
Secured Loans	III	4802734374	3536754380
Unsecured Loans	IV	1080529328	257281977
(3) Deferred Tax Liability		438002199	475071322
Total		10803959945	7900086319
II. APPLICATION OF FUNDS			
(1) Fixed Assets (Cost/Revalued Cost)	V		
Gross Block		5952091325	5703968624
Less: Depreciation		1164056543	781621793
Net Block		4788034782	4922346832
Assets held for Disposal		23594942	14599412
Capital Work In Progress (including Capital Advances)		1725227084	486739153
		6536856808	5423685397
(2) Investments			
(a) Long Term Investments	180,201,833		
(b) Short Term Investments	450,000,000	630201833	179297269
(3) Current Assets, Loans and Advances	VI		
(a) Inventories		2373580045	2052794802
(b) Sundry Debtors		1799425137	1133928443
(c) Cash and Bank Balances		540702056	229784787
(d) Loans and Advances		862448003	577340628
		5576155241	3993848659
Less :			
(a) Current Liabilities		1799340067	1614602951
(b) Provisions		139961789	86441262
Current Liabilities & Provisions	VII	1939301856	1701044213
Net Current Assets		3636853385	2292804447
(4) Miscellaneous Expenditure	VIII		
(To the extent not written off or adjusted)		47919	4299208
Total		10803959945	7900086319
Significant Accounting Policies & Notes on Accounts	XVI		

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants — **N. R. Munjal** Vice Chairman cum M.D — **Himanshu Jain** Joint Managing Director — **Dr G. Munjal** Director — **Dr. V. R. Mehta** Director

R. K. Gulati Partner, Membership No. 11999 — **K. M. S. Nambiar** Director — **Dr. J. K. Kakkar** Director — **Rishav Mehta** Director — **S. P. Sharma** Director

Date: 29.05.10
Place: Chandigarh

Dr. H. P. S. Chawla Director — **N. K. Bansal** Chief Financial Officer — **Pardeep Verma** Company Secretary

Consolidated Profit and Loss Account

(Amount in Rs.)

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Gross Sales & Operating Income	IX	7,947,552,043	6,010,588,268
Less: Excise Duty		94,664,817	108,626,442
Net Sales & Operating Income		7,852,887,226	5,901,961,826
Total-A		7,852,887,226	5,901,961,826
EXPENDITURE			
Cost of Materials Consumed	X	5,697,469,437	3,917,847,077
Manufacturing Expenses	XI	383,021,676	336,930,667
Administrative & Other Expenses	XII	181,004,936	159,488,741
Selling and Distribution Expenses	XIII	167,549,330	118,588,623
Financial Charges	XIV	510,624,754	469,549,558
Research & Development Expenses	XV	52,268,554	49,381,178
Loss on Sale of Fixed Assets		1,519,051	8,993,270
Depreciation		368,816,848	268,828,996
Impairment of Assets		50,181,053	25,260,155
Foreign Exchange Fluctuation		(69,754,460)	44,632,077
Provision for Doubtful Debts		5,972,850	2,852,714
Total-B		7,348,674,029	5,402,353,057
Profit For the Year Before Tax (A-B)		504,213,197	499,608,769
Previous Year Income		1,237,844	4,812,009
Previous Year Expenses		(4,433,331)	856,652
Extra ordinary Items			
(a) Loss on Insurance Claim		-	8,105,565
(b) Reversal of Previous year Provision		29,973,692	-
Profit for the year before Tax		530,991,402	495,458,560
Provision for Income Tax		(102,573,783)	56,125,482
Income Tax Adjustment of Previous Years		(4,070,628)	495,607
Provision for F.B.T		-	3,078,192
Mat Credit Entitlement		102,444,836	-
Profit Before Deferred Tax		526,791,827	435,759,279
Deferred Tax		37,069,123	(31,842,490)
Profit available for appropriation		563,860,950	403,916,789
Profit available for Equity Shareholders		563,860,950	403,916,789
Provision for dividend on Equity Shares		27,852,410	25,972,950
Provision for Equity Dividend Tax		4,733,517	4,414,103
Transfer to General Reserve		28,981,928	19,893,221
Retained Profit transferred to Balance Sheet		502,293,095	353,636,516
Basic Earning per Share		20.86	16.22
Diluted Earning per Share		20.19	15.20
Nominal Value of each Share		10.00	10.00

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants — **N. R. Munjal** Vice Chairman cum M.D — **Himanshu Jain** Joint Managing Director — **Dr G. Munjal** Director — **Dr. V. R. Mehta** Director

R. K. Gulati Partner, Membership No. 11999 — **K. M. S. Nambiar** Director — **Dr. J. K. Kakkar** Director — **Rishav Mehta** Director — **S. P. Sharma** Director

Date: 29.05.10
Place: Chandigarh

Dr. H. P. S. Chawla Director — **N. K. Bansal** Chief Financial Officer — **Pardeep Verma** Company Secretary

Consolidated Cash Flow Statement

(Rs. in lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra-Ordinary Items	5008.89	4953.38
Adjusted for:		
i) Depreciation/Impairment	4189.97	2940.88
ii) Misc Expenditure W/Off	51.64	43.56
iii) Exchange (profit)/loss	(697.54)	446.32
iv) Interest on term loans	2105.96	2336.43
v) Interest received	(135.60)	(464.34)
vi) Provision for Doubtful Debts	59.73	28.53
vii) Loss on sale of fixed assets	15.19	89.93
Operating Profit before Working Capital Charges	10598.24	10374.69
Adjusted for:		
i) Trade & Other Receiveables	(6886.04)	(1471.79)
ii) Inventories	(3393.18)	(9019.95)
iii) Loan & advances	(1107.54)	3211.76
iv) Current Liabilities	2550.80	4508.08
v) Working Capital Borrowing	3145.25	2681.59
vi) Income tax (Including Advance Tax/TDS)	(489.14)	(273.35)
	(6179.85)	(363.66)
Net Cash flow from operating Activities	4418.39	10011.03
B. CASH FLOW FROM INVESTING ACTIVITES		
i) Purchase of fixed Assets	(10139.93)	(6499.00)
ii) Sale of fixed assets	1086.58	1817.52
iii) Purchase of Investments	(4509.05)	0.00
iv) Product Technology Development Expenditure	(5803.22)	(5674.73)
v) Interest Received	135.60	114.36
Net Cash from investing activities	(19230.02)	(10241.85)

Consolidated Cash Flow Statement (Contd.)

(Rs. in lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Share Capital	257.95	161.37
ii) Advance agst Share Capital	201.81	(138.75)
iii) Proceeds from Securities Premium	1524.07	754.96
iv) Proceeds from NCD	1500.00	
v) Repayment of NCD	(115.00)	
vi) Proceeds from Term Loans From Banks & Financial Institutions	18901.85	21447.96
vii) Repayment of Term Loans to Banks & Financial Institutions	(10534.43)	(15746.96)
viii) Proceeds from Short Term Loans from Others	7255.35	0.00
ix) Repayment of Short Term Loans from others	(2256.87)	(2000.00)
x) Interest paid on term loans	(2600.01)	(3192.94)
xi) Proceeds from Fixed deposit	4698.45	788.30
xii) Repayments of Fixed deposit	(599.37)	(538.39)
xiii) Equity Dividend Paid	(259.73)	(240.32)
xiv) Equity Dividend Tax Paid	(44.14)	(40.85)
Net Cash flow from Financing Activities	17929.93	1254.38
Net increase in Cash or Cash Equivalents	3118.30	1023.57
Cash & Cash Equivalents as on 31.3.2009	2297.85	1221.50
Cash & Cash Equivalents as on 31.3.2010	5416.15	2245.07
Add Unrealised gain/(loss In Foreign Currency	(9.13)	52.78
Closing Balance of cash & cash equivalents as on 31.03.2010	5407.02	2297.85

AUDITORS' REPORT
As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	**N. R. Munjal** Vice Chairman cum M.D	**Himanshu Jain** Joint Managing Director	**Dr G. Munjal** Director	**Dr. V. R. Mehta** Director
R. K. Gulati Partner Membership No. 11999	**K. M. S. Nambiar** Director	**Dr. J. K. Kakkar** Director	**Rishav Mehta** Director	**S. P. Sharma** Director
Date: 29.05.10 Place: Chandigarh	**Dr. H. P. S. Chawla** 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 2010 and found the same to drawn in accordance therewith and also with requirements of clause 32 of the Listing Agreement with the Stock Exchange.

For Jain & Associates
Chartered Accountants

R. K. Gulati
Partner
Membership No. 11999

Date: 29.05.10
Place: Chandigarh

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE I SHARE CAPITAL		
Authorised		
3,50,00,000 Equity Shares of Rs.10/- Each	350,000,000	350,000,000
	350,000,000	350,000,000
Issued, Subscribed & Paid Up		
2,78,52,410 (Previous Year 2,52,72,950) Equity Shares of Rs.10/-each fully called up and paid up.	278,524,100	252,729,500
	278,524,100	252,729,500

SCHEDULE II RESERVES & SURPLUS		
(a) Capital Reserves :		
Capital Redumption Reserve	2,000	2,000
Share Warrants Forfieted Account	6,323,113	5,882,113
Equity Share Forfieted Account	866,500	866,500
State subsidy on DG Set	1,918,370	2,039,643
(b) Securities Premium	1,344,445,164	1,191,916,900
(c) Revaluation Reserve	903,667,815	940,402,710
(d) Employees Stock Option Outstanding	9,182,756	13,069,200
(e) General Reserve		
As per Last Balance Sheet	108,235,516	88,342,295
Add Transfer during the year	28,981,928	19,893,221
Add Mat Credit Entitlement of earlier years	162,679,127	
(f) Profit & Loss Account		
As per Last Balance Sheet	1,098,074,559	858,677,057
Less: Defferred Tax Liability of Previous Years	-	114239015
Add: Transfer from Profit & Loss Account	502,293,095	353,636,517
	4,166,669,944	3,360,489,140

SCHEDULE III SECURED LOANS		
(A) Non convertible Debenture	138,500,000	-
(B) Loans and Advances from Banks		
(a) Borrowings for Working Capital	1,302,085,682	987,560,766
(b) Term Loans	3,237,885,708	2,401,148,202
(c) Other Loans	20,004,751	19,135,403
(C) Other Loans and Advances	104,258,233	128,910,009
	4,802,734,374	3,536,754,380

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

Note:

A) 14% Non Convertible Debentures amounting to Rs. 13.85 Crores (P.Y. Nil) from Tata Capital Limited are secured by first ranking pari passu charge on the immovable properties measuring 68 bighas & 13 biswas situated at Village Behra & village Bhagwanpura Tehsil Rajpura, Distt. Patiala in the state of Punjab & land admeasuring 9435.56 square yards being Plot No E-V, Industrial Focal Point, Phase II , Mohali in the state of Punjab together with all Buildings & Structures, Plant & Machinery thereon and personal guarantees of Mr. S.R. Mehta, & Mr. N.R. Munjal.

B) a) Bank borrowings for working capital Rs. 130.20 crores (P.Y. Rs. 98.76 crores) are secured by a Pari-Passu, first charge by way of hypothecation of the company's current assets, namely, Stocks of Raw Materials, Semi Finished, Finished Goods, Stores & Spares not relating to Plant and Machinery (Consumable Stores & Spares), Bills Receivable and Book Debts and all other movables of the Company both present and future excluding such movables as may be permitted by the said Banks from time to time. The said facility is further secured by way of pari passu second charge on the company's immovable and movable properties (other than current assets) and personal guarantees of Mr. S.R.Mehta ,Dr. V.R. Mehta , Mr. N.R. Munjal, Dr. G. Munjal & Mr. Himanshu Jain.

b) Term Loans of Rs. 323.27 crores (P.Y. Rs. 237.45 crores) are from State Bank of India , Axis Bank , State Bank of Patiala , Bank of India , Catholic Syrian Bank , Export Import Bank of India , IDBI Bank , South Indian Bank , ABN Amro Bank , Standard Chartered Bank , Bank of Rajasthan ,State Bank of Indore, State Bank of Hyderabad, Barclays Bank,IFCI, State Bank of Travencore & DEG-Deutsche Investitions-Und Entwicklungsgesellschaft Mbh 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 & Plot No E-V, industrial Focal Point , Mohali and second charge on all its movable assets, including machinery, machinery spares , tools and accessories present and future , subject to the charges created /to be created , in favour of the company banker for working capital. The above loan include term loan amounting to Rs Nil (P.Y. Rs 2.89 crores) from State Bank of India which are further secured by Corporate Guarantee of Ind Swift Ltd. These loans are further secured by the personal guarantee of Promoter Directors.

The Term loan of Bank of India Rs. 0.52 Crores (P.Y. Rs. 2.66 crores) is secured only on the movable fixed assets including plant and machinery located at company's plant at Samba , Jammu.

c) Other Term Loans Rs. 2.00 crores (P.Y. Rs. 1.91 crores) include Vehicle loan Rs. 1.78 crore (P.Y. Rs.1.67) are secured against hypothecation of the vehicles under the hire purchase agreement & ICICI Home Loan Rs. 0.22 crores (P.Y. Rs. 0.24crores) is in the name of Mr. N.R.Munjal, and is secured against the office premises in Mumbai.

C) Other loans & advances Rs. 10.43 crores (P.Y. Rs. 12.89 crores) include Term Loans from Technology Development Board Rs. 0.27 crores (P.Y. Rs 0.53 crores) is secured by way of charge on the movable assets, Rs. 8.89 crores (P.Y. Rs. 9.40 crores) is secured by way of charges on movable fixed assets & personal guarantee of Shri N.R.Munjal and Vehicle loans (NBFC) Rs. 1.27 crores (P.Y. Rs. 2.96 crores) are secured against hypothecation of the vehicles under the hire purchase agreements.

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE IV UNSECURED LOANS		
(a) Fixed Deposits	579,304,999	169,397,406
(b) Short Term Loan & Advances		
From Others	349,901,543	87,884,571
From Banks	151,322,786	-
Total	**1,080,529,328**	**257,281,977**

SCHEDULE V FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As On 01.04.09	Addition	Sale/ Transfer	As On 31.03.10	As On 01.04.09	During The Period	During The Year Written Back	As On 31.03.10	As On 31.03.10	As On 31.03.09
Tangible Assets										
Land Free Hold	343,971,307	103,847,081	8,400,000	439,418,388	-	-	-	-	439,418,388	343,971,307
Land Lease Hold	17,189,390	-	-	17,189,390	617,074	177,206	-	794,280	16,395,110	16,572,316
Factory Buildings	563,064,686	531,842	-	563,596,528	60,641,436	18,822,906	-	79,464,342	484,132,186	502,423,250
Office Buildings	37,653,739	305,750	-	37,959,489	3,394,202	614,794	-	4,008,996	33,950,493	34,259,537
Flats		145,810,070		145,810,070	-	6,512		6,512	145,803,558	-
R&D Buildings	145,588,240	-	-	145,588,240	11,569,424	4,862,647	-	16,432,071	129,156,168	134,018,815
Buildings - Pilot Plant	17,021,567	-	-	17,021,567	2,000,683	568,520	-	2,569,204	14,452,363	15,020,884
Plant & Machinery	2,458,242,444	4,944,772	97,267,137	2,365,920,079	386,192,917	127,405,745	21,736,318	491,862,344	1,874,057,735	2,072,049,528
R&D Machinery	402,137,482	21,710,366	-	423,847,848	60,505,408	21,355,839	-	81,861,247	341,986,602	341,632,075
Plant & Machinery - Pilot Plant	39,233,698	-	-	39,233,698	7,236,965	2,071,539	-	9,308,505	29,925,193	31,996,733
Electric Instalations	305,612,360	120,339	-	305,732,699	42,067,099	14,689,821	-	56,756,920	248,975,780	263,545,262
Electric Installations - Pilot Plant	3,439,389	-	-	3,439,389	569,154	163,371	-	732,525	2,706,864	2,870,235
Furniture & Fixtures	32,359,324	1,327,570	-	33,686,894	6,949,718	2,355,834	-	9,305,553	24,381,341	25,409,605
Office Equipments	72,708,217	6,172,263	-	78,880,480	35,388,230	11,202,018	-	46,590,249	32,290,232	37,319,987
Vehicles	75,854,513	14,010,743	2,990,958	86,874,298	20,447,965	8,526,960	1,380,674	27,594,251	59,280,047	55,406,548
Other Assets										
R&D Technology-	1,189,365,814	58,000,000	-	1,247,365,814	144,041,516	192,728,029	-	336,769,546	910,596,269	1,045,324,298
Goodwill	526,453	-	-	526,453	-	-	-	-	526,453	526,453
Total	5,703,968,624	356,780,796	108,658,095	5,952,091,325	781,621,793	405,551,742	23,116,992	1,164,056,543	4,788,034,783	4,922,346,832
Previous Year	4,700,586,759	1,185,134,345	181,752,480	5,703,968,624	486,870,823	306,147,548	11,396,578	781,621,793	4,922,346,832	4,213,715,937

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE VI CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
I) **Inventories** (As per inventories taken, valued & certified by the Management)		
Stores & Consumable	25,222,999	19,734,149
Raw Materials	762,445,516	502,159,086
Work in Process	1,307,471,503	1,093,274,591
Finished Goods	278,440,027	437,626,975
Total	**2,373,580,045**	**2,052,794,802**
II) **Sundry Debtors** (Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months		
- Considered good	24,715,822	28,716,798
- Considered doubtful	14,320,718	8,635,836
Other Debts	1,774,709,315	1,105,211,645
	1,813,745,855	1,142,564,279
Less: Provision for Doubtful Debts	14,320,718	8,635,836
Total	**1,799,425,137**	**1,133,928,443**
III) **Cash and Cash Balances**		
Cash balance in hand	18,978,912	21,261,790
Bank balances with Scheduled Banks :		
Fixed deposits	218,731,411	163,626,845
Interest accured but not due on fixed deposits	11,387,365	7,909,360
Current Accounts	291,604,368	36,987,681
Total	**540,702,056**	**229,784,787**
IV) **Loans and Advances** (Unsecured ,Considered good)		
Advances recoverable in Cash or in Kind or for value to be received	363,061,784	377,367,450
Mat Credit Entitlement	276,184,055	-
Cenvat/ Vat Recoverable	148,093,081	133,499,614
Advance Custom Duty Paid/DEPB	17,778,393	12,411,709
Advance Tax/ TDS	44,843,475	42,157,184
Prepaid Expenses	4,538,081	4,994,913
Security deposits	7,124,672	6,909,758
Total	**861,623,541**	**577,340,628**

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE VII CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
(i) Total outstanding dues to small scale		
Industrial undertakings	2,999,229	2,970,627
(ii) Outstanding dues of Creditors other than	1,664,598,278	1,487,615,278
Small Scale Industrial Undertaking	-	-
Statutory Liabilities	12,937,351	14,604,904
Expenses Payable	66,092,443	89,979,270
Interest accured but not Due	52,712,765	19,432,873
Sub Total	1,799,340,067	1,614,602,952
B) PROVISIONS		
Income Tax	107,375,862	56,054,209
Equity Share Dividend	27,852,410	25,972,950
Tax on proposed Equity Share Dividend	4,733,517	4,414,103
Total	1,939,301,856	1,701,044,213
SCHEDULE VIII MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
1. Defferred Employee Compensation Expenses	2,158,946	7,323,233
2. Foreign Currency Translation	(2,111,027)	(3,024,025)
Total	47,919	4,299,208
SCHEDULE IX GROSS SALES & OPERATING INCOME		
Domestic	4,681,302,824	3,760,761,528
Exports	3,183,025,387	2,187,240,388
Operating Income	83,223,832	62,586,352
Total	7,947,552,043	6,010,588,268
SCHEDULE X COST OF MATERIAL CONSUMED/SOLD		
Opening Stock	500,527,868	373,224,999
Purchases	6,030,889,626	4,835,155,608
	6,531,417,494	5,208,380,607
Less: Closing Stock	759,248,093	500,527,868
Total (A)	5,772,169,401	4,707,852,739
Increase/Decrease in Inventory		
Opening Stock		
Work in Process	1,093,274,591	640,278,846
Finished Goods	417,936,975	100,617,058
	1,511,211,566	740,895,904
Closing Stock		
Work in Process	1,307,471,503	1,093,274,591
Finished Goods	278,440,027	437,626,975
	1,585,911,530	1,530,901,566
Total (B)	74,699,964	790,005,662
Total (A-B)	5,697,469,437	3,917,847,076

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE XI MANUFACTURING EXPENSES		
Job Work Charges	68,192,334	80,522,169
Wages	126,880,093	100,914,153
P.F. & other funds	6,822,851	4,439,968
Power, Fuel & Water Charges	146,353,739	130,521,909
Stores & Spares	22,130,798	13,987,414
Repair & Maint.		
Plant & Machinery	9,104,584	4,580,612
Buildings	1,582,014	490,243
Electrical	1,620,278	1,274,474
Excise Duty on Finished Goods	154,731	-
Other manufacturing Expenses	180,254	199,727
Total	383,021,676	336,930,667
SCHEDULE XII ADMINISTRATIVE & OTHER EXPENSES		
Directors Remuneartion		
- Salary & Allowances	17,400,000	15,000,000
- Contribution to P.F.	18,720	18,720
Salary & Allowances	55,184,876	45,703,733
P.F. & other funds	2,712,837	2,558,007
Gratuity Premium	1,193,196	3,554,066
Travelling & conveyance	20,054,711	15,509,691
Auditors Remuneration	894,350	502,400
Office Rent	8,455,622	5,640,745
Rate & Taxes	4,298,401	2,629,115
Insurance Charges	9,181,321	9,856,313
Legal &Professional Charges	6,024,213	4,468,930
Printing & Stationary	6,823,302	6,972,315
Vehicle Running & Maint.	11,907,712	11,835,152
Telephone & Postage	10,990,230	8,013,933
Office Expenses	5,472,530	5,402,191
Charity & Donation	347,713	217,689
Listing Fees	497,372	426,293
Books & Periodicals	130,733	626,599
Meeting, Membership & Subscription Fees	1,468,621	1,046,768
Security Expenses	3,875,119	3,361,367
Staff Welfare	5,044,237	4,785,616
Training & Development Expenses	654,458	823,105
Repair & Maintenance-General	5,904,799	2,112,690
Recruitment Expenses	586,808	765,799
Other Expenses	1,883,054	7,657,504
Total	181,004,936	159,488,741

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

(Amount in Rs.)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE XIII SELLING & DISTRIBUTION EXPENSES		
Advertisement & publicity	771,512	694,444
Business Promotion	6,468,851	8,868,122
Commission on Sales	95,058,216	56,940,658
Packing Material	14,560,011	14,887,691
Rebate & Discount	8,181,117	1,576,550
Freight Outward	38,042,435	30,091,177
Insurance Charges	1,506,731	1,503,792
ECGC Premium	2,716,921	3,172,010
Bad Debts w/off	51,488	
Other Expenses	192,048	854,179
Total	**167,549,330**	**118,588,623**

SCHEDULE XIV INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans (Net)	210,596,447	233,642,835
Interest on Working Capital from Banks	91,096,539	150,527,952
Bank Charges & Others	199,712,344	83,036,528
Brokerage & Commission	9,219,424	2,342,242
Total	**510,624,754**	**469,549,557**

SCHEDULE XV RESEARCH & DEVELOPMENT EXPENSES		
Salary & Wages & Other Allowances	29,244,111	23,355,680
Administration Expenses	33,864	121,232
Consumables & Chemicals & Regents	20,477,063	22,667,712
Repair & Maintenace - Machinery	1,306,398	1,504,620
Technical Study & Consultancy	1,207,118	1,731,934
Total	**52,268,554**	**49,381,178**

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT

A. Significant Accounting Policies

Accounting Policies Uniformily 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 09 to March 10 whereas the financial year of Subsidiary Company is from Jan 09 to Dec 09. Accordingly, subsidiary's audited financial statements for the year ended on 31-12-2009 are considered for the purpose of consolidation. Effect for significant transactions or events that have occurred in the subsidiary for period Jan 01, 2010 to March 31, 2010 have been accounted for.

b) Two companies viz. Ind Swift Laboratories Pvt Ltd. (Singapore) & Ind-Swift Middle East FZE (UAE) were incorporated as subsidary companies but no share capital have been issued.

c) 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 confirmity 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, liabilties, 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 liabilites on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/materialised.

4 Fixed Assets & Depreciation

In relation to the Parent Company

a) Cost of Fixed Assets

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

b) Depreciation /Amortisation

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

Lease hold Land is amortised over the period of lease.

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

c) Intangible Assets (Other Assets)

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

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

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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)
Vehilces	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 accural basis and provision is made for all known losses and expenses.

In relation to the Subsidiary Company

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

8 **Foreign Currency Transactions**

In relation to the Parent Company

Transaction in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. The gain or loss arisning 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 liabilties are transalted at the closing rate; non monetary assets and liabilities are translated at exchange rates prevailing at the dates of the transactions and income and expenses items are converted at the yearly average rate.

In relation to the Subsidiary Company

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

a) All income and expenses are transalted at yearly average rate of exchange prevailing during the year.

b) Monetary assets and liabilties are transalted at the closing rate on the Balance Sheet date.

c) Non-Monetary Assets and Liabilties are transalted at historical rates.

d) The resulting exchange difference is accounted as "Foreign Currency Translation Reserve" which is disclosed separately on the balance sheet.

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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 XV accompanying the financial statements of Ind Swift Laboratories Limited. The other accounting policies adopted by subsdiary are the same as that of Ind Swift Laboratories Limited in all material respect.

B: NOTES ON ACCOUNTS :

1 **Contingent liabilities not provided for:** (Rs. in lacs)

		2009-10	2008-09
a.	Letter of Credit against purchase of raw material	12524.76	13125.63
b.	Export obligation in respect of cutom duty	85.49	200.93
c.	Contingent Liabilties in respect of unassessed cases of Income Tax, Excise Duty, Sales Tax and Service Tax	Unascertained	Unascertained
d.	Corporate guarantees given on behalf of (To the extent Utilized)		
	Ind Swift Ltd	5000.00	NIL
	Essix Biosciences Ltd	1167.00	656.00
	Kiran Flour Mills Industries Pvt Ltd	2776.31	2870.24

2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs 1448.90 lacs (Previous year Rs. 675.87 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(Rs 367.35 Lac) has been provided during the year & the same is reduced from Revaluation Reserve.

5 **Director Remuneration includes**

		2009-10	2008-09
A	Salary		
	Vice Chairman	8,705,040	7,505,040
	Managing Director	8,705,040	7,505,040
B	Contribution to Provident Fund		
	Vice Chairman	9,360	9,360
	Managing Director	9,360	9,360
C	Perquisites		
	Vice Chairman	360,918	337,972
	Managing Director	360,918	337,973
	Total	**18,150,636**	**15,704,745**
	Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956		
	Profit for the year before taxation as per P&L Account	530,991,402	495,458,560
	Add: Directors' Remuneration	18,150,636	15,704,745
	Provision for Doubtful Debts	5,972,850	2,852,714
	Eligible Profit for Computation of Director Remuneration	555,114,888	514,016,019
	Maximum amount permissible u/s 309 of Companies Act,1956 for payment to Directors	61,062,638	56,541,762

6 Other expenses under head admnistrative expenses includes Rs. 47,000 (Previous Year Rs.37000) paid to directors as sitting fee.

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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

a. List of related parties and their relationship

Associates	Ind Swift Limited
	Essix Biosciences Limited
	Ind swift communications (p) ltd
	Ind Swift Land Ltd
	Hakim Farayand Chemi Co (Iran)
	Kiran Flour Mills Industries Pvt Ltd.
Key Management personnel-Directors	Mr. N.R.Munjal
	Mr.Himanshu Jain
Subsidiary	Ind Swift Laboratories Inc. USA
	Ind Swift Laboratories Pvt Ltd. (Singapore)
	Ind-Swift Middle East FZE (UAE)

b. Related party transactions

	Ind Swift Limited		Essix Biosciences Limited		Ind Swift Laboratories Inc USA		Kiran Flour Mills Industries Pvt Ltd		Ind Swift Land Ltd.		Hakim Faryand Chemi Co. (Iran)		Ind-Swift Middle East FZE UAE		Ind Swift Laboratories Pte Ltd. Singapore	
Nature of transactions	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
(i) Transactions during the year.																
Purchases.	3721.57	1747.52	1146.06	89.40			8501.36	3528.75								
Capital Assets Purchase									2433.10							
Intangible Assets Purchase	300.00															
Sales	2918.47	1837.55	1047.75	322.08	174.18	1152.09	17.72	17.90			793.78	379.77	0.00	0.00	0.00	0.00
Interest Receivable	296.89	348.57							1.05	0.00						
Expenses	91.70	7.50	71.42	270.56												
Corporate Gurantee Given	5,000		1167	656.00			2,776.31	2870.24		0.00						
(To the extent utilized)																
(ii) Outstanding balances as on 31.03.10																
Share Capital Received	649.97	649.97	249.18	115.48												
Advance recd Agst.. Share Capital	375.00															
Investment made			767.50	767.50	544.54	544.54			482.00	482.00	413.47	413.47	6.85	0.00	2.20	0.00
Loans & Advances	195.38	1803.27	157.60	375.80					0.00	0.00						
Capital Advanves			0.00						1547.66	117.97						
Debtors		1228.22	460.77		68.52	264.89				11.77	419.49	443.39	0.00	0.00	0.00	0.00
Creditors	238.75			128.35			1845.62	724.25					0.00	0.00	0.00	0.00
(iii) Maximum Amount due at anytime during the year(Loans & Advances)	6235.85	4717.51	1010.98	810.86												

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

*Since Expired on 21/03/2010

** Both the Companies were incorporated as subsidary companies but no share capital have been issued.

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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

	2009-10	2008-09
Profit available for Equity Shareholders	563860950	403916789
For Basic Earning		
No of weighted average equity shares	27028089	24902399
For Diluted Earning		
Equity Share Warrants 3000000 (Previous Year 2500000) pending for conversion	895890	1472603
No of weighted average of Diluted Equity Shares	27923979	26375002
Nomial Value of Equity Share	10.00	10.00
Earning Per Share (Rs.)		
Basic	20.86	15.98
Diluted	20.19	15.08

9 **Deferred Tax:**

The Break Up of Deferred Tax Liabilities/(Assets) as at March 31, 2010 is as under:

	2009-10	2008-09
Deferred Tax Liabilties		
Timing Difference on account of :		
Depreciation	7663.30	7983.78
Total	**7663.30**	**7983.78**
Deferred Tax Assets		
Timing Difference on account of :		
Provision for Doubtful Debts	48.68	29.35
Carried Forward Losses as per Income Tax Act	3234.60	3203.72
Total	**3283.28**	**3233.07**
Deferred Tax Liabilties net	**4380.02**	**4750.71**
Deferred Tax Liabilties (Assets) Charged to Revenue Reserve	0.00	1142.39
Deferred Tax Liabilties (Assets) Charged to P&L A/c	(370.69)	318.42

10 The balance in the parties accounts whether in debit or credit are subject to confirmation,reconciliation and adjustment. The impact of the same on the accounts at the year end is unascertainable .

11 **Operating Income consists of following** (Rs. in lacs)

	2009-10	2008-09
IInterest Income (Gross)	135.60	464.34
Export Incentives	572.92	76.13
Other Operating Income	123.72	85.39
Total	**832.24**	**625.86**
TDS Deducted on Interest Income	15.05	101.64

12 Fixed deposits with banks of Rs. 1435.36 Lacs (Previous year Rs.1320.08 Lacs) are pledged with banks as margin money for working capitial facilities.

13 As per best estimate of the management,no provision is required to be made as per Accounting Standard (AS) 29 as notified by Companies(Accounting Standards) Rules 2006, in respect of any present obligationas as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

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

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

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	45866 (36521)	31830 (21872)	77697 (58393)
Resula	6461 (5019)	8401 (9638)	14862 (14657)
Less: Finacial Expenses			5106 (4695)
Less: Unallocated Expenses			6276 (5105)
Add: Operating Income			832 (626)
Add Extra Ordinary Exp & Flcutuation in Foreign Exchange			997 (527)
Less: Income Tax Provision			1066 (597)
Add: Mat Credit entitlement			1024 0
Add: Deferred Tax			371 (318)
Profit after Tax			5639 (4039)
Other Information			
Segment Assets	11097 (4059)	6897 (7280)	17994 (11339)
Unallocated Assets			109438 (84672)
Total Assets			127432 (96011)
Segment Liabilities	10391 (12751)	7603 (3395)	17993 (16146)
Unallocated Liabilities			64612 (43555)
Total Liabilities			82606 (59702)
Capital Expenditure			65369 (54237)
Depreciation			3688 (2688)
Nno Cash Expenses other than Depreciation			562 (281)

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.

15 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.

Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account

SCHEDULE XVI SIGNIFICANT ACCOUNTIG POLICIES AND NOTES ON ACCOUNT (Contd.)

16 Long Term Investments

I) Investment of Rs.1802.02 Lac (Previous Year 1792.97 Lac) Unquoted-Long Term are at Cost.

a)	Units of Principle Global Opportunities Fund	Rs. 5.00 Lac (Rs.5.00 Lac)
b)	Investment in Vardhman Chemtech Pvt Limited	Rs.100.00 Lac (Rs. 100.00 Lac)
	10,00,000 Equity Share of Rs. 10/- each fully paid up.	
c)	Investment in Nimbua Green Field (Punjab) Ltd	
	250000 Equity Share of Rs. 10/- each fully paid	Rs 25.00 Lacs (Rs 25.00 Lacs)
d)	Investment in Swift Land Limited	
	48,20,00 Equity Share of Rs.10/- each fully paid up.	Rs. 482.00 Lac (Rs. 482.00 Lac)
e)	Investment in Essix Bioscience Limited	
	12,35,000 Equity Share of Rs.10/- each fully paid up.)	Rs 767.50 Lacs(Rs 300 Lacs)
	Share Application Money	Rs Nil (Rs 467.50 Lacs)
f)	Investment in Farayand Chemi Hakim Company Ltd (Iran)	
	Common Stock	Rs. 27.17 Lac (Rs. 27.17 Lac)
	Share Application Mone	Rs. 386.30 Lac (Rs. 386.30 Lac)
g)	Investment in Singapore	
	Share Application Money	Rs. 2.20 Lac (Nil)
h)	Investment in UAE	
	Share Application Money	Rs. 6.84 Lacs (Nil)

II) Short Term Investments

(i)	Investment in SBI Mutual Fund	Rs. 4500 Lacs (Nil)
	26865190 Units os Magnum Insta Cash Fund Daily Dividend Options	

Note: Figure in brackets are in respects of previous years.

17 The company enters into Forward Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

18 In compliance with AS-28, During the year, company has identified fixed assets amounting to Rs.899.54 Lac for impairement. The Net Realisable Value of such fixed assets has been estimated at Rs.185.34 lac. Accordingly Impairment Loss of Rs. 501.81 Lac has been charged to Profit & Loss Account during the year.

19 In compliance with AS-15, During the year, company has provided Rs. 11.93 Lac as additional provision towards the Company Gratuity Policy maintained with LIC after the actuarial valuation done by the LIC.

20 14% Non Convertible Debentures amounting to Rs 13.85 crores are redeemable in 13 quarterly instalments with effect from February,2010

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

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

AUDITORS' REPORT

As per separate report of even date

For and on behalf of the Board

For Jain & Associates Chartered Accountants	N. R. Munjal Vice Chairman cum M.D	Himanshu Jain Joint Managing Director	Dr G. Munjal Director	Dr. V. R. Mehta Director
R. K. Gulati Partner Membership No. 11999	K. M. S. Nambiar Director	Dr. J. K. Kakkar Director	Rishav Mehta Director	S. P. Sharma Director
Date: 29.05.10 Place: Chandigarh	Dr. H. P. S. Chawla Director	N. K. Bansal Chief Financial Officer	Pardeep Verma Company Secretary	

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