

Annual Report 2009-10



Alpa Laboratories Limited

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THE BOARD OF DIRECTORS

Mr. Purushottam R. Patel, Chairman & Managing Director
 Mr. Mahendra Singh Chawla
 Mr. Pravin C. Shah
 Mr. Sampat Lal Chaplot
 Mr. Sharad Chand Lunawat
COMPLIANCE OFFICER
 Mr. Hemant Jain

REGISTERED & CORPORATE OFFICE

33/2, Pigdamber, A.B. Road, Rau
 Indore (M.P.) 453446, India
 Ph: +91-731-429-4567, Fx: +91-731-429-4444, Em: is@alpalabs.com

STATUTORY AUDITORS OF THE COMPANY

M/s. C. H. Padliya & Co., Chartered Accountants

BANKERS

State Bank of Indore
 Yeshwant Niwas Road Branch
 Indore (M.P.) 452001

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited
 E/2 Ansa Industrial Estate, Saki Vihar Road
 Andheri (East), Mumbai 400072

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 22nd Annual General Meeting of the members of the Company will be held on Thursday, the 09th Day of September, 2010 at the registered office of the Company at 33/2 Pigdamber, A.B. Road, Rau, Dist. Indore (M. P.) 453446 at 11:45 AM to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at March 31st, 2010 and the Profit & Loss Account for the year ended on that date, together with the Report of the Directors and the Auditors thereon.
- To appoint a director in place of Mr. Mahendra Singh Chawla, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s. C. H. Padliya & Co., Chartered Accountants, as the statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:
 "RESOLVED THAT pursuant to Section 60, 61 and all other provisions of the Companies Act, 1956 including any amendment thereto or reenactment thereof Prospectus, the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and in accordance with applicable guidelines, rules & regulations issued by Securities & Exchange Board of India, Government of India or any other relevant authority & clarification issued thereon, from time to time, if any, that the consent of the Company be and is hereby accorded to delegate the power to decide, alter, vary, revise & finalize the utilization of IPO Proceeds to the Board of Directors of the Company.

FURTHER RESOLVED THAT the Board of Directors may take up any new activity/ expense/ financial commitment apart from those mentioned in the Prospectus dated July 19, 2007 and/ or modify the size and scale of capital expansion proposed in the past.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to address any concern, reply any query, decide any issue, answer any query, interpret any term/ phrase, write/ apply to any Government/ statutory Authority, issue any clarification, decide any other matter in this regard in the interest of the Company."

NOTES:

- A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the company.
- The proxy form to be effective, should be deposited at the registered office of the company not less than 48 hours before the

commencement of the Annual General Meeting.

- c. The 'Register of Members' and 'Share Transfer Books' will remain closed from Mon , 06th September, 2010 to Thu, 09th September, 2010 (both days inclusive).
- d. Members are requested to notify immediately changes, if any, in their address/ bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar & Share Transfer Agent with all necessary details, in respect of physical share folios.
- e. Nomination facility is available as per the provision of the Companies Act, 1956. Those who wish to avail themselves of this facility may send in their Nomination Forms (Form 2B) either to the Registrar or to the Company at its Registered Office.
- f. At the ensuing general meeting Mr. Mahendra Singh Chawla shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. Mahendra Singh Chawla are as follows:
Mr. Mahendra Singh Chawla, aged 68 years, holds a Bachelors Degree in Science from Indore University. He is also an approved manufacturing chemist and is responsible for the overall manufacturing operations. He is also a co-founder of the company. He is not holding any other directorships.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Through Initial Public Offer (IPO) of the company in July 2007, the Company raised Rs. 6106.81 lacs for the following main objects as per the Prospectus issued under Section 67 of the Companies Act, 1956:

- Up-gradation of the existing plant at Pigdamber, Indore and setting up a new plant at Pigdamber, Indore for increasing our production & testing capacities;
- Meeting Margin money working capital requirements;
- General Corporate Purposes;
- Meeting Issue Expenses;

The total cost for the above-mentioned objects as per our Company's estimate was as follows:

S. No.	Particulars	Amount (Rs. in lacs)
1	Capital Expenditure for up-gradation of existing plant and setting up a new plant	6313.16
2	Working Capital requirements	1263.52
3	General Corporate Purposes	650.97
4	Meeting issue expenses	532.95
	Total Cost of the Project	8760.60

The proposed Means of Finance for the above requirements of the funds was proposed to be met as follows:

S. No	Particulars	Amount (Rs. in lacs)
1	Term Loans	2000.00
2	Promoters Participation	300.60
3	Issue Proceeds	6460.00
	Total Finance	8760.60

The Company has not utilized the money in the time frame proposed in the Prospectus due to various factors mostly due to changes in local government policy, as a matter of business strategy and uncertainty in global & domestic pharmaceutical markets. The Company has partially utilized the funds and proposes to seek flexibility for the balance funds remaining.

The new plant was proposed to be setup in Pigdamber in close proximity to the existing plant, but Pigdamber has been rezoned as "residential" in the new Indore city master plan which could potentially cause contravention of local zoning regulations in very near future. In view of this change in the Indore city master plan, expansion of capacities for certain products has been done at the existing Pigdamber plant (Unit-I) and a new plant (Unit-II) is being set up in newly acquired land measuring 40,000 Sq. Mt. (approximately 10 acres) at the Pithampur Industrial Area which is approximately 30 kilometers from the existing Unit-I. At this time a state of the art, regulated market compliant tablet manufacturing facility focusing on containment products such as hormonal and anti-cancer formulations is in the completion phase at Unit-II. Other dosage form capacities have been expanded at Unit-I.

With the above changes, the proposed cost estimates are as follows:

S. No.	Particulars	Amount (Rs. in lacs)
1	Capital Expenditure for up-gradation of existing plant and setting up a new plant	5157.66
2	Working Capital requirements	1263.52
3	General Corporate Purposes	735.12
4	Meeting issue expenses	791.12
	Total Cost of the Project	7947.42

And the corresponding proposed Means of Finance is as follows:

S. No	Particulars	Amount (Rs. in lacs)
1	Term Loans	1500.00
2	Promoters Participation	340.61
3	Issue Proceeds	6106.81
	Total Finance	7947.42

Accordingly, the Board of Directors may be authorized to utilize the IPO proceeds in any new expenditure head or in any or all of the utilization purposes stated in the Prospectus dated July 19, 2007 e.g. Company may use any of the amount of the remaining IPO proceeds to meet its working capital requirements, up-gradation of existing facilities & other general corporate purposes as allowed under the applicable laws. The resolution is being proposed to the Members for consideration and if deemed fit for approval as a part of good corporate governance practices that the company endeavors to follow.

None of the Directors of the Company are in any way, concerned or interested in the resolution. The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

For and on behalf of the Board of Directors of **ALPA LABORATORIES LIMITED**

Mahendra Singh Chawla, Whole Time Director

Place: Pigdamber, Rau, Indore

Date: 07th August, 2010

DIRECTOR'S REPORT

Your directors present the 22nd Annual Report of the Company along with the Audited Accounts for the year ended March 31st, 2010.

1. FINANCIAL RESULTS & PERFORMANCE

Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Sales, Other Income & Receipts	9,433.16	11,715.37
Expenditure	9,350.38	11,587.27
Profit (before tax)	82.78	128.11
Less: Prior period Adjustment	18.67	15.06
Less: Deferred Tax liability on Assets	15.00	1.00
Add: Balance Brought Forward From Previous Year	1,959.85	1,921.98
Less: Provision for Income Tax	36.80	76.18
Profit carried to Balance Sheet	2,039.50	1,959.85

2. PAST HISTORY AND FUTURE PROSPECT

The Company posted a turnover of Rs. 9,433.16 lacs for the Financial Year and earned a profit before tax of Rs. 82.78 lacs. The impact of global slowdown continued to affect the company's performance during the year. Even in the difficult market, the company has continued to book a profit as a result of better management, cost efficiencies and strategic planning for margin. The new plant could not commence production during the year, but the management is confident of bringing it into production in the near future.

3. FIXED DEPOSITS

The Company has not accepted any fixed deposits from public during the year under review.

4. DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the provision of the Article of Association of the Company Mr. Mahendra Singh Chawla being director of the Company is liable to retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

During the year, Mr. Kuldeep Singh Parwana ceased to be a director of the company due to his untimely demise. The management of the company offers its condolences to his family and acknowledges his valuable contribution to your company.

Except the above, there has been no change in Board of Director of the company.

5. PARTICULARS OF EMPLOYEES

The particulars of Employee in receipt of the remuneration in excess of the limits laid down in section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975 is attached herewith as Annexure I.

6. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are provided in the Annexure II to the Report.

7. RE-CONSTITUTION OF AUDIT COMMITTEE

Pursuant to the Companies Act 1956 and the Listing Agreement, an audit committee exists in the Company and the same was re-constituted on 15th October, 2009; consisting of a non-executive independent director as chairman and 2/3 number of members of total strength of the committee as non-executive independent directors.

8. DESOLUTION OF REMUNERATION COMMITTEE

Upon the untimely demise of Mr. K.S. Parwana, the Remuneration committee dissolved and the Board is in process of appointing a new Independent Director and reconstituting the remuneration committee.

9. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit or loss of the Company for the year under review.
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the directors had prepared the accounts for the financial year ended 31st March, 2010, on a "Going Concern" basis.

10. CORPORATE GOVERNANCE

The Board of Directors of the Company have adopted a code of conduct for all board members and senior management of the Company and they declared and affirmed compliance of said code of conduct. Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance along with the Auditor's Certificate of its compliance forms part of the Annual Report.

11. MANAGEMENT DISCUSSION & ANALYSIS**Forward Looking Statements**

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Infrastructure

The Company already has a state of the art manufacturing facility at Pigdamber, Indore (Unit-I) where it manufactures a wide range of dosage forms like Injections, Tablets, Ointments and Capsules. An up-gradation of the existing facility in terms of cGMP norms and expansion of capacities has recently been completed. At present the Company is tapping the domestic market, export markets like East & West Africa, Latin America, South East Asia and domestic and international Government Tender business from this facility. The Company also has a state of the art testing laboratory which is further being upgraded to USFDA standards.

A new regulated market compliant tablet manufacturing facility focusing on containment products such as hormonal and anti-cancer formulations is in the completion phase at Unit-II at the Pithampur Industrial Area. The plant is expected to be operational shortly and will be backed by world class manufacturing and testing equipment. The Company expects to offer its facility for regulatory inspections and approvals soon after completion.

Domestic Markets

The Company has a wide range of pharmaceutical products in its portfolio. A focused approach and increased marketing efforts has resulted in an increasingly wider reach. In the coming years, the Company would continue to build its reputation and strong brand equity in order to attain a leadership position. The Company has been successfully marketing human products through a generics distribution model.

International Markets

The Company continues to lay emphasis on its overseas business. The Company works closely with all its overseas partners to sustain and grow its exports. In the last financial year, the Company has expanded its operations in South East Asia, Africa and Latin America. With the commercial production expected to start soon at Unit-II, the company will be ready to take a leap into the regulated markets.

Outlook

Your company remains optimistic about the bright future lying ahead for the company. It will endeavor to grow by building on its strengths for competitive advantage. The Domestic business is becoming more competitive with the entry of newer players from the emerging economies. On the other hand, the government induced changes in select markets and the ongoing consolidation in the industry is bringing forth new challenges in the market place. The generic segment has inherent risks of patent litigation, product liability, continuous development in R&D, capital investment, increasing regulations and compliance related issues, particularly in the developed markets.

Business Strategy

Your company has always endeavored to optimize shareholder value but due to various factors, the company has not been able to achieve

the anticipated levels. However, in the opinion of Directors, after setting up new plant at Pithampur (Unit-II), the product range will be enhanced resulting in a sharp increase in profitability. The new plant shall be fully established by the end of October, 2010 and is estimated to start production by January 2011. The company is deriving its strength from diverse product capability, established client relationship, location advantage and an experienced management team.

Risk Concerns

Uncertainties in business offer opportunities and downside risks. Consequently, your Company recognizes the importance of a well structured system to identify and manage the different elements of risk. Pressure on margins, high raw material prices, availability of substitutes, indiscriminate imports, higher overheads, patent litigation are some factors which could impact adversely especially as we strive to tap into the regulated markets.

Segment wise performance

Your company operates in the single segment of drugs and chemicals.

Internal Control Systems

Internal control procedures of the Company are designed to meet the needs of the Organization's size and complexity of operations. These procedures ensure compliance with various policies, practices and statutes. Internal Audit is carried out of all functional areas through out the year. The Company's Internal Audit function is staffed with qualified and experienced people.

Human Resources and Industrial Relations

The company has given emphasis to upgrading the skills of its technical and marketing personnel. This is in line with its policy of enhancing the individual's growth potential within the framework of corporate goals. The HR policy and practices are constantly reshaped to meet newer demands. Not only better hiring practices, but also improved nurturing practices are in place. Company imparts training towards continuous enhancement of technical and managerial skills. The Directors acknowledge and appreciate the contribution of all employees towards the performance of the company. During the year under review the Company, maintained cordial relationship with all employees and has not laid off any employee in its entire history.

Cautionary Statement

The information and opinion expressed in this report may contain certain forward looking statements which the management believe are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report. Important developments that could affect the Company's operations include a downward trend in the industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment, environment standards, tax laws, litigation and labor relations.

12. DISCLOSURES

The Company has made adequate disclosures regarding related party transactions, contingent liabilities, remuneration of directors, and significant accounting policy in the Notes to Accounts as an integral part of the Balance Sheet and Profit & Loss Accounts.

13. STOCK EXCHANGES - COMPLIANCE OF LISTING AGREEMENTS

During the year under review, the Company's shares got listed at The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has paid the listing fees to all the Stock Exchanges.

14. AUDITORS

M/s. C. H. Padliya & Co., Chartered Accountants, Auditors of your Company retires from the office of the Auditors and are eligible for re-appointment. The Company has received a certificate from them to the effect that the re-appointment if made will be within the limit prescribed under Section 224 (1) of the Companies Act, 1956.

15. AUDITORS REPORT

The Report of Auditors of the Company for the year under reference has two comments.

In reference to point 4(vi) of their report in reference to the netting off of the interest earned against interest paid in the current year, but not in the previous year, the management view is that the netting off of interest is not restricted by any provision of the Act, Rule, Regulation or Accounting Standard. Additionally, it does not impact the profit of the company in any way.

In reference to point (ix)(c) of the annexure to their report in reference to irregular payment of statutory dues, as further clarified in the same report, the management has made appeals against the demand of statutory dues in question at various forums and the hearings for these appeals are pending.

16. COMPLIANCE OF ACCOUNTING STANDARD

As per clarification given in Sub Para (iv) of Para 3 of Auditors' Report, Company has complied with all applicable Accounting Standards as per provision of section 211 (3C) of the Companies Act 1956.

17. APPRECIATION

Your directors would like to take this opportunity to record their appreciation of the valuable services rendered by all employees of the Company and to the Company's shareholders, customers, suppliers and other associates for their continued support.

For and on behalf of the Board of Directors of **ALPA LABORATORIES LIMITED**

Purushottam R. Patel

Managing Director

Place: Pigdamber, Rau, Indore

Date: 21st May, 2010

Mahendra Singh Chawla

Whole Time Director

Pravin C. Shah

Whole Time Director

ANNEXURE I

(Annexed to and forming part of the Directors' Report for the year ended 31st March, 2010)

Statement of Particulars of Employees as per Section 217(2A) of the Companies act, 1956 Read with the Companies (Particulars of Employees) Rules, 1975 as amended

NAME AGE	DESIGNATION	GROSS REMUNERATION	QUALIFICATIONS EXPERIENCE	DATE OF JOINING	PREVIOUS EMPLOYER
Purushottam R. Patel 76 years	Chairman & Managing Director	Rs. 2700000	B.Sc. (Honors) 53 Years	Since Incorporation.	Partner, Alpa Laboratories
Mahendra Singh Chawla 68 years	Whole Time Director	Rs. 2700000	B.Sc. 43 Years	Since Incorporation.	Partner, Alpa Laboratories
Pravin C. Shah 62 Years	Whole Time Director	Rs. 2460000	B.Sc. 33 Years	Since Incorporation.	Partner, Alpa Laboratories

Notes:

1. The nature of employment is Contractual.
2. The above employees are also Directors of the Company but they are not related to any other Directors of the Company.
3. Information about Qualifications and Last employment are based on particulars furnished by the employee.
4. All above directors are shareholders of the Company and hold more than 2% each of the total issued shares of the Company.

ANNEXURE II

(Annexed to and forming part of the Directors' Report for the year ended 31st March, 2010)

Companies (Disclosure of particulars in the report of the Board of Directors) – Rules 1988

Particulars in respect of :

A. Conservation of Energy

The total energy consumption and energy consumption per unit as per Form A given herein below:

FORM A

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
POWER CONSUMPTION		
i. Electricity		
a. Purchased Units	1623100	1660840
• Total Amount (Rs. in lacs)	80.52	81.76
• Rate/Unit (Rs.)	4.96	4.92
b. Own Generation Units		
• Through Diesel Generator Units	506	468
• Total Amount (Rs. in lacs)	0.09	0.08
• Cost Per Unit (Rs.)	17.79	17.09
ii. Coal	-	-
iii. Furnace Oil (MT)	104.65	115.25
iv. Others/ Internal Generation	-	-
CONSUMPTION OF ENERGY		
i. Electricity (Units Purchased & Own Generated)	1623606	1661308

B. Technology Absorption

There has been no specific scope for technology absorption; still the Company is updating the existing machines as much as possible for better productivity and to introduce latest techniques and trends.

C. Foreign Exchange earning and outgo

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Earning on Account of Export		973.03	691.43
Outgoings			
• For Raw Material		46.40	77.97

• For Capital Goods	-	-
• For Bank Charges	4.68	1.88
• For Travel Expenses	1.35	1.32

CORPORATE GOVERNANCE REPORT

The detailed report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with Stock Exchanges is set out below:

1. Corporate Governance Philosophy

Our corporate governance policies recognize the accountability of the Board and importance of its decisions to all constituents, including investors, customers, employees and regulatory authorities and to demonstrate to shareholders who are the ultimate beneficiaries of our economic activities. The functions of the Board and the Executive Management are well defined and are distinct from one another.

2. Board of Directors

The Board of Directors of Alpa Laboratories Limited (the Company) comprised of Promoter Executive Chairman & Managing Director, two Promoter Executive Directors and two Independent Non-executive Directors who have wide and varied experience in different disciplines of corporate functioning.

The composition and category of the Board of Directors as on March 31, 2010 was as follows:

Category	Name of Director
Promoter Executive Chairman & Managing Director	Mr. Purushottam R. Patel
Promoter Executive Directors	Mr. Mahendra Singh Chawla, Mr. Pravin C Shah
Independent Non-Executive Directors	Mr. Sampat Lal Chaplot Mr. Sharad Chand Lunawat Mr. Kuldeep Singh Parwana (Ceased on 15/Oct/2009)

The Company has no pecuniary relationship or transaction with any of the Independent Non-executive Directors.

A brief write up about the Directors coming up for re-appointment has been provided in the notice to the Shareholders.

The Board of Directors met four times during the period under review on 29/May/2009, 30/Jul/2009, 30/Oct/2009 and 28/Jan/2010.

Attendance of each Director at the meeting of the Board of Director held during the year and the last Annual General Meeting and also the number of Board of Directors or Committee meetings of which he is a member/ chairman is as under:

Name of Director	Attendance Particulars		No of Directorships in domestic public limited companies (including this Company)		No of Committee Memberships ¹ in domestic public limited companies (including this Company)	
			As Chairman	As Director	As Chairman	As Member
			Board Meetings	Last AGM	As Chairman	As Director
Mr. Purushottam R. Patel	4	Yes	1	-	-	2
Mr. Mahendra Singh Chawla	4	Yes	-	1	-	1
Mr. Pravin C Shah	4	Yes	-	1	-	-
Mr. Sampat Lal Chaplot	4	Yes	-	1	3 ²	-
Mr. Sharad Chand Lunawat	3	Yes	-	1	-	1
Mr. Kuldeep Singh Parwana ³	2	Yes	-	1	-	2

¹None of the directors is a member of more than ten committees or acting as Chairman of more than five committees across all companies in which he is a director

²Ceased to be chairman of Remuneration committee from 15/Oct/2009

³Ceased to be member of committee from 15/Oct/2009

3. Audit Committee (see term of reference)

The Company has complied with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement relating to the composition and terms of reference of the Audit Committee. The Committee comprised of 2 Independent Non-executive Directors (1 as the Chairman) and 1 Executive Director. The committee was reconstituted on 15/Oct/2009 with the same composition of 2 Independent Non-executive Directors (1 as Chairman) and 1 Executive Director.

The Terms of Reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (11) of the Listing Agreement and as specified by the Board of Directors of the Company. The responsibilities of the Committee include financial reporting, standards compliance and review of financial policies of the Company and also to recommend the appointment of Statutory Auditors and Internal Auditors and to fix their remuneration. The Audit Committee evaluates internal audit policies, plans and procedures and reviews other functions through various internal audit reports. The committee also reviews all the unaudited and audited financial results before the submission to the Board. The Chairman of the Audit Committee was present at the last Annual General Meeting (AGM) of the Company held on 30th July, 2009. The Audit Committee met four times during the year on 29/May/2009, 30/Jul/2009, 30/Oct/2009 and 08/Jan/2010. The members of the Audit Committee and their attendance are given below:

Name of the Member	No. of meetings attended	Whether attended AGM
Mr. Sampat Lal Chaplot	4	YES
Mr. Purushottam R. Patel	4	YES
Mr. K. S. Parwana (Ceased to be member from 15/Oct/2009)	2	YES
Mr. Sharad Chand Lunawat (Member from 15/Oct/2009)	2	YES

Executive Managing Director also attended all the meetings of the Audit Committee. Representative of the Statutory Auditors are invited to attend the meetings. The Company Secretary/ Compliance Officer acts as the Secretary of the Audit Committee.

4. Remuneration Committee

A Remuneration Committee existed as required by the Schedule XIII of the Companies Act, 1956 to consider and approve the remuneration package payable to the Executive Whole Time Directors & the Managing Director of the Company. The Committee comprised of 3 Independent Non-executive Directors (1 as the Chairman). The Committee was dissolved on 15/Oct/2009 after the untimely demise of 1 member and since has not been reconstituted. During the year under review, the committee was not required to meet as no change in remuneration was proposed.

The Non-executive Directors are remunerated by way of sitting fees only which is decided by the Board of Directors from time to time.

5. Shareholders/ Investors Grievances Committee

The Shareholders/ Investors Grievances Committee comprised of 1 Independent Non-executive Director as the Chairman and 2 Executive Directors. The committee apart from the ensuring timely share transfers also looks into any investors complaints. The committee has designated the Compliance Officer as the officer in-charge of all investor complaints. The matters unresolved for more than 15 days are reported to the committee. The committee met four times during the year. The attendance of the committee is as under:

Name of the Member	No. of meetings attended
Mr. Sampat Lal Chaplot	4
Mr. Purushottam R. Patel	4
Mr. Mahendra Singh Chawla	4

6. Code of Conduct

As required by the amended Clause 49 of the Listing Agreement, the Board of Directors of the Company has adopted a Code of Conduct for all board members and senior management of the Company. The members of the board and senior management have affirmed compliance of the said Code of Conduct during the year under review. The Annual report of the Company contains a declaration to this effect duly signed by the Chairman & Managing Director as required by Clause 49 of the Listing Agreement. The code of conduct has also been put on the company's website at www.alpalabs.com

7. Code of Conduct for Prevention of Insider Trading

The Securities and Exchange Board of India (SEBI) has effective from February 20th, 2002 introduced amendments to the existing Insider Trading Regulations of 1992 which ordain new action steps by corporates and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a "Code of Conduct for prevention of Insider Trading" with effect from 10/Jul/2007. The Code is applicable to all directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

8. Disclosure

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

As per the amended Clause 49, a statement in summary form of transaction with related parties are being periodically placed before the audit committee. There were no transactions of the Company of material significance with its promoters, directors, management or relatives during the year, which may have potential conflict with the interest of the Company. Transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in the Notes to the Accounts.

b. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 211 (3) (C) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the Annexure to the Notes to the Accounts.

c. Risk Management

The Company has laid down the procedures to inform the Board members about the risk assessment and minimization procedures of the material and they are being reviewed periodically.

d. Details of non-compliance by the Company, Penalties & Strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has complied with all the requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or the Stock

Exchanges or any statutory authority for non compliance of any matter related to the capital markets during the last three years.

e. Non-mandatory requirements

Adoption of non- mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

9. Managing Director Certification

A certificate from the Managing Director has been placed before the Board confirming that:

- a) he has reviewed financial statements and the cash flow statement for the year and to the best of his knowledge and belief
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) to the best of his knowledge and belief, there are no transactions that were entered into by the Company during the year which are fraudulent, illegal or those that violate the Company's code of conduct.
- c) he accepts the responsibility for establishing and maintaining internal control for financial reporting and he has evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and he has disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such controls, if any, of which he is aware and the steps that have been taken or are proposed to be taken to rectify these deficiencies.
- d) he has indicated to the Auditors and the Audit Committee
 - significant changes in internal control over financial reporting during the year
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
 - he has not come across any instances of significant fraud and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

10. Annual General Meetings (AGM)

The details of last three Annual General Meetings are as under:

Year	Venue	Day/Date	Time
19 th	33/2 Pigdamber. A B Road, Rau, Indore	06/Jun/2007	3.00 PM
20 th	33/2 Pigdamber. A B Road, Rau, Indore	29/Sep/2008	11:45 AM
21 st	33/2 Pigdamber. A B Road, Rau, Indore	30/Jul/2009	11:45 AM

No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

11. Means of Communications

- (i) Quarterly and year to end date unaudited results and yearly audited results are published in the newspapers having wide circulation as per Clause 41 of the Listing Agreement.
- (ii) The Company's financial results and official news releases are displayed on the Company's website www.alpalabs.com

12. General Shareholders Information

Registered Office:	33/2 Pigdamber, A B Road, Rau, Dist INDORE (M.P.) PIN 453446
Compliance Officer:	Mr. Hemant Jain cs@alpalabs.com
Annual General Meeting:	The 22 nd Annual General Meeting of the members of the Company will be held on Thursday, the 09 th Day of September, 2010 at the Registered Office of the Company at 11.45 a.m.
Financial Year:	01 st April to 31 st March
Date of Book Closure:	Monday, 06 th September, 2010 to Thursday, 09 th September, 2010 (Both days inclusive)
Dividend Payment Date:	Not Applicable
Listing on Stock Exchanges:	Bombay Stock Exchange Limited and The National Stock Exchange of India Limited
Listing Fees:	The Company has paid listing fees to the Stock Exchange, Mumbai and the National Stock Exchange of India Limited for the year 2009-10.
Stock Code:	BSE: 532878 NSE: ALPA ISIN: INE385I01010
Market Price Data:	

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High(Rs.)	Low(Rs.)
Apr-2009	11.90	7.50	11.75	7.70
May-2009	17.58	9.00	16.10	9.70
Jun-2009	18.00	12.05	17.45	12.55
Jul-2009	14.50	10.55	13.70	11.00
Aug-2009	16.70	12.05	15.75	12.35
Sep-2009	14.49	13.05	14.00	13.15
Oct-2009	13.91	11.52	13.80	11.70
Nov-2009	12.10	11.13	11.85	11.25
Dec-2009	14.61	11.32	14.10	11.45

Jan-2010	16.84	13.11	16.00	13.80
Feb-2010	14.55	11.75	14.45	12.25
Mar-2010	16.40	12.30	15.60	12.85

(Source: BSE & NSE Websites)

Registrar & Transfer Agent: Bigshare Services Private Limited

Contact: Mr. N V K Mohan

E/2 Ansa Industrial Estate, Saki Vihar Road, Andheri (East) MUMBAI 400072

Phone: 022-2847-0652 Fax: 022-2847-5207

Email: ipo@bigshareonline.com Website: www.bigshareonline.com

Shareholders are advised to contact the registrar quoting their Folio nos. in each correspondence. Our Registrar & Transfer Agent launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss at www.bigshareonline.com and help them serve you better.

During the year under review, the Company received complaints from the shareholders as follows. To the best of knowledge of the Company, these complaints were solved to the satisfaction of the shareholders:

Nature of complaints	CURRENT YEAR		PREVIOUS YEAR	
	Received	Attended to	Received	Attended to
Non-receipt of share certificates	NIL	NIL	NIL	NIL
Non-credit of account	NIL	NIL	NIL	NIL
Other	8	8	16	16
TOTAL	8	8	16	16

Distribution of Shareholding

As of March 31, 2010 the distribution of the equity shareholding of the Company was as follows:

	No. of share holders	%	No. of shares held	%
1-100	359	2.25	1770	0.008
101-200	148	0.93	2695	0.013
201-500	1040	6.52	45540	0.216
501-1000	4615	28.94	454486	2.16
1001-5000	6650	41.7	1964881	9.339
5001-10000	1767	11.08	1421182	6.755
10001-50000	1181	7.41	2386220	11.34
Over 50000	186	1.17	14763826	70.169
TOTAL	15,946	100.00	21,040,600	100.00

Categories of Shareholding as on 31st March, 2010 are as follows:

Category	No. of shares held	%
Resident Individuals	8267779	39.29
Body Corporates	1012613	4.81
NRIs/ OCBs	257293	1.22
Clearing Members	14545	0.07
Indian Promoters	6419050	30.51
NRI Promoters	49900	0.24
Promoter Group	5019420	23.86
TOTAL	21040600	100.00

Dematerialization of Shares and Liquidity:

As on 31st March, 2010, there are 89,80,595 equity shares that have been dematerialized, representing 42.68% of the paid up share capital of the Company. The shares of the Company are frequently traded.

Outstanding Convertible Instruments:

As of ^{date}, the Company has no outstanding convertible instruments.

Manufacturing Units: Alpa Laboratories Limited
33/2 Pigdamber, A B Road
Rau, Dist. INDORE (M.P.) 453446

Secretarial Audit For Reconciliation of Capital:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) against the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total shares held in dematerialized form (with NSDL and CDSL) and the total shares held in physical form.

Declaration relating to Code of Conduct

All Board Members and Senior Management Personnel have, for the year ended 31st March, 2010 affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges.

For and on behalf of the Board of Directors of **ALPA LABORATORIES LIMITED**

Purushottam R. Patel
Managing Director
Place: Pigdamber, Rau, Indore
Date: 21st May, 2010

Mahendra Singh Chawla
Whole Time Director

Pravin C. Shah
Whole Time Director

Management responsibility statement

The Management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s C.H. Padliya and Co., Chartered Accountants, the Statutory Auditors of the Company.

For and on behalf of the Board of Directors of **ALPA LABORATORIES LIMITED**

Purushottam R. Patel
Managing Director
Place: Pigdamber, Rau, Indore
Date: 21st May, 2010

Mahendra Singh Chawla
Whole Time Director

Pravin C. Shah
Whole Time Director

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members and the Board of Directors of **Alpa Laboratories Limited**

We have reviewed the records of **Alpa Laboratories Limited** ("the Company") in reference to the compliance of conditions of Corporate Governance for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement entered into with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our examination and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

On the basis of the certificate issued by the Registrars of the Company and the Minutes of meetings of the 'Shareholders/ Investors Grievance Committee' of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

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

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants

S. C. Padliya, Partner
Membership Number 071666, FRN 003151C
Place: Indore
Date: 21st May, 2010

AUDITOR'S REPORT

To,
The Members and the Board of Directors of **Alpa Laboratories Limited**

1) We have audited the attached Balance Sheet of **Alpa Laboratories Limited** ("the Company") as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement 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.

2) 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 3) As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) the balance Sheet and profit & loss account dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the balance Sheet and profit & loss account dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) on the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as director under clause (g) of sub-section (1) of section 274 of Companies Act, 1956;
 - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes there on give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India *except matter regarding note number 22 regarding interest expenditure and interest income for the year*
 - a) in the case of balance sheet, of the Statement of Affairs of the company as at 31st March, 2010
 - b) in the case of profit & loss account, of the profit for the year ended on that date
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants

S. C. Padliya, Partner

Membership Number 071666, FRN 003151C

Place: Indore

Date: 21st May, 2010

ANNEXURE REFERRED TO IN PARAGRPH 3 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF ALPA LABORATORIES LIMITED

- i.
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.
 - c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii.
 - a) We have been informed that the inventory has been physically verified during the year by the management except material lying with third party (which are substantially been confirmed). In our opinion, the 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 inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
- iii.
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under the section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under the section 301 of the Companies Act, 1956, paragraphs (iii-b), (iii-c) and (iii-d) of the Order, are not applicable.
 - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under the section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under the section 301 of the Companies Act, 1956, paragraphs (iii-f) and (iii-g) of the Order, are not applicable.
- 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, with regard to purchase of inventory, fixed assets and with regard to the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
- v. In our opinion and according to the information and explanations given to us, there are no contractor arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the Register required to be maintained under that section. Hence

- clause (v-b) of the Order is not applicable.
- vi. The Company has not accepted any deposits under the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion the company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the accounts and records with a view to determine whether they are accurate or complete.
- ix. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
- c) *According to the records of the Company, the dues of Sales Tax, Income Tax, Service Tax, Excise Duty and cess that have not been deposited with the appropriate authorities on account of disputes as at 31st March, 2010 and the forum where disputes are pending are given below:*

Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (Rs. in lacs)
Value Added Tax	01/04/02 to 31/03/03	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal	3.98
Central Sales Tax	01/04/02 to 31/03/03	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal	18.79
Central Sales Tax	01/04/05 to 31/03/06	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal	28.52
Value Added Tax	01/04/05 to 31/03/06	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal	20.69
Value Added Tax	01/04/07 to 31/03/08	Proceedings under section 21 of Madhya Pradesh Value Added Tax Act, 2002 is pending	23.73
Entry Tax	01/04/07 to 31/03/09	Writ petition challenging the validity of Entry Tax Act pending before the Supreme Court of India	45.59

- x. The Company has neither accumulated losses as at 31st March, 2010, nor it has incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the information and explanations provided by the management, company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
- xii. According to the information and explanations provided by the management and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations provided to us by the management, the Company is not a dealer or trader in securities.
- xv. According to the records of the company and the information and explanation provided by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. The Company has not taken any term loan during the year.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment by the company.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Companies Act, during the year.
- xix. As the company has no debentures outstanding at any time during the year, paragraph (xix) of the Order is not applicable to the Company.
- xx. We have verified that the end use of money raised by public issue is as disclosed in the notes to the financial statements.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants

S. C. Padliya, Partner

Membership Number 071666, FRN 003151C

Place: Indore

Date: 21st May, 2010

BALANCE SHEET As At 31st March, 2010**(Rs. in lacs)**

PARTICULARS		SCHEDULE	As At 31 Mar 2010	As At 31 Mar 2009
I SOURCES OF FUNDS				
<i>(A) Shareholder Funds</i>				
	Share Capital	A	2,104.06	2,104.06
	Reserves & Surplus	B	7,535.55	7,455.90
<i>(B) Loan Fund</i>				
	Secured Loans	C	808.38	1,493.84
<i>(C) Deferred Tax Liability (Net)</i>				
			50.73	65.73
TOTAL SOURCES OF FUNDS			10,498.72	11,119.53
II APPLICATION OF FUNDS				
<i>(A) Fixed Assets</i>				
	Gross Block		2,463.30	2,167.95
	Less : Depreciation		(1,300.59)	(1,184.25)
	Net Block		1,162.71	983.70
	Capital Work-in-Progress		4,810.49	4,372.54
			5,973.20	5,356.24
<i>(B) Investments</i>				
		E	900.00	2,366.83
<i>(C) Current Assets Loans & Advances</i>				
	Inventories	F	1,708.29	2,266.22
	Sundry Debtors	G	3,871.88	4,727.09
	Cash & Bank Balance	H	105.90	122.48
	Other Current assets	I	61.92	143.17
	Loans & Advances	J	709.29	300.00
	Total Current Assets		6,457.28	7,558.96
	Less : Current Liabilities & Provisions			
	Current Liabilities	K	(3,438.93)	(4,647.54)
	Provisions	L	(97.17)	(100.93)
			2,921.18	2,810.49
<i>(D) Miscellaneous Expenditure</i>				
	(To the extent not written off or adjusted)	M	704.34	585.97
TOTAL APPLICATION OF FUNDS			10,498.72	11,119.53

Notes forming part of the accounts

W

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As Per Our Report of even Date Attached

We Authenticate The Correctness Of The Above
For and on behalf of the Board of Directors of
ALPA LABORATORIES LIMITED

S. C. PADLIYA

Partner, Membership Number 071666, FRN 003151C

For and on behalf of C. H. PADLIYA & CO., Chartered Accountants

Place: Pigdamber, Rau, Indore

Date: 21st May, 2010

P.R. PATEL
Managing Director

MS. CHAWLA
Director

PROFIT & LOSS ACCOUNT For The Year Ended 31ST March, 2010 (Rs. in lacs)

PARTICULARS	SCHEDULE	For the Year Ended 31 Mar 2010	For the Year Ended 31 Mar 2009
INCOME			
Sales and Services (Net)	N	9,343.67	12,168.48
Other Operating Income	O	83.43	5.91
Other Income	P	6.06	232.42
TOTAL INCOME (In Rs.)		9,433.16	12,406.81
EXPENDITURE			
Material Costs	Q	8,219.33	11,060.97
Manufacturing Expenses	R	230.20	210.05
Employment Cost	S	282.57	243.08
Administrative, Selling & General Expenses	T	466.08	426.45
Interest & Financial Charges	U	34.81	206.66
Depreciation	D	117.39	129.55
TOTAL EXPENDITURE (In Rs.)		9,350.38	12,276.76
Profit Before Tax, Prior Period & Extra Ordinary Items		82.78	130.05
Add/Less : Prior period & Extra Ordinary Items	V	18.67	(15.06)
Profit Before Tax		101.45	114.99
Provision for Income Tax :			
- Current Tax		(36.80)	(50.00)
- Prior period Tax		-	(26.18)
- Deferred Tax (Net)		15.00	1.00
- Fringe Benefit Tax		-	(1.95)
Profit After Tax		79.65	37.86
Add : Profit brought forward from previous year		1,959.85	1,921.99
BALANCE CARRIED TO BALANCE SHEET		2,039.50	1,959.85

Notes forming part of the accounts

W

The schedules referred to above and the notes to accounts form an integral part of the Profit & Loss Account

As Per Our Report of even Date Attached

We Authenticate The Correctness Of The Above
For and on behalf of the Board of Directors of
ALPA LABORATORIES LIMITED

S. C. PADLIYA

Partner, Membership Number 071666, FRN 003151C
For and on behalf of C. H. PADLIYA & CO., Chartered Accountants
Place: Pigdamber, Rau, Indore
Date: 21st May, 2010

P.R. PATEL
Managing Director

MS. CHAWLA
Director

Cash Flow Statement

(Rs. in lacs)

(Annexed to and forming part of the Accounts for the Year Ended 31st March, 2010)

	31 Mar 2010	31 Mar 2009
A CASHFLOW FROM OPERATING ACTIVITIES		
Profit before Taxes	101.45	113.05
Adjustment for		
Depreciation	117.39	129.55
Miscellaneous Expenditure Written Off	34.81	0.38
Interest expenses	-	206.66
Provision for bad and doubtful debts	6.82	5.88
Dividend earned	(0.07)	(0.06)
Bad debts written off	45.27	-
Interest income		(226.60)
Gain on sale of investments in shares	(3.33)	-
Operating Profit before Working Capital changes	<u>302.34</u>	<u>228.86</u>
Adjustment for		
Decrease/ (Increase) in Sundry debtors	803.12	(1,624.60)
Decrease/ (Increase) in Loan & Advances & Other Current	(327.89)	81.78
Decrease/ (Increase) in Inventories	557.93	233.28
Increase/ (Decrease) in Current liabilities & Provision	(1,227.38)	1,363.73
Cash Generated from Operations	<u>108.12</u>	<u>283.05</u>
Income Tax	(21.80)	(76.18)
NET CASH FROM OPERATING ACTIVITIES	<u>86.32</u>	<u>206.87</u>
B CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(296.41)	(47.96)
Sale of Fixed Assets		
Advance for Purchase of capital goods (net) and capital expenditure pending allocation	(556.31)	(285.65)
Interest income		226.60
Dividend received	0.07	0.06
Sale of Investments	1,470.16	535.00
NET CASH FROM INVESTING ACTIVITIES	<u>617.51</u>	<u>428.05</u>
C CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(685.47)	(454.97)
Interest expenses	-	(206.66)
Expenses for Public Issue		
Net Cash Inflow/ (Outflow) from Financing Activities	<u>(685.47)</u>	<u>(661.63)</u>
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	18.36	(26.71)
Cash & Cash Equivalents (Opening Balance)	112.22	138.95
Cash & Cash Equivalents (Closing Balance)	<u>95.78</u>	<u>112.22</u>
NET INCREASE/ (DECREASE) IN CASH OR CASH EQUIVALENT	<u>(16.44)</u>	<u>(26.73)</u>

As referred to in Our Report of even Date Attached

We Authenticate The Correctness Of The Above
For and on behalf of the Board of Directors of
ALPA LABORATORIES LIMITED**S. C. PADLIYA**

Partner, Membership Number 071666, FRN 003151C

For and on behalf of C. H. PADLIYA & CO., Chartered Accountants

Place: Pigdamber, Rau, Indore

Date: 21st May, 2010

P.R. PATEL
Managing Director**MS. CHAWLA**
Director

Schedules "A" to "V"

(Rs. in lacs)

(Annexed to and forming part of the Accounts for the Year Ended 31 March, 2010)

Schedule "A"**SHARE CAPITAL**

	As At 31 Mar 2010	As At 31 Mar 2009
<i>Authorized Capital</i>		
25000000 Equity Share of Rs. 10 each (Pr. Year 25000000 Equity Share of Rs. 10 each)	2,500.00	2,500.00
<i>Issued Capital</i>		
21560000 Equity Share of Rs. 10 each (Pr. Year 21560000 Equity Share of Rs. 10 each)	2,156.00	2,156.00
<i>Subscribed & Paid Up</i>		
21040600 Equity Shares of Rs. 10 each fully Paid up (Pr. Year 21040600 Equity Shares of Rs. 10 each)	2,104.06	2,104.06
As Per Balance Sheet	2,104.06	2,104.06

Schedule "B"**RESERVES AND SURPLUS**

	As At 31 Mar 2010	As At 31 Mar 2009
<i>Share Premium</i>		
Balance as per last account	5,496.05	5,496.05
Add : during the year	-	-
As Per Balance Sheet	5,496.05	5,496.05
<i>Profit & Loss Account</i>	2,039.50	1,959.85
As Per Balance Sheet	7,535.55	7,455.90

Schedule "C"**SECURED LOANS**

	As At 31 Mar 2010	As At 31 Mar 2009
Term Loans [Refer Note 1(a) for details of Security]	-	80.98
Working Capital Loans [Refer Note 1(b) for details of Security]	808.38	1,412.86
As Per Balance Sheet	808.38	1,493.84

Schedule "E"**INVESTMENTS (AT COST)**

	As At 31 Mar 2010		As At 31 Mar 2009	
	Nos	Amount	Nos	Amount
A) Long Term Investments				
<i>Shares (Face Value Rs. 10 unless otherwise specified)</i>				
Bank of Baroda			795	182850
			795	182850
<i>F.D.R with scheduled banks</i>		553.76		-
<i>Liquid Mutual Funds with scheduled banks</i>		300.00		-
B) Balance of Unutilized Monies raised by Public Issue				
<i>F.D.R with scheduled banks</i>		46.24		2,065.00
<i>Liquid Mutual Funds with scheduled banks</i>		-		300.00
As Per Balance Sheet		900.00		2,366.83

Schedule "F"**INVENTORIES****(As verified, valued & certified by the Management)**

	As At 31 Mar 2010	As At 31 Mar 2009
Finished Goods	231.83	276.94
Work in Progress	120.59	116.57
Raw Material (Including Packing Material)	1,355.87	1,872.71
As Per Balance Sheet	1,708.29	2,266.22

Schedule "G"**SUNDRY DEBTORS****(As certified by the Management)**

A) Debts outstanding for a period exceeding six months

Unsecured

Considered good

Considered doubtful

B) Other Debts

Unsecured

Considered good

Less : Provision for doubtful debts

As Per Balance Sheet**As At 31 Mar 2010****As At 31 Mar 2009**

221.41

51.86

179.65

147.41

3,484.59

4,533.70

(13.77)

(5.88)

3,871.88**4,727.09****Schedule "H"****CASH & BANK BALANCE**

Cash in Hand (As Certified by the Management)

Including unutilized IPO fund of Rs. 0.60 lacs (Previous Year Rs. 0.02 lacs)

Balance with Scheduled Bank

- in current account

- in deposit account

Including unutilized IPO fund of Rs. 56.27 lacs (Previous Year Rs. 24.51 lacs)

As Per Balance Sheet**As At 31 Mar 2010****As At 31 Mar 2009**

0.82

1.55

94.96

110.68

10.12

10.25

105.90**122.48****Schedule "I"****OTHER CURRENT ASSETS**

Accrued Interest on F.D.R.

Deposit with Government and Public Bodies & Others

Prepaid Insurance

As Per Balance Sheet**As At 31 Mar 2010****As At 31 Mar 2009**

15.07

102.07

45.43

39.47

1.42

1.63

61.92**143.17****Schedule "J"****LOANS & ADVANCES**

Unsecured considered good unless otherwise specified

Balance with Central Excise, Custom, etc

Advances to staff and workers

Including Advances to Directors & Officers Rs. Nil (Previous Year Rs. Nil)

Maximum Balance Rs. Nil (Previous Year Rs. Nil)

Advance Income tax (net of provision for tax)

Adv. recoverable in cash or kind or for value to be received

Balance with IT Department

Sales Tax appeal challan

As Per Balance Sheet**As At 31 Mar 2010****As At 31 Mar 2009**

306.55

222.43

2.20

1.08

0.02

7.63

357.00

61.07

19.99

7.79

23.53

-

709.29**300.00****Schedule "K"****CURRENT LIABILITIES**

Sundry Creditors [Also refer Note 9]

For goods supplied

For accrued wages and salaries

For capital goods

For other liabilities

Advances from Customers

Deposit From Customers

T.D.S. Payable

As Per Balance Sheet**As At 31 Mar 2010****As At 31 Mar 2009**

2,980.34

4,005.34

11.00

8.71

144.05

301.27

182.47

171.89

48.07

99.93

60.78

49.28

12.22

11.12

3,438.93**4,647.54**

Schedule "L"**PROVISIONS**

	As At 31 Mar 2010	As At 31 Mar 2009
Provision for Entry Tax	48.31	49.31
Provision for Fringe Benefit Tax 08-09	-	1.80
For Retirement Benefits	11.06	12.47
Others	37.80	37.35
As Per Balance Sheet	97.17	100.93

Schedule "M"**MISCELLANEOUS EXPENDITURE****(To the extent not written off or adjusted)**

	As At 31 Mar 2010	As At 31 Mar 2009
Preliminary Expenses	-	0.38
Less: 1/10 written off	-	(0.38)
SUB TOTAL	-	-
Preoperative Expenses	585.97	545.50
Add: for the year	118.37	40.47
SUB TOTAL	704.34	585.97
As Per Balance Sheet	704.34	585.97

Schedule "N"**SALES AND SERVICES****(Net of usual trade discounts & sales return)**

	As At 31 Mar 2010	As At 31 Mar 2009
Indigenous Sales (including merchant goods & Form 'H' sales)	8,178.63	11,312.67
Export Sales	992.75	697.43
Analytical Charges Received	35.32	35.44
Conversion Charges Receipt	136.97	122.94
As Per Profit and Loss Account	9,343.67	12,168.48

Schedule "O"**OTHER OPERATING INCOME**

	As At 31 Mar 2010	As At 31 Mar 2009
Export Incentives	82.91	5.91
Sale of Scrap	0.52	-
As Per Profit and Loss Account	83.43	5.91

Schedule "P"**OTHER INCOME**

	As At 31 Mar 2010	As At 31 Mar 2009
Dividend [Including TDS Rs. Nil (Previous Year Rs. Nil)]	0.07	0.06
Profit on sale of equity shares	3.33	-
Interest Income	-	226.60
Miscellaneous Income	2.66	5.76
As Per Profit and Loss Account	6.06	232.42

Schedule "Q"**MATERIAL COST**

	As At 31 Mar 2010	As At 31 Mar 2009
A. Consumption of raw materials and components		
Opening Stocks	1,872.71	1,414.56
Add: Purchases (Including cost of goods resold)	7,661.40	10,827.68
SUB TOTAL	9,534.11	12,242.24
Less: Closing Stocks	(1,355.87)	(1,872.71)
(A)	8,178.24	10,369.53

B. (Increase)/Decrease in stocks		
Opening Stocks		
Work in Progress	116.57	440.19
Finished Goods	276.94	644.76
	SUB TOTAL	1,084.95
Less: Closing Stocks		
Work in Progress	(120.59)	(116.57)
Finished Goods	(231.83)	(276.94)
	(B)	691.44
As Per Profit and Loss Account	8,219.33	11,060.97

Schedule "R"**MANUFACTURING EXPENSES**

	As At 31 Mar 2010	As At 31 Mar 2009
Power and Fuel	109.29	118.18
Repair & Maintenance on Building	11.65	8.48
Repair & Maintenance on Machinery	15.76	20.32
Other Manufacturing and Operating Expenses	93.50	63.07
As Per Profit and Loss Account	230.20	210.05

Schedule "S"**EMPLOYMENT COST**

	As At 31 Mar 2010	As At 31 Mar 2009
Salaries, Wages, Bonus, etc	266.92	229.31
Contribution to Provident Fund and other Funds	15.65	13.77
As Per Profit and Loss Account	282.57	243.08

Schedule "T"**ADMINISTRATIVE, SELLING & GENERAL EXPENSES**

	As At 31 Mar 2010	As At 31 Mar 2009
Rent	5.34	1.15
Insurance Expenses	1.78	3.61
Rates and Taxes	0.46	0.58
Traveling Expenses	15.35	8.95
Contribution to Charitable Funds, etc	0.26	0.35
Directors Remuneration	78.60	78.60
Auditors Remuneration	1.00	1.00
Advertisement and Sales Promotion Expenses	13.91	10.20
Commission on Sales	127.81	134.28
Discount Paid	1.81	22.53
Sales Tax Expenses	0.07	15.12
VAT Tax	20.05	25.98
Preliminary Expenses written off	-	0.38
Workmen and Staff Welfare Expenses	0.73	1.56
Miscellaneous Expenses	198.91	122.16
As Per Profit and Loss Account	466.08	426.45

Schedule "U"**INTEREST & FINANCIAL CHARGES**

	As At 31 Mar 2010	As At 31 Mar 2009
Interest paid to Bank	144.37	195.53
Less : Interest earned from Bank	(120.40)	-
Net Interest Cost [Also refer Note 18]	23.97	195.53
Bank Commission & Charges	10.84	11.13
As Per Profit and Loss Account	34.81	206.66

Schedule "V"**PRIOR PERIOD ADJUSTMENT**

	As At 31 Mar 2010	As At 31 Mar 2009
Prior period Income	18.93	14.42
Less: Prior Period Expenses	(0.26)	(29.48)
As Per Profit and Loss Account	18.67	(15.06)

Schedule "D"

(Annexed to and forming part of the Accounts for the Year Ended 31 March, 2010)

ASSETS [Also refer Note 2]

(Rs. in lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 31 Mar 2009	Addition During The Period	Deduction During The Period	As At 31 Mar 2010	Up To 31 Mar 2009	For the Period	Written Back	Up To 31 Mar 2010	As At 31 Mar 2010	As At 31 Mar 2009
Land & Site Developments - Unit I	13.42	-	-	13.42	-	-	-	-	13.42	13.42
Land & Site Developments - Unit II	102.06	239.90	-	341.96	-	-	-	-	341.96	102.06
Building	483.96	3.56	-	487.52	280.17	20.38	-	300.55	186.97	203.79
Plant & Machinery	1,124.62	27.63	(4.64)	1,147.61	638.39	68.37	(1.05)	705.71	441.90	486.23
Furniture & Fixtures	11.04	2.01	-	13.05	7.18	0.80	-	7.98	5.07	3.86
Computers	16.35	5.62	-	21.97	12.94	2.37	-	15.31	6.66	3.41
Utility	156.65	5.12	-	161.77	87.09	10.13	-	97.22	64.55	69.56
Electrical Installation	154.28	12.44	-	166.72	95.44	9.13	-	104.57	62.15	58.84
Quality Control & Lab Equipment	99.74	2.98	-	102.72	59.85	5.67	-	65.52	37.20	39.89
Office Equipment(EP ABX T el. Fax)	5.83	0.73	-	6.56	3.19	0.54	-	3.73	2.83	2.64
SUB TOTAL	2,167.95	299.99	(4.64)	2,463.30	1,184.25	117.39	(1.05)	1,300.59	1,162.71	983.70
Capital Work in Progress									4,810.49	4,372.54
TOTAL	2,167.95	299.99	(4.64)	2,463.30	1,184.25	117.39	(1.05)	1,300.59	5,973.20	5,356.24
Previous Year TOTAL	2,119.98	47.97	-	2,167.95	1,054.70	129.55	-	1,184.25	5,356.24	5,192.63

Schedule "W"(Annexed to and forming part of the Accounts for the Year Ended 31st March, 2010)**NOTES TO ACCOUNTS****1. Loan Funds:**

- a. *Term Loans*: Secured by hypothecation of Building, Plant & Machinery and personal guarantee of directors.
 b. *Working Capital Loans*: Secured by hypothecation of stocks & book debts of the Company and personal guarantee and collateral security of directors and other third parties.

2. Fixed Assets:

- a. Capital Work in Progress includes expenditure during construction period on expansion and new unit of the Company as under:

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Opening Balance		4,375.55	4,127.36
Incurred during the year		838.50	277.62
Capitalized during the year		3.55	29.43
Closing balance		4,810.49	4,375.55

- b. Capital WIP includes Advances for Capital Goods/ Expenditure of Rs. 2,038.78 lacs (Previous Year Rs. 2,096.34 lacs).

3. Court Case were filed against M/s Arvind Agencies and M/s Rajiv Pharma Udyog for Rs. 3.57 lacs, and Rs. 2.27 lacs respectively, for recovery of outstanding amounts.

4. Contingent liabilities not provided for:

- a. Bank Guarantees of Rs. 81.06 lacs (Previous Year Rs. 82.98 lacs) have been given to various government departments for tenders for supply of medicines.
 b. Disputed demands before relevant authorities:

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Value Added Tax		48.40	48.40
Central Sales Tax		47.31	47.31
Entry Tax		45.59	45.59

5. Managerial Remuneration:

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Salaries to Whole time Directors		78.60	78.60
Sitting Fees		0.23	0.28
Total		78.83	78.88

(In accordance with the Schedule XIII, Part II to the Companies Act, 1956)

6. Auditors Remuneration:

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Audit Fees		1.00	1.00
Tax Audit Fees		-	-
Other		0.27	0.92

7. Disclosure under Section 22 of Micro, Small and Medium enterprises Act, 2006:

S.N.		Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
1	Amount due and remaining unpaid as on the balance sheet date :			
	- Principal		13.77	17.06
	- Interest thereon		-	-
2	Principal amount paid beyond the appointed date during the year		57.62	59.85
3	Amount of interest paid U/s 16		-	-
4	Amount of normal interest accrued/ payable on the delayed payments during the year as per the term of the contract		-	-
5	Amount of interest due and remaining unpaid as on the balance sheet date		-	-

(The above information has been furnished to the extent such parties have been identified by the Company)

8. Prior period adjustments represent:

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Debits relating to earlier years		0.26	29.48
Credits relating to earlier years		18.93	14.42
Total		18.67	15.06

9. **Provision for Gratuity:**

Accounting Standard – 15 (“AS-15”) on “Employees Benefits” [AS-15 (Revised)] requires an enterprise to recognize its obligation and employee benefits cost under defined benefit plans such as Gratuity based on actuarial valuation. The obligation and employee benefits cost are to be reflected in the balance sheet and profit and loss account, respectively.

As regards gratuity, the Company is under the Employee Group Gratuity Scheme of the Life Insurance Corporation of India (“LIC”) and as per their renewal intimation, the Company has contributed a sum of Rs. 7.00 lacs and Rs. 11.06 lacs are outstanding as on 31st March, 2010.

10. The Company has recognized deferred tax arising on account of timing differences being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period in compliance with Accounting Standard (“AS-22”) – “Accounting for Taxes on Income” issued by Institute of Chartered Accountants of India.

The Major Components of deferred tax assets/liabilities arising on account of timing differences are as follows:

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
a. Deferred Tax Asset on Depreciation		43.34	58.34
b. Deferred Tax Asset on Retirement Benefits		4.73	4.73
c. Other		2.66	2.66
Total		50.73	65.73

11. **Related Party Disclosures:**

1. *Relationships:*

i. Key Management Personnel

- | | | |
|-----------------|------------------|------------------|
| a. P.R. Patel | b. M.S. Chawla | c. P.C. Shah |
| d. Jayesh Patel | e. Paresh Chawla | f. Bakulesh Shah |

ii. Relatives of Key Management Personnel and their enterprises where transactions have taken place

- | | |
|----------------|----------------|
| a. Soni Chawla | b. Shitul Shah |
|----------------|----------------|

2. *Transactions carried out with related parties referred to in “a” above, in the ordinary course of business:*

Nature of Transactions	Rs. in lacs	Related Parties	
		Referred to in A) i) Above	Referred to in A) ii) Above
Remuneration		122.40 (Pr. Yr. 122.40)	3.84 (Pr. Yr. 3.84)
Traveling Expenses		8.99 (Pr. Yr. 10.82)	0.02 (Pr. Yr. Nil)

12. **Computation of Profit for EPS:**

	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Profit after tax before extraordinary items		79.65	37.86
Profit after tax after extraordinary items		79.65	37.86
Number of Equity Shares		2,10,40,600	2,10,40,600
Nominal Value of Equity Shares (in Rs.)		10	10
Earnings Per Share before extraordinary items (in Rs.)		0.38	0.18
Earnings Per Share after extraordinary items (in Rs.)		0.38	0.18

13. Expenses of Rs. 704.33 lacs (Previous Year Rs. 585.97 lacs) incurred by the Company for new unit has been treated as pre-operative expenses for the year.

14. In cases where letters of confirmation have been received from parties, book balances have been generally reconciled and adjusted, if required. In other cases, balances in accounts of sundry debtors, sundry creditors and advances or deposits have been taken as per books of account.

15. The Company has not entered into any forward exchange contracts being derivative instruments. As at the year end, foreign currency exposures that have not been hedged by a derivative instrument or other wise are given below.

Amounts receivable in foreign currency on account of the following:

Currency	Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
USD	Exports of Goods	3.29	1.86
USD	Advance for Raw Material	0.03	1.28

16. The Company had raised Rs 6106.81 lacs through Initial Public Offer of Shares (IPO) in the month of July, 2007. The utilization out of these gross proceeds till 31st March, 2010 is as given below. The balance is kept in liquid/ fixed deposit accounts.

Rs. in lacs	Year Ended 31 st Mar, 2010	Year Ended 31 st Mar, 2009
Capital Expenditure for up-gradation of existing plant and setting up a new plant	4,769.45	4,260.07
Working Capital requirements	500.00	500.00
General Corporate Purposes	-	-
Meeting issue expenses	791.12	791.12
Total	6,060.57	5,551.19

17. The Company is operating in the single segment of Drugs & Chemicals. All the activities of the Company revolve around the main business. Further, the Company does not have any separate reportable geographical segments in accordance with Accounting Standard – 17 on “Segmental Reporting”. As such there are no separate reportable segments as per said accounting standard.
18. Interest received includes tax deducted at source on such interest and amounts to Rs 15.40 lacs (Previous Year Rs. 38.95 lacs).
19. Significant accounting policies and practice adopted by the company are disclosed through **Annexure I** to these accounts.
20. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 are disclosed through **Annexure II** to these accounts.
21. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956 are disclosed through **Annexure III** to these accounts.
22. **Previous Year Figures:**
Comparative financial information is presented in accordance with the Corresponding figure reporting framework as set out in Standards on Auditing 710 on “Comparatives”. Previous years figures have been regrouped or rearranged, as wherever appropriate to correspond to figures of the current year except interest expenditure for the current period has been shown net of interest received including tax deducted at source but not for previous periods, neither of which have an impact on net profit.

Signatures to Schedules ”A” to “W”
As Per Our Report of even Date Attached

We Authenticate The Correctness Of The Above
For and on behalf of the Board of Directors of
ALPA LABORATORIES LIMITED

S. C. PADLIYA

Partner, Membership Number 071666, FRN 003151C
For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants
Place: Pigdamber, Rau, Indore
Date: 21st May, 2010

P.R. PATEL
Managing Director

M.S. CHAWLA
Director

Annexure I (Schedule “W”)

(Annexed to and forming part of the Accounts for the year ended 31st March, 2010)

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

COMPANY BACKGROUND

Incorporated as Alpa Laboratories Private Limited on 18th March, 1988 under the Companies Act, 1956 and converted to public limited company on 03rd September, 1998 with the name of Alpa Laboratories Limited. The company has been listed on the Bombay Stock Exchange and the National Stock Exchange since 06th August, 2007.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared under the historical cost convention on the accrual basis, in accordance with Indian Generally Accepted Accounting Principles and as per the provisions of the Companies Act, 1956, (the Act). Accounting policies have been consistently applied except where a newly – issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires that estimates and assumptions to be made that effect the reported amounts of assets and liabilities on the date of the financial statements and the reported

amounts of revenues and expenses during the reported period. Differences between the actual amount and estimates are recognized in the period in which the results are known/ materialized.

3. Revenue Recognition

- a. The Company generally recognizes income on its accrual and sales at the time of dispatch of goods to the customers.
- b. Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the carrying value of investment.
- c. Interest received is recognized using the time - proportion method, based on rates implicit in the transaction.
- d. Dividend income is recognized on receipt basis.
- e. Export Incentives under the "Duty Entitlement Pass Book Scheme" are accounted in the year of export.

4. Expenditure

- a. Cost is generally accounted on accrual as it is incurred.
- b. Rent payable for premises taken on lease is charged to revenue.
- c. Petty consumables for repairs etc are charged to revenue at the time of receipt only.

5. Fixed Assets

- a. Fixed asset is stated at their historical cost (net of recoverable taxes wherever credit availed) of acquisition or construction, less accumulated depreciation. Cost includes all cost incurred to bring the asset to their working condition and location.
- b. Capital Work in Progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date.

6. Depreciation

- a. Fixed asset is depreciated on a written down value basis at the rate specified in scheduled XIV of Companies Act 1956.
- b. Depreciation for assets purchased or sold during the period is charged to revenue pro-rata to the period of their use.
- c. Individual low cost asset (value of less than Rs. 5000) is entirely depreciated in the year of acquisition.

7. Inventories

Finished goods (including for trade), work in process and finished goods are stated at 'Cost or Net Realizable Value, whichever is lower'. Cost of Inventories comprises cost of purchases and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. 'First In First Out' cost formula is used for determination of cost of inventories.

8. Expenditure during Construction and on new project

In the case of new industrial units and substantial expansion of existing units, all pre-operating expenditure specifically for the project, incurred up to the date of installation, is capitalized and added pro-rata to the cost of fixed assets.

9. Investments

Long term investment are stated at cost of acquisition or book value; book value being arrived at after adjusting provisions for diminution in values of each investment individually, provided such diminution is not temporary.

10. Foreign Currency Transactions

- a. Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b. Conversion: At the year-end, monetary assets in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the Profit and Loss Account.
- c. Exchange Differences: All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the cost of the corresponding asset.

11. Employee Benefit

- a. The Company's contribution to Life Insurance Corporation of India (LIC) for group gratuity policy is charged to the profit and loss account each year. The contribution for Group Gratuity Policy is based on values as actuarial and determined and demanded by LIC at the year end.
- b. Liability on account of obligation under the employee's provident fund, a defined contribution plan, is charged to profit and loss account on the basis of actual liability calculated as a percentage of salary.

12. Borrowing Cost

- a. Interest and other borrowing costs on specific borrowing attributable to qualifying assets are capitalized.
- b. Other interest and borrowing cost are charged to revenue.

13. Service Tax Input Credit

Service tax input credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing/ utilizing the same.

14. Provisions & Contingent liabilities and assets

- a. Provisions are recognized only when the Company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of obligation.
- b. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from the past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
- c. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

15. Taxation

- a. Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expense arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.
- b. Income tax expense comprises current tax and deferred tax charged or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- c. Deferred tax asset on account of timing differences are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Annexure II (Schedule “W”)

(Annexed to and forming part of the Accounts for the year ended 31st March, 2010)

Additional information pursuant to the provision of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act 1956**(a) Licensed & Installed Capacities and Actual Production**

Product Category	Unit of Quantity	Capacity				Production	
		Registered/ Licensed		Installed		31 Mar 2010	31 Mar 2009
		31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009		
Liquid Injections	Numbers	41,22,00,000	3,96,00,000	7,09,50,000	7,09,50,000	4,62,15,504	6,16,53,428
Dry Powder Injections	Numbers	15,00,00,000	2,13,00,000	4,12,50,000	4,12,50,000	1,36,30,995	58,14,955
Tablets	Numbers	75,00,00,000	45,75,00,000	49,50,00,000	49,50,00,000	32,07,21,173	36,33,89,008
Capsules	Numbers	55,00,00,000	7,62,00,000	19,80,00,000	19,80,00,000	11,14,61,094	15,16,88,671
Ointments	Numbers	10,00,00,000	2,89,00,000	1,32,00,000	1,32,00,000	80,20,264	93,31,852
Dry Syrup	Numbers	2,00,00,000	-	-	-	-	-

i) Installed capacity has been certified by the management and has been accepted by the Auditors without verification this being a technical matter

(b) Particulars in respect of Sales

(Rs. in lacs)

Product Category	Unit of Quantity	31 Mar 2010		31 Mar 2009	
		Quantity	Value	Quantity	Value
Liquid Injection	Numbers	4,57,58,288	3,209.99	6,18,36,384	3,305.25
Dry Powder Injections	Numbers	1,39,38,678	1,815.93	2,18,61,232	3,842.20
Tablets	Numbers	33,19,11,008	1,862.71	36,68,53,935	2,004.63
Capsules	Numbers	11,17,13,337	1,623.33	15,38,62,714	1,375.80
Ointments	Numbers	82,25,052	659.42	1,00,61,129	1,404.43
Total			9,171.38		11,932.31

i) Quantitative turnover figures are net of sales return

ii) Quantitative turnover figures are excluding job work

iii) Sales are net of excise duty

(c) Details of Finished Goods

(Rs. in lacs)

Product Category	Unit of Quantity	Opening Stock		Opening Stock		Closing Stock		Closing Stock	
		01 Apr 2009		01 Apr 2008		31 Mar 2010		31 Mar 2009	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Liquid Injection	Numbers	8,95,121	76.71	3,15,675	185.69	13,52,337	81.14	8,95,121	76.71
Dry Powder Injections	Numbers	6,90,202	89.17	2,51,45,668	201.17	3,82,518	45.90	6,90,202	89.17
Tablets	Numbers	2,32,62,790	46.53	54,53,200	109.61	1,20,72,955	47.08	2,32,62,790	46.53
Capsules	Numbers	53,14,993	31.93	50,76,856	64.48	40,62,750	41.03	53,14,993	31.93
Ointments	Numbers	4,39,887	32.60	11,32,688	83.82	2,35,099	16.67	4,39,887	32.60
Total			276.94		644.76		231.83		276.94

i) Net of Shortage/ Excess/ Adjustment etc.

(d) Details of Raw Materials Consumed during the year

(Rs. in lacs)	2009-10	2008-09
Drugs & Chemicals	7,475.70	9,563.15
Packing Material	702.54	658.48
Total	18,399.88	10,221.63

(e) Value of imported & indigenous raw materials components & Spare Parts Consumed

(Rs. in lacs)	%	2009-10	%	2008-09
Imported	0.57%	46.40	0.76%	77.97
Indigenous	99.43%	8,131.85	99.24%	10,143.66
Total	100.00%	8,178.24	100.00%	10,221.63

(f) CIF Value of Imports

(Rs. in lacs)	2009-10	2008-09
Raw Materials	46.40	77.97
Total	46.40	77.97

(g) Earnings in Foreign Currency (on accrual basis)

(Rs. in lacs)	2009-10	2008-09
Export of goods on F.O.B. Basis	973.03	691.43
Total	973.03	691.43

(h) Expenditure in Foreign currency (on accrual basis)

(Rs. in lacs)	2009-10	2008-09
Bank Charges	4.68	1.88
Foreign Travel	1.35	1.32
Total	9.23	3.20

Annexure III (Schedule "W")(Annexed to and forming part of the Accounts for the year ended 31st March, 2010)**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Registration Details			
Registration Number	4446	State Code	10
Balance Sheet Date	31 st Mar, 2010		
Capital Raised During The Year (Rs. In lacs)			
Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-
Govt. Contribution	-		
Position of Mobilization and Deployment of Funds (Rs. In lacs)			
Total Liabilities	10,498.72	Total Assets	10,498.72
Source of Funds		Application of Funds	
Paid up capital	2,104.06	Net Fixed Assets	5,973.20
Secured Loans	808.38	Investment	900.00
Reserve & Surplus	7,535.55	Net Current Assets	2,921.18
Deferred Tax Liability (Net)	50.73	Miscellaneous Exp.	704.34
Unsecured Loans	-	Accumulated Losses	-
Performance of the Company (Rs. In lacs)			
Turnover	9,433.16	Total Expenditure	9,350.38
Profit/ (Loss) Before Tax	101.45	Profit/ (Loss) After Tax	79.65
Earnings Per Share (Rs.)	0.38	Dividend Rate (%)	-
Name of Principal Product of the Company			
Description	ITC Code	Description	ITC Code
Ciprofloxacin	30042013	Oxytetracycline	30042042
Norfloxacin	30042031	Chloramphenicol	30042050

ALPA LABORATORIES LIMITED
REGD. OFFICE: 33/2, Pigdamber, A.B. Road, Rau
Dist. INDORE (M.P.) 453446

PROXY FORM

I/ We _____ of _____, being member/ members of the above named company hereby appoint _____ of _____ or failing him/ her _____ of _____ as my/ our proxy to attend and vote for me/ us on my/ our behalf at the 22nd Annual General Meeting of the Company, to be held on Thu, 09th September, 2010 at 11.45 AM and at any adjournment thereof.

Signed this _____ day of _____ 2010 Signature(s) _____.

Folio No./ Client Id _____ Number of shares _____.

- Notes: 1. The form must be stamped, completed, signed & deposited at the registered office at least 48 hours before the AGM.
2. A proxy need not be a member of the company.

Affix Rs. 1 revenue
stamp

ALPA LABORATORIES LIMITED
REGD. OFFICE: 33/2, Pigdamber, A.B. Road, Rau
Dist. INDORE (M.P.) 453446

ATTENDANCE SLIP

Folio No. _____ Number of Shares _____ DP Id _____ Client Id _____.

I hereby record my presence at the 22nd Annual General Meeting of the Company, to be held on Thu, 09th September, 2010, at 11.45 AM.

Name of the Shareholder (in BLOCK letters) _____.

Signature of the shareholder _____.

Name of the proxy (in BLOCK letters) _____.

Signature of the proxy _____.

- Notes: 1. Please hand over this slip at the entrance.
2. Attendance is permitted only in case shares are held on the date of the meeting.

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ALPA LABORATORIES LIMITED

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