

Annual Report 2010-11



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. Devendra Baheti
 Mr. Sharad Chand Lunawat
 Mr. Krishna Das Malani
COMPLIANCE OFFICER
 Mr. Hemant Jain

REGISTERED & CORPORATE OFFICE

33/2, Pigdamber, A.B. Road, Rau
 Indore (M.P.) 453446, India
 Phone: +91-731-429-4567, Fax: +91-731-429-4444, Email: is@alpalabs.com
 Website: www.alpalabs.com

STATUTORY AUDITORS OF THE COMPANY

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

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BANKERS

Bank of Baroda
 A.B. 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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 23rd Annual General Meeting of the members of the Company will be held on the 28th Day of September, 2011 at the registered office at 11:45 AM to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet as at March 31st, 2011 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. P. C. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a director in place of Mr. S. C. Lunawat, 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 an ordinary resolution:
 “**RESOLVED THAT** Mr. Devendra Baheti, a Director who was appointed as an additional Director in the meeting of the Board of Directors of the Company held on Dec. 28, 2011 and who holds office as such up to the date of Annual General Meeting and in respect of whom notices under Section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Mr. Devendra Baheti as a candidate for the office of Director of the company be and is hereby appointed as a Director of the Company.”
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:
 “**RESOLVED THAT** Mr. Krishna Das Malani, a Director who was appointed as an additional Director in the meeting of the Board of Directors of the Company held on Dec. 28, 2011 and who holds office as such up to the date of Annual General Meeting and in respect of whom notices under Section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Mr. Krishna Das Malani as a candidate for the office of Director of the company be and is hereby appointed as a Director 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.
- The ‘Register of Members’ and ‘Share Transfer Books’ will remain closed from 26th September, 2011 to 28th September, 2011 (both days inclusive).
- 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.
- Members are requested to register their email ID with the Company at is@alpalabs.com or with the Share Transfer

Agent to facilitate the company to dispatch all eligible statutory communications at their registered email ID.

6. 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.
7. At the ensuing general meeting Mr. P. C. Shah shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. P. C. Shah are as follows:
Mr. P. C. Shah, aged 63 years, holds a Bachelors Degree in Science from Indore University. He is also an approved chemist. He is also a co-founder of the company.
8. At the ensuing general meeting Mr. S. C. Lunawat shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. S. C. Lunawat are as follows:
Mr. S. C. Lunawat, aged 60 years, holds multiple Bachelors Degrees in Commerce, Journalism & Library Sciences and multiple Masters Degrees in Economics & Public Administration.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956Item No. 5

The Board had appointed Mr. Devendra Baheti, as an Additional Director of the Company. In terms of the provisions of Section 260 of the Companies Act, 1956; Mr. Baheti holds office as an Additional Director up to the date of the ensuing Annual General Meeting.

Some members have proposed his appointment u/s 257, as Regular Director in AGM.

Particulars of Mr. Baheti are as follows:

Date of Birth (Age): 12/Jul/1955 (56 Yrs) Education: M. Com. Experience: Over 35 Years in Business
Present Occupation: Business Other Directorships: Nil

Your Directors, therefore recommend for approval of members for the appointment of Mr. Devendra Baheti, as a Director of the Company by passing the resolution set out at Item No. 5 of the notice as an Ordinary Resolution. None of the Directors of the company except the appointee, are interested in the resolution.

Item No. 6

The Board had appointed Mr. Krishna Das Malani, as an Additional Director of the Company. In terms of the provisions of Section 260 of the Companies Act, 1956; Mr. Malani holds office as an Additional Director up to the date of the ensuing Annual General Meeting.

Some members have proposed his appointment u/s 257, as Regular Director in AGM.

Particulars of Mr. Malani are as follows:

Date of Birth (Age): 19/Jun/1947 (64 Yrs) Education: M. Com. Experience: Over 40 Years in various roles in a Bank
Present Occupation: Retired Other Directorships: Nil

Your Directors, therefore recommend for approval of members for the appointment of Mr. Krishna Das Malani, as a Director of the Company by passing the resolution set out at Item No. 6 of the notice as an Ordinary Resolution. None of the Directors of the company except the appointee, are interested in the resolution.

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

Mahendra Singh Chawla, Whole Time Director

Place: Pigdamber, Rau, Indore

Date: 27th August, 2011

Note: As in the past, your company has made a special effort to produce this report in a format that would cause minimal environmental impact, without compromising on its contents. A soft copy of the report is also available on the website as well as by email upon request. We also request you to register your email ID at is@alpalabs.com for all communications, thereby further reducing the environmental impact and reducing waste.

DIRECTORS' REPORT

Your directors present the 23rd Annual Report of the Company along with the Audited Accounts for the year ended March 31st, 2011.

1. FINANCIAL RESULTS & PERFORMANCE

	Rs. in lacs	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Sales, Other Income & Receipts		8,357.95	9,433.16
Expenditure		8,211.43	9,350.38
Profit (before tax)		146.52	82.78
Less: Prior period Adjustment		-38.33	18.67
Less: Deferred Tax liability on Assets		27.96	15.00
Add: Balance Brought Forward From Previous Year		2,039.50	1,959.85
Less: Provision for Income Tax		45.75	36.80
Profit carried to Balance Sheet		2,129.89	2,039.50

2. PAST HISTORY AND FUTURE PROSPECT

The Company posted a turnover of Rs. 8,357.95 lacs for the Financial Year and earned a profit before tax of Rs. 146.52 lacs. The exercise of product consolidation and pruning of the product line has resulted in an improvement in the profitability of your company 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 is already undergoing trial productions and the management is confident of taking it to commercial production in the very near future depending on the finalization of the specific formulations to be manufactured.

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. P. C. Shah and Mr. S. C. Lunawat, being directors of the Company are liable to retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

During the year, Mr. Devendra Baheti & Mr. Krishna Das Malani were appointed as Directors of the Company. Now they are proposed to be appointed as Regular Directors and the management of the Company welcomes them. Mr. S. L. Chaplot resigned from the directorship of the Company and the management of the Company acknowledges his valuable contribution.

Except the above, there has been no other changes in Board of Directors of your company.

5. PARTICULARS OF EMPLOYEES

Human resource is the most valuable assets of the Company. The Management has been proactive in equipping the employees to successfully deal with the challenges in the rapidly changing business environment. The Company does not have any employee whose particulars are required to be given under Sec. 217 (2A) of the Companies Act, 1956.

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 Annexure I 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 28th December, 2010; consisting of a non-executive independent director as chairman and 2/3rd number of members of total strength of the committee as non-executive independent directors.

8. 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, 2011; 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, 2011, on a "Going Concern" basis.

9. 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.

10. MANAGEMENT DISCUSSION & ANALYSIS

The management discussion and analysis on the operations of the Company is provided in a separate section and forms a part of this report.

10.1. Internal Control Systems and its adequacy

The Company has reasonable system of internal controls in power, supervision, checks, policies and procedures, which are being

tested on routine basis by the management. Moreover, the Company continuously upgrades these systems in line with the best accounting practices. The Audit Committee also reviews the adequacy of internal controls systems and the compliance thereof. Further, the annual financial statements of the Company are reviewed and recommended by the Audit Committee for the consideration and approval of the Board of directors. The Committee also reviews internal controls system, significant accounting policy, major accounting entries, related party transactions, etc.

10.2 Adequate coverage of risk

The Company's assets are adequately insured against the loss of fire and other risks which are considered necessary by the management from time to time.

10.3 Segment-wise results

Your company operates in the single segment of drugs and chemicals hence AS-17 for Segment-Wise reporting is not applicable.

10.4 Subsidiary Company

Your Company does not have any subsidiaries and is also not a subsidiary of any other company.

11. 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.

12. STOCK EXCHANGES - COMPLIANCE OF LISTING AGREEMENTS

The Company's shares are listed at The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited and the Company has paid the listing fees the Stock Exchanges. Further, the Company has availed demat connectivity with both the Depositories, NSDL and CDSL and paid Annual Fees the both the Depositories.

13. 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.

14. AUDITORS REPORT

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

15. DIRECTORS COMMENTS ON AUDITORS QUALIFICATION(S)

In reference to point (ix)(a) of the Annexure to their report in reference to irregularity of payment of *Income Tax, Entry Tax, Service tax and Tax Deducted at Source*, the management has faced practical difficulties in accurately computing the same due to delays in information provided by third parties. The payments are being made regularly based on best estimates and later amended based on receipt of information provided by third parties.

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 clarified in point 4(iv) 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: 27th August, 2011

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, 2011)

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, 2011	Year Ended 31 st Mar, 2010
POWER CONSUMPTION		
i. Electricity		
a. Purchased Units	1581402	1623100
• Total Amount (Rs. in lacs)	89.79	80.52
• Rate/Unit (Rs.)	5.68	4.96
b. Own Generation Units		
• Through Diesel Generator Units	10932	506
• Total Amount (Rs. in lacs)	2.24	0.09
• Cost Per Unit (Rs.)	20.49	17.79
ii. Coal	-	-
iii. Furnace Oil (MT)	113.06	104.65
iv. Others/ Internal Generation	-	-
CONSUMPTION OF ENERGY		
i. Electricity (Units Purchased & Own Generated)	1592334	1623606

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, 2011	Year Ended 31 st Mar, 2010
Earning on Account of Export		689.84	973.03
Outgoings			
• For Raw Material		97.81	46.40
• For Capital Goods		-	-
• For Bank Charges		1.50	4.68
• For Travel Expenses		2.54	1.35

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.

Industry Structure and Development

The world economy has witnessed an unprecedented economic crisis causing severe recessionary trends in most advanced countries. Compared to other economies, India has not only been somewhat stable in general, but has also seen unprecedented growth in a lot of business segments. However, due to inflationary growth, certain sectors are badly affected and the GDP estimates have had to be scaled down. The government has taken some steps to control the inflation, but has largely not been able to contain it. The Indian pharmaceutical industry historically has remained less affected compared to other sectors by general economic movements, there are serious challenges like falling liquidity, volatility in foreign exchange rates and increasing competition in various markets.

Manufacturing Facilities

Over the last few years, the Company has invested about Rs. 5,000 lacs in fixed assets. This major expansion programme will help the Company enter into niche markets in India as well as internationally.

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.

A new regulated market compliant oral solid dosage manufacturing facility focusing on containment products such as hormonal and anti-cancer formulations is ready at the Pithampur Industrial Area (Unit-II). Unit-II is equipped with world class manufacturing and

testing equipment and has already commenced machine trials and is rapidly progressing to commercial fruition. This state of the art plant is compliant to the most rigorous regulatory requirements anywhere in the world and specifically designed and engineered for the manufacture of hormonal oral solid dosages. During the current year, it is proposed to take validation batches and commence commercial production.

Regulatory Approvals

Unit-I continues to enjoy the approval of major international regulatory agencies and several dosage forms are being manufactured for export. This plant is expected to be inspected for WHO-GMP renewal shortly. Unit-II will offer its facility for various regulatory approvals including USFDA, UKMHRA, EU Approval as soon as validation batches are completed and other preconditions are met.

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. 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 the new plant at Pithampur (Unit-II), the product range will be enhanced resulting in a sharp increase in profitability. The Company has been consolidate its product list to bring in marketing efficiency and better profit realization. This has resulted in a higher profit even with a lowering of the sales turnover. This exercise is expected to continue for some more time, but is eventually expected higher profitability and improved efficiencies. 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.

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

As stated before, 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.

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, 2011 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. Mr. Sharad Chand Lunawat Mr. Devendra Baheti Mr. Krishna Das Malani

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 six times during the period under review on 21/May/2010, 30/Jul/2010, 07/Aug/2010, 29/Oct/2009, 28/Dec/2010 and 31/Jan/2011. 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)	
	Board Meetings	Last AGM	As Chairman	As Director	As Chairman	As Member
Mr. Purushottam R. Patel	4	No	1	-	-	2
Mr. Mahendra Singh Chawla	6	Yes	-	1	-	1
Mr. Pravin C Shah	6	Yes	-	1	-	-
Mr. Sampat Lal Chaplot ²	4	Yes	-	1	2 ²	-
Mr. Sharad Chand Lunawat	4	Yes	-	1	-	1
Mr. Devendra Baheti ³	1	N.A.	-	1	2	-
Mr. Krishna Das Malani	1	N.A.	-	1	-	-

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

²Resigned as Director and ceased to be chairman of Audit committee & Grievance committee w.e.f. 28/Dec/2010

³Appointed as Director and elected to be chairman of Audit committee & Grievance committee w.e.f. 28/Dec/2010

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 was reconstituted on 28/Dec/2010 with the 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 (Resigned on 28/Dec/2010)	3	Yes
Mr. Devendra Baheti (Chairman & Member from 28/Dec/2010)	1	N.A.
Mr. Purushottam R. Patel	3	No

Mr. Sharad Chand Lunawat 4 Yes
 Executive Director attended 3 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 was constituted on 28/Dec/2010 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 & top managers of the Company. The Committee comprised of 3 Independent Non-executive Directors (1 as the Chairman). The Non-executive Directors are remunerated by way of sitting fees only which is decided by the Board of Directors from time to time. During the year under review, the committee was not required to meet as no change in remuneration was proposed.

Name of the Member	No. of meetings attended
Mr. Sharad Chand Lunawat	N.A.
Mr. Devendra Baheti	N.A.
Mr. Krishna Das Malani	N.A.

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 (Resigned on 28/Dec/2010)	3
Mr. Devendra Baheti (Chairman & Member from 28/Dec/2010)	1
Mr. Purushottam R. Patel	3
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. 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.

8. 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
 2. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 3. 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 that:
 1. there is no significant changes in internal control over financial reporting during the year
 2. there are some changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
 3. 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

9. Annual General Meetings (AGM)

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

Year	Venue	Day/Date	Time
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
22 nd	33/2 Pigdamber. A B Road, Rau, Indore	09/Sep/2010	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.

10. Means of Communications

1. 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.
2. The Company's financial results and official news releases are displayed on the Company's website www.alpalabs.com

11. General Shareholders Information

- a. Registered Office:** 33/2 Pigdamber, A B Road, Rau, Dist INDORE (M.P.) PIN 453446
- b. Compliance Officer:** Mr. Hemant Jain cs@alpalabs.com
- c. Annual General Meeting:** The 23rd AGM will be held on 28th Sep, 2011 at the Registered Office of the Company at 11.45 A.M.
- d. Financial Year:** 01st April to 31st March
- e. Date of Book Closure:** 26th September, 2011 to 28th September, 2011 (Both days inclusive)
- f. Dividend Payment Date:** Not Applicable
- g. Listing on Stock Exchanges:** Bombay Stock Exchange Limited and The National Stock Exchange of India Limited
The Company has paid listing fees to the Stock Exchange, Mumbai and the National Stock Exchange of India Limited for the year 2010-11
- h. Stock Code:** BSE: 532878 NSE: ALPA ISIN: INE385I01010
- i. Market Price Data:**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High(Rs.)	Low(Rs.)
Apr-2010	19.60	14.10	19.50	14.10
May-2010	16.25	14.00	16.35	13.60
Jun-2010	17.23	14.70	17.20	14.50
Jul-2010	20.10	15.45	20.15	15.20
Aug-2010	18.85	15.85	19.50	15.85
Sep-2010	19.25	15.60	19.25	15.4
Oct-2010	18.00	15.10	18.55	14.15
Nov-2010	17.75	13.00	17.90	12.90
Dec-2010	15.85	12.25	14.90	12.70
Jan-2011	15.80	11.80	15.85	11.20
Feb-2011	13.34	10.40	12.80	10.30
Mar-2011	12.24	10.30	12.45	10.30

(Source: BSE & NSE Websites)

- j. 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: +91-22-2847-0652

Fax: +91-22-2847-5207

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

Shareholders are advised to contact the registrar quoting their Folio nos. in each correspondence.

k. Complaints Resolution: 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	Resolved	Received	Resolved
Non-receipt of share certificates	NIL	NIL	NIL	NIL
Non-credit of account	NIL	NIL	NIL	NIL
Other	8	7	8	8
TOTAL	8	7	8	8

l. Distribution of Shareholding as on 31st March, 2010 are as follows:

No. of shares	No. of share holders	%	No. of shares held	%
1-5,000	11,536	79.73%	2,20,11,090	10.46%
5,001-10,000	1,626	11.24%	1,31,44,910	6.25%
10,001-20,000	754	5.21%	1,14,47,880	5.44%
20,001-30,000	174	1.20%	45,17,680	2.15%
30,001-40,000	88	0.61%	31,65,380	1.50%
40,001-50,000	84	0.58%	39,46,290	1.88%
50,001-100,000	99	0.68%	71,38,330	3.39%
Over 100,000	107	0.74%	14,50,34,440	68.93%
TOTAL	14,468	100.00%	21,04,06,000	100.00%

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

Category	No. of share holders	%	No. of shares held	%
Clearing Member	12	0.08%	6,312	0.03%
Corporate Bodies	255	1.76%	8,45,232	4.02%
NRI Promoters	2	0.01%	49,900	0.24%
NRIs	129	0.89%	2,47,447	1.18%
Promoters	24	0.17%	1,14,38,470	54.36%
Public	14,046	97.08%	84,53,239	40.18%
TOTAL	14,468	100.00%	2,10,40,600	100.00%

n. Dematerialization of Shares and Liquidity:

As on 31st March, 2011, 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.

o. Outstanding Convertible Instruments:

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

p. Manufacturing Units:

Unit-I
33/2 Pigdamber, A. B. Road
Rau, Dist. Indore (M.P.) 453446

Unit-II
481 Sector III
Pithampur, Dist. Dhar (M.P.) 454775

q. 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, 2011 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: 30th May, 2011

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: 30th May, 2011

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, 2011 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: 30th May, 2011

AUDITORS' REPORT

To The Members of Alpa Laboratories Limited,

- 1) We have audited the Balance Sheet of **Alpa Laboratories Limited** ("the Company") as at 31st March, 2011 and also 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:

1. 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;
2. 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;
3. the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
4. 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;
5. on the basis of the written representations received from the directors, as on 21st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director under clause (g) of sub-section (1) of Section 274 of Companies Act, 1956;
6. 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;
 1. in the case of Balance Sheet, of the Statement of Affairs of the Company as at 31st March, 2011
 2. in the case of Profit & Loss Account, of the profit for the year ended on that date
 3. 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: 30th May, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011 OF ALPA LABORATORIES LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- (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 programme 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 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 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 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 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, Value Added Tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities **except Income Tax, Entry Tax, Service tax and Tax Deducted at Source**.
- (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, 2011, 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: 30th May, 2011

BALANCE SHEET As At 31st March, 2011**In Rupees**

PARTICULARS		SCHEDULE	As At 31 Mar 2011	As At 31 Mar 2010
I	<u>SOURCES OF FUNDS</u>			
(A)	<i>Shareholder Funds</i>			
	Share Capital	A	21,04,06,000	21,04,06,000
	Reserves & Surplus	B	76,25,94,331	75,35,54,920
(B)	<i>Loan Fund</i>			
	Secured Loans	C	9,39,89,500	8,08,37,601
(C)	<i>Deferred Tax Liability (Net)</i>		22,77,634	50,73,299
	TOTAL SOURCES OF FUNDS		1,06,92,67,465	1,04,98,71,820
II	<u>APPLICATION OF FUNDS</u>	D		
(A)	<i>Fixed Assets</i>			
	Gross Block		25,48,45,740	24,63,29,896
	Less : Depreciation		(14,11,55,783)	(13,00,58,367)
	Net Block		11,36,89,957	11,62,71,529
	<i>Capital Work-in-Progress</i>		60,35,53,038	48,10,48,685
	<i>Fixed Assets</i>		71,72,42,995	59,73,20,214
(B)	<i>Investments</i>	E	-	9,00,00,000
(C)	<i>Current Assets Loans & Advances</i>			
	Inventories	F	16,27,03,047	17,08,29,058
	Sundry Debtors	G	22,87,78,721	38,71,88,611
	Cash & Bank Balance	H	1,03,60,885	1,05,89,327
	Other Current assets	I	60,45,720	61,91,891
	Loans & Advances	J	7,24,51,538	7,09,28,914
	Total Current Assets		48,03,39,911	64,57,27,801
	<i>Less : Current Liabilities & Provisions</i>			
	Current Liabilities	K	(21,56,89,560)	(34,38,92,538)
	Provisions	L	(98,78,741)	(97,16,997)
	<i>Current Assets Loans & Advances</i>		25,47,71,610	29,21,18,266
(D)	<i>Miscellaneous Expenditure</i> (To the extent not written off or adjusted)	M	9,72,52,860	7,04,33,340
	TOTAL APPLICATION OF FUNDS		1,06,92,67,465	1,04,98,71,820

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

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: 30th May, 2011

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

P.R. PATEL
Managing Director

MS. CHAWLA
Director

PROFIT & LOSS ACCOUNT For The Year Ended 31ST March, 2011**In Rupees**

PARTICULARS	SCHEDULE	For the Year Ended 31 Mar 2011	For the Year Ended 31 Mar 2010
INCOME			
Sales and Services (Net)	N	81,95,42,731	93,43,67,882
Other Operating Income	O	91,30,138	83,42,933
Other Income	P	71,22,501	6,05,739
TOTAL INCOME (In Rs.)		83,57,95,370	94,33,16,554
EXPENDITURE			
Material Costs	Q	70,31,71,714	82,19,33,736
Manufacturing Expenses	R	2,56,63,371	2,19,05,013
Employment Cost	S	3,29,02,722	2,93,71,815
Administrative, Selling & General Expenses	T	4,53,16,866	4,66,07,197
Interest & Financial Charges	U	29,91,279	34,81,279
Depreciation	D	1,10,97,416	1,17,38,622
TOTAL EXPENDITURE (In Rs.)		82,11,43,368	93,50,37,662
Profit Before Tax, Prior Period & Extra Ordinary Items		1,46,52,002	82,78,892
Add/Less : Prior period & Extra Ordinary Items	V	(38,33,080)	18,66,536
Profit Before Tax		1,08,18,922	1,01,45,428
Provision for Income Tax :			
- Current Tax		(18,30,000)	(36,80,000)
- Prior period Tax		(27,45,177)	
- Deferred Tax (Net)		27,95,665	15,00,000
Profit After Tax		90,39,410	79,65,428
Add : Profit brought forward from previous year		20,39,49,600	19,59,84,172
BALANCE CARRIED TO BALANCE SHEET		21,29,89,010	20,39,49,600

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

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: 30th May, 2011

We Authenticate The Correctness Of The Above

For and on behalf of the Board of Directors of

ALPA LABORATORIES LIMITED**P.R. PATEL**

Managing Director

MS. CHAWLA

Director

Cash Flow Statement

(Annexed to and forming part of the Accounts)

	As At 31 Mar 2011	In Rupees As At 31 Mar 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,08,18,922	1,01,45,428
<i>Adjustments for :</i>		
Depreciation	1,10,97,416	1,17,38,621
Interest expenses	29,91,279	34,81,279
Provision for bad and doubtful debts		6,82,546
Dividend earned		(7,155)
Bad debts written off	10,70,478	45,27,254
Gain on sale of investments in shares	(66,64,453)	(3,32,898)
Operating Profit Before Working Capital Changes	1,93,13,642	3,02,35,075
<i>Adjustments for :</i>		
Decrease/(Increase) in Sundry debtors	15,87,15,863	8,03,10,814
Decrease/(Increase) in Loan & Advances & Other Current Assets	(31,61,452)	(3,27,89,002)
Decrease/(Increase) in Inventories	81,26,011	5,57,93,266
Increase/(Decrease) in Current liabilities & Provision	(13,22,13,350)	(12,27,38,255)
Cash Generated From Operations	5,07,80,714	1,08,11,898
Income Tax	(17,79,512)	(21,80,000)
Net Cash Generated By Operating Activities	4,90,01,202	86,31,898
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(85,15,844)	(2,96,40,852)
Advance for Purchases of capital goods (net) and capital expenditure pending allocation	(14,93,23,873)	(5,56,31,039)
Dividend received		7,155
Sale of Investments	9,66,64,453	14,70,15,748
Net Cash Used In Investing Activities	(6,11,75,264)	6,17,51,012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,31,51,899	(6,85,46,637)
Interest paid	(29,91,279)	(34,81,279)
Net Cash Generated By Financing Activities	1,01,60,620	(7,20,27,916)
D. Net Increase/(Decrease) In Cash And Cash Equivalents	(20,13,442)	(16,45,006)
E. Cash and Cash Equivalents as at the beginning of the year	95,77,617	1,12,22,623
F. Cash and Cash Equivalents as at the end of the year	75,64,175	95,77,617
G. Cash and Cash Equivalents as at the end of the year comprise		
Cash and Bank Balances as per the Balance Sheet	103,60,885	105,89,327
Less: Deposits lodged towards Security Deposits and Margin Money against Bank Guarantees	27,96,710	10,11,710
	75,64,175	95,77,617

Notes:

- 1 Figures in brackets indicate cash outgo.
- 2 The Cash Flow Statement has been prepared under indirect method set out in AS-3 notified under Companies Act, 1956
- 3 The notes to accounts form an integral part of the Cash Flow Statement.

As referred to in Our Report of even Date Attached

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: 30th May, 2011

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

P.R. PATEL
 Managing Director

MS. CHAWLA
 Director

Schedules "A" to "V"**(Annexed to and forming part of the Accounts)****Schedule "A"****SHARE CAPITAL***Authorized Capital*

25000000 Equity Share of Rs. 10 each

(Pr. Year 25000000 Equity Share of Rs. 10 each)

Issued Capital

21560000 Equity Share of Rs. 10 each

(Pr. Year 21560000 Equity Share of Rs. 10 each)

Subscribed & Paid Up

21040600 Equity Shares of Rs. 10 each fully Paid up

(Pr. Year 21040600 Equity Shares of Rs. 10 each)

As Per Balance Sheet

	As At 31 Mar 2011	As At 31 Mar 2010
	25,00,00,000	25,00,00,000
	21,56,00,000	21,56,00,000
	21,04,06,000	21,04,06,000
As Per Balance Sheet	21,04,06,000	21,04,06,000

Schedule "B"**RESERVES AND SURPLUS**

Share Premium

Profit & Loss Account

As Per Balance Sheet

	As At 31 Mar 2011	As At 31 Mar 2010
	54,96,05,320	54,96,05,320
	21,29,89,010	20,39,49,600
As Per Balance Sheet	76,25,94,330	75,35,54,920

Schedule "C"**SECURED LOANS**

Term Loans [Refer Note 1(a) for details of Security]

Working Capital Loans [Refer Note 1(b) for details of Security]

As Per Balance Sheet

	As At 31 Mar 2011	As At 31 Mar 2010
	-	-
	9,39,89,500	8,08,37,601
As Per Balance Sheet	9,39,89,500	8,08,37,601

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

A) Long Term Investments

*F.D.R with scheduled banks**Liquid Mutual Funds with scheduled banks*

B) Balance of Unutilized Monies raised by Public Issue

*F.D.R with scheduled banks***As Per Balance Sheet**

	As At 31 Mar 2011	As At 31 Mar 2010
		5,53,75,550
		3,00,00,000
		46,24,450
As Per Balance Sheet	-	9,00,00,000

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

Finished Goods

Work in Progress

Raw Material (Including Packing Material)

As Per Balance Sheet

	As At 31 Mar 2011	As At 31 Mar 2010
	3,31,10,021	2,31,82,926
	80,37,068	1,20,59,044
	12,15,55,958	13,55,87,088
As Per Balance Sheet	16,27,03,047	17,08,29,058

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 2011****As At 31 Mar 2010**

3,81,03,117

2,21,41,069

1,28,03,162

1,79,64,909

17,78,72,442

34,84,59,083

(13,76,450)

22,87,78,721**38,71,88,611****Schedule "H"****CASH & BANK BALANCE**

Cash in Hand (As Certified by the Management)

Balance with Scheduled Bank

- in current account

- in deposit account

As Per Balance Sheet**As At 31 Mar 2011****As At 31 Mar 2010**

2,52,980

82,093

73,11,195

94,95,524

27,96,710

10,11,710

1,03,60,885**1,05,89,327****Schedule "I"****OTHER CURRENT ASSETS**

Accrued Interest on F.D.R.

Deposit with Government and Public Bodies & Others

Prepaid Insurance

Prepaid Insurance

As Per Balance Sheet**As At 31 Mar 2011****As At 31 Mar 2010**

1,55,473

15,06,792

51,76,132

45,43,489

1,11,616

1,41,610

6,02,499

60,45,720**61,91,891****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 2011****As At 31 Mar 2010**

5,01,81,824

3,06,54,561

3,24,400

2,20,188

(23,920)

2,034

1,75,76,478

3,57,00,485

20,39,756

19,98,646

23,53,000

23,53,000

7,24,51,538**7,09,28,914****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

Advances for sale of land

Deposit From Customers

T.D.S. Payable

As Per Balance Sheet**As At 31 Mar 2011****As At 31 Mar 2010**

16,73,57,221

29,80,33,293

20,54,116

10,99,926

53,06,657

1,44,05,017

1,71,85,797

1,82,47,298

66,00,009

48,07,388

92,00,000

-

60,77,501

60,77,501

19,08,259

12,22,115

21,56,89,560**34,38,92,538**

Schedule "L"**PROVISIONS**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Provision for Entry Tax	46,30,977	48,30,977
For Retirement Benefits	21,98,513	11,06,317
Others	30,49,251	37,79,703
As Per Balance Sheet	<u>98,78,741</u>	<u>97,16,997</u>

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

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Preoperative Expenses	7,04,33,340	5,85,96,680
Add: for the year	2,68,19,520	1,18,36,660
As Per Balance Sheet	<u>9,72,52,860</u>	<u>7,04,33,340</u>

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

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Indigenous Sales (including merchant goods & Form 'H' sales)	72,72,56,940	81,78,63,070
Export Sales	6,89,84,303	9,92,75,409
Analytical Charges Received	34,93,701	35,32,099
Conversion Charges Received	1,98,07,787	1,36,97,304
As Per Profit and Loss Account	<u>81,95,42,731</u>	<u>93,43,67,882</u>

Schedule "O"**OTHER OPERATING INCOME**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Export Incentives	88,85,638	82,90,683
Sale of Scrap	2,44,500	52,250
As Per Profit and Loss Account	<u>91,30,138</u>	<u>83,42,933</u>

Schedule "P"**OTHER INCOME**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Dividend [Including TDS Rs. Nil (Previous Year Rs. Nil)]		7,155
Profit on sale of equity shares	66,64,453	3,32,898
Miscellaneous Income	4,58,048	2,65,686
As Per Profit and Loss Account	<u>71,22,501</u>	<u>6,05,739</u>

Schedule "Q"**MATERIAL COST**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
A. Consumption of raw materials and components		
Opening Stocks	13,55,87,088	18,72,71,085
Add: Purchases (Including cost of goods resold)	69,50,45,703	76,61,40,470
SUB TOTAL	<u>83,06,32,791</u>	<u>95,34,11,555</u>
Less: Closing Stocks	(12,15,55,958)	(13,55,87,088)
(A)	<u>70,90,76,833</u>	<u>81,78,24,467</u>

B. (Increase)/Decrease in stocks		
Opening Stocks		
Work in Progress	1,20,59,044	1,16,57,439
Finished Goods	2,31,82,926	2,76,93,800
	<hr/>	<hr/>
SUB TOTAL	3,52,41,970	3,93,51,239
Less: Closing Stocks		
Work in Progress	(80,37,068)	(1,20,59,044)
Finished Goods	(3,31,10,021)	(2,31,82,926)
	<hr/>	<hr/>
(B)	(59,05,119)	41,09,269
	<hr/>	<hr/>
As Per Profit and Loss Account	70,31,71,714	82,19,33,736

Schedule "R"**MANUFACTURING EXPENSES**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Power and Fuel	1,25,99,680	1,09,28,590
Repair & Maintenance on Building	14,45,230	11,65,135
Repair & Maintenance on Machinery	28,12,204	15,76,337
Other Manufacturing and Operating Expenses	88,06,257	82,34,951
	<hr/>	<hr/>
As Per Profit and Loss Account	2,56,63,371	2,19,05,013

Schedule "S"**EMPLOYMENT COST**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Salaries, Wages, Bonus, etc	3,11,72,313	2,78,07,049
Contribution to Provident Fund and other Funds	17,30,409	15,64,766
	<hr/>	<hr/>
As Per Profit and Loss Account	3,29,02,722	2,93,71,815

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

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Rent	6,47,520	5,34,320
Insurance Expenses	2,63,021	1,78,490
Rates and Taxes	46,944	46,346
Traveling Expenses	9,47,868	15,34,658
Contribution to Charitable Funds, etc	12,521	26,200
Directors Remuneration	76,20,000	78,60,000
Auditors Remuneration	1,00,000	1,00,000
Advertisement & Sales Promotion Expenses	19,33,182	13,91,467
Commission on Sales	1,04,06,389	1,27,81,358
Discount Paid	23,52,890	1,80,477
Sales Tax Expenses	14,950	6,534
VAT Tax	17,64,782	20,04,798
Workmen and Staff Welfare Expenses	89,763	72,540
Bad Debts & Doubtful Expenses	10,70,478	53,51,410
Miscellaneous Expenses	1,80,46,558	1,45,38,599
	<hr/>	<hr/>
As Per Profit and Loss Account	4,53,16,866	4,66,07,197

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

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Interest Paid to Bank	20,09,360	1,44,37,324
Less : Interest earned from Bank	(3,26,120)	(1,20,40,473)
	<hr/>	<hr/>
Net Interest Expense [Also refer Note 18]	16,83,240	23,96,851
Bank Commission & Charges	13,08,039	10,84,428
	<hr/>	<hr/>
As Per Profit and Loss Account	29,91,279	34,81,279

Schedule "V"**PRIOR PERIOD ADJUSTMENT**

	<u>As At 31 Mar 2011</u>	<u>As At 31 Mar 2010</u>
Prior period Income	82,782	18,92,936
Less: Prior Period Expenses	(39,15,862)	(26,400)
	<hr/>	<hr/>
As Per Profit and Loss Account	(38,33,080)	18,66,536

Schedule "D"

In Rupees

ASSETS [Also refer Note 2]

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 31 Mar 2010	Addition	Deduction As At 31 Mar 2011	Up To 31 Mar 2010	For the Period	Written Back	Up To 31 Mar 2011	As At 31 Mar 2011	As At 31 Mar 2010
Land & Site Development	3,55,37,788	45,77,317	4,01,15,105	-	-	-	-	4,01,15,105	3,55,37,788
Building	4,87,52,185	1,62,265	4,89,14,450	3,00,55,105	18,85,435	-	3,19,40,540	1,69,73,910	1,86,97,080
Plant & Machinery	11,47,61,908	23,42,063	11,71,03,971	7,05,69,833	63,99,679	-	7,69,69,512	4,01,34,459	4,41,92,075
Furniture & Fixtures	13,04,720	4,46,889	17,51,609	7,98,305	1,36,331	-	9,34,636	8,16,973	5,06,415
Computers	21,96,589	61,425	22,58,014	15,31,214	2,75,820	-	18,07,034	4,50,980	6,65,375
Utility	1,61,77,213	5,19,113	1,66,96,326	97,21,356	9,34,076	-	1,06,55,432	60,40,894	64,55,857
Electrical Installation	1,66,71,583	3,90,256	1,70,61,839	1,04,57,408	8,95,376	-	1,13,52,784	57,09,055	62,14,175
Quality Control & Lab Equipment	1,02,71,676	16,516	1,02,88,192	65,51,981	5,19,464	-	70,71,445	32,16,747	37,19,695
Office Equipment (PABX Tel. Fax)	6,56,234	-	6,56,234	3,73,165	51,235	-	4,24,400	2,31,834	2,83,069
SUB TOTAL	24,63,29,896	85,15,844	- 25,48,45,740	13,00,58,367	1,10,97,416	-	14,11,55,783	11,36,89,957	11,62,71,521
Capital Work in Progress								60,35,53,038	48,10,48,681
TOTAL	24,63,29,896	85,15,844	- 25,48,45,740	13,00,58,367	1,10,97,416	-	14,11,55,783	71,72,42,995	59,73,20,213
Previous Year TOTAL	21,67,94,653	2,99,98,743	4,63,500 24,63,29,896	11,84,25,411	1,17,38,622	1,05,666	13,00,58,367	59,73,20,213	53,56,23,541

Schedule “W”
NOTES TO ACCOUNTS

(Annexed to and forming part of the Accounts for the Year Ended 31st March, 2011)
Rupees in lacs

1. Loan Funds:

- a. *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:

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Opening Balance	4810.49	4,375.55
Incurred during the year	1225.04	438.49
Capitalized during the year		3.55
Closing balance	6035.53	4810.49

- b. Capital WIP includes Advances for Capital Goods/ Expenditure of Rs. 1,112.62 lacs (Previous Year Rs. 2,038.78 lacs).

3. Court Case were filed against M/s Arvind Agencies , M/s Rajiv Pharma Udyog & Innovec Laboratories Pvt. Ltd. for Rs. 3.57 lacs, Rs. 2.27 lacs & 15.57 lacs respectively, for recovery of outstanding amounts.

4. Contingent liabilities not provided for:

- a. Bank Guarantees of Rs. 62.58 lacs (Previous Year Rs. 81.06 lacs) have been given to various government departments for tenders for supply of medicines.
- b. Bank Guarantees of Rs. 17.85 lacs (Previous Year – Rs. Nil) has been given to Deputy Commissioner of Customs against import of capital goods under Export Promotion Capital Goods Scheme for a period of ten years ending 09/02/2020.
- c. Disputed demands before relevant authorities:

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Value Added Tax	48.40	48.40
Central Sales Tax	47.31	47.31
Entry Tax	45.59	45.59

5. Managerial Remuneration:

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Salaries to Whole time Directors	76.20	78.60
Sitting Fees	0.24	0.23
Total	76.44	78.83

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

6. Auditors Remuneration:

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Audit Fees	1.00	1.00
Tax Audit Fees		
Other	0.68	0.27

7. Prior period adjustments represent:

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Debits relating to earlier years	39.16	0.26
Credits relating to earlier years	0.83	18.93
Total	(38.33)	18.67

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

S.N.		Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
1	Amount due and remaining unpaid as on the balance sheet date : - Principal - Interest thereon	83.61	13.77
2	Principal amount paid beyond the appointed date during the year	300.57	57.62
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)

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. 16.03 lacs and Rs. 22.58 lacs are outstanding as on 31st March, 2011.

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:

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
a. Deferred Tax Asset on Depreciation	49.17	43.34
b. Deferred Tax Asset on Retirement Benefits	(7.47)	4.73
c. Other	(18.92)	2.66
Total	22.78	50.73

11. **Related Party Disclosures:**

a. *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

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

Nature of Transactions	Related Parties	
	Referred to in A) i) Above	Referred to in A) ii) Above
Remuneration	120.00 (Pr. Yr. 122.40)	6.24 (Pr. Yr. 3.84)
Traveling Expenses	4.57 (Pr. Yr. 8.99)	Nil (Pr. Yr. 0.02)

12. Expenses of Rs. 972.53 lacs (Previous Year Rs. 704.33 lacs) incurred by the Company for new unit has been treated as pre-operative expenses for the year.

13. 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.

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

	Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
Profit after tax before extraordinary items	90.39	79.65
Profit after tax after extraordinary items	90.39	79.65
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.)	0.43	0.38
Earnings Per Share after extraordinary items (in Rs.)	0.43	0.38

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		Year Ended 31 st Mar, 2011	Year Ended 31 st Mar, 2010
USD	Exports of Goods	5.82	3.29
USD	Advance for Raw Material		0.03

existing accounting standard requires a change in the accounting policies hitherto in use.

These financial statements have been prepared assuming the Company will continue as a going concern. Accordingly, the financial statements do not include any adjustments regarding the recover-ability of assets and classification of liabilities that might result should the Company be unable to continue as a going concern.

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. The value of unutilized unconditional Customs Duty credit granted against exports under “Duty Entitlement Pass Book Scheme” are accounted for 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.
- c. Fixed assets are eliminated from financial statements either on disposal or when retired from active use.

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. 5,000) 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.
- d. Minimum Alternative Tax (MAT), paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future Income Tax Liability, is considered as an asset when it is probable that future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

16. Events occurring after the date of balance sheet

Material events occurring after the date of the Balance Sheet are considered up to the date of approval of accounts by the Board of Directors.

17. Prior Period Adjustments

As per the Accounting Standard-5, issued by the ICAI, Prior Period Adjustments as a result of errors or omission in the preparation of Financial Statements of one or more prior periods are separately disclosed in the Profit and Loss Account.

18. Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of costs of such asset till such time as the assets is ready for its intended use. Other borrowing costs are recognized as expense for the period.

Annexure II (Schedule "W")

(Annexed to and forming part of the Accounts for the year ended 31st March, 2011)

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		2010-11	2009-10
		2010-11	2009-10	2010-11	2009-10		
Liquid Injections	Numbers	41,22,00,000	41,22,00,000	7,09,50,000	7,09,50,000	4,03,05,516	4,62,15,504
Dry Powder Injections	Numbers	15,00,00,000	15,00,00,000	4,12,50,000	4,12,50,000	1,22,65,080	1,36,30,994
Tablets	Numbers	75,00,00,000	75,00,00,000	49,50,00,000	49,50,00,000	29,33,28,262	32,07,21,173
Capsules	Numbers	55,00,00,000	55,00,00,000	19,80,00,000	19,80,00,000	9,87,26,996	11,04,61,094
Ointments	Numbers	10,00,00,000	10,00,00,000	1,32,00,000	1,32,00,000	72,41,498	80,20,264
Dry Syrup	Numbers	2,00,00,000	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

Product Category	Unit of Quantity	Rs. in lacs			
		2010-11		2009-10	
		Quantity	Value	Quantity	Value
Liquid Injection	Numbers	3,97,26,437	2,786.85	4,57,58,288	3,209.99
Dry Powder Injections	Numbers	1,21,01,283	1,576.55	1,39,38,678	1,815.93
Tablets	Numbers	28,81,58,546	1,617.17	33,19,11,008	1,862.71
Capsules	Numbers	9,69,87,301	1,409.34	11,17,13,337	1,623.33
Ointments	Numbers	71,40,827	572.50	82,25,052	659.42
Total			7,962.41		9,171.38

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

Product Category	Unit of Quantity	Rs. in lacs							
		Opening Stock				Closing Stock			
		01 Apr 2010		01 Apr 2009		31 Mar 2011		31 Mar 2010	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Liquid Injection	Numbers	13,52,337	81.14	8,95,121	76.71	19,31,417	115.89	13,52,337	81.14
Dry Powder Injections	Numbers	3,82,518	45.90	6,90,202	89.17	5,46,315	65.56	3,82,518	45.90
Tablets	Numbers	1,20,72,955	47.08	2,32,62,790	46.53	1,72,42,670	67.25	1,20,72,955	47.08
Capsules	Numbers	40,62,750	41.03	53,14,993	31.93	58,02,446	58.60	40,62,750	41.03
Ointments	Numbers	2,35,099	16.67	4,39,887	32.60	3,35,770	23.81	2,35,099	16.67
Total			231.83		276.94		331.10		231.83

i) Net of Shortage/ Excess/ Adjustment etc.

(d) Details of Raw Materials Consumed during the year

Rs. in lacs	2010-11	2009-10
Drugs & Chemicals	6,464.69	7,475.70
Packing Material	626.08	702.54
Total	7,090.77	8,178.24

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

Rs. in lacs	%	2010-11	%	2009-10
Imported	1.38%	97.81	0.57%	46.40
Indigenous	98.62%	6,992.96	99.43%	8,131.85
Total	100.00%	7,090.77	100.00%	8,178.24

(f) CIF Value of Imports

Rs. in lacs	2010-11	2009-10
Raw Materials	97.81	46.40
Total	97.81	46.40

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

Rs. in lacs	2010-11	2009-10
Export of goods on F.O.B Basis	689.84	992.75
Total	689.84	992.75

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

Rs. in lacs	2010-11	2009-10
Bank Charges	1.50	4.68
Foreign Travel	2.54	1.35
Total	4.04	6.03

Annexure III (Schedule "W") Annexed to and forming part of the Accounts for the year ended 31st March, 2011

Balance Sheet Abstract and Company's General Business Profile**In Rupees****Registration Details**

Registration Number	04446	State Code	10
Balance Sheet Date	31 Mar 2011		

Capital Raised During The Year

Public Issue	-	Bonus Issue	-
Bonus Issue	-	Private Placement	-
Govt. Contributions	-		

Position of Mobilization and Deployment of Fund

Total Liabilities	1,06,92,67,465	Total Assets	1,06,92,67,465
Sources of Fund		Application of Fund	
Paid up Capital	21,04,06,000	Net Fixed Assets	71,72,42,995
Secured Loans	9,39,89,500	Investment	-
Reserve & Surplus	76,25,94,331	Net Current Assets	25,47,71,610
Deferred Tax Liability (Net)	22,77,634	Miscellaneous Exp.	9,72,52,860
Unsecured Loans		Accumulated Losses	

Performance of the Company

Turnover	83,57,95,370	Expenditure	82,11,43,368
Profit/(Loss) Before Tax	1,08,18,922	Profit/(Loss) After Tax	90,39,410
Earning Per Share (Rs.)	0.43	Dividend Rate %	

Name of Principal Product of the Company

Description	IITC Code	Description	IITC 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 23rd Annual General Meeting of the Company, to be held on 28th September, 2011 at
11.45 AM and at any adjournment thereof.

Signed this _____ day of _____ 2011 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 23rd Annual General Meeting of the Company, to be held on 28th September, 2011, at 11.45 AM.

Name of the Shareholder (in BLOCK letters) _____.

email ID 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

If undelivered, please return to: Alpa Laboratories Limited, 33/2 Pigdamber, A.B. Road, Rau, Indore (M.P.) 453446