

Annual Report 2014-15



Alpa Laboratories Limited

# Annual Report 2014-15

## THE BOARD OF DIRECTORS

Mr. Purushottam R. Patel, Managing Director  
Mr. Mahendra Singh Chawla  
Mr. Pravin C. Shah  
Mr. Sharad Chand Lunawat  
Mr. Devendra Baheti  
Mr. Krishna Das Malani  
Ms. Shashi Jain

## REGISTERED & CORPORATE OFFICE

CIN: L85195MP1988PLC004446  
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](mailto:is@alpalabs.com) Website: [www.alpalabs.com](http://www.alpalabs.com)

## Factory:

33/2 Pigdamber, A. B. Road, Rau  
Indore (M.P.) 453446, India

News & Results: [alpalabs.com/financials.html](http://alpalabs.com/financials.html)  
Governance Policies: [alpalabs.com/cg\\_policies.html](http://alpalabs.com/cg_policies.html)

## COMPLIANCE OFFICER

Ms. Monali Patel, Company Secretary

## STATUTORY AUDITORS OF THE COMPANY

C. H. Padliya & Co., Chartered Accountants

## COST AUDITORS OF THE COMPANY

Sudeep Saxena & Associates, Practicing Cost Accountants

## 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

## CONTENTS.....PAGE

Notice to Shareholders.....	1
Directors' Report.....	4
Annexures to Directors' Report.....	8
Auditor's Report.....	22
Standalone Accounts.....	25
Auditor's Report on Consolidated Accounts.....	41
Consolidated Accounts.....	44
Proxy Form for the AGM.....	Inside Back Cover
Attendance Slip for the AGM.....	Inside Back Cover
Location Map for the AGM.....	Back Cover

## Cautionary Statement

*Certain statements in this annual report may constitute "forward-looking statements". These forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, cash flow projections, our exposure to market risks as well as other risks.*

### **NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of the Company will be held on the 30<sup>th</sup> Day of September 2015 at the registered office at 11:45 AM to transact the following business:

#### **ORDINARY BUSINESS**

1. To consider and adopt the audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2015 together with the Report of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Pravin C. Shah (DIN 01232138), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint C. H. Padliya & Co., Chartered Accountants (FRN 003151C), 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**

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** Ms. Shashi Jain (DIN 07143573), a Director who was appointed as an additional Director in the meeting of the Board of Directors of the Company held on 31<sup>st</sup> March 2015 and who holds office as such up to the date of Annual General Meeting and in respect of whom notices under Section 160 of the Companies Act, 2013 have been received from a member signifying his intention to propose Ms. Shashi Jain, as a candidate for the office of Director of the company, be and is hereby appointed as a Director of the Company.
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and Companies (Audit and Auditors) Rules, 2014 including any statutory modification or re-enactments thereof, Sudeep Saxena and Associates, Cost Accountants, Indore (Firm Reg No. 100980), be and are hereby confirmed as Cost Auditor of the Company, as appointed by the Board of directors of the Company, to conduct the audit of the cost records of the Company, as applicable, for the Financial Year ending 31<sup>st</sup> March 2016, be confirmed and be paid remuneration of Rs. 70,000 per year plus reimbursement of out of pocket expenses.”

#### **NOTES:**

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and a proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies, to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
- 2) Statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) is annexed hereunder and forms part of the Notice.
- 3) The ‘Register of Members’ and ‘Share Transfer Books’ will remain closed from 19<sup>th</sup> September 2015 to 30<sup>th</sup> September 2015 (both days inclusive).
- 4) The information required to be provided under Clause 49 of the Listing Agreement with the Stock Exchanges regarding the directors retiring by rotation and eligible for re-appointment as well as directors being appointed is furnished in the Corporate Governance Report.
- 5) Members seeking specific information are requested to write to the Company by email at [is@alpalabs.com](mailto:is@alpalabs.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
- 6) Members are requested to: a) Immediately notify any changes in their address /bank mandate to their respective Depository Participants (DPs) in respect of electronic share accounts and to the Registrar & Share Transfer Agent with all necessary details, in respect of physical share folios, b) Quote their ledger folio number in all their correspondence, c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
- 7) Nomination facility is available as per the provision of the Companies Act, 2013. Those who wish to avail themselves of this facility may send in their Nomination Forms either to the Registrar or to the Company at its Registered Office.
- 8) Electronic copy of this Notice of AGM inter alia indicating the process and manner of e-voting along with the Annual Report, Attendance Slip and Proxy Form is being sent to the members whose email IDs are registered with the Company /Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above is being sent in the permitted mode. Members may also note that the above documents are also available for downloading on Company’s website at [www.alpalabs.com](http://www.alpalabs.com)
- 9) Documents referred to in this Notice of AGM are open for inspection by the members at the registered office of the Company on all working days between 11:00 A.M and 1:00 P.M up to the date of the meeting.
- 10) Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting system provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who do not have access to e-voting or who do not wish to cast the vote electronically may request a physical ballot paper for casting their vote, which will be provided by the Company upon request. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period begins on 27<sup>th</sup> September 2015 (9:00 am) and ends on 29<sup>th</sup> September 2015 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the member cannot change it subsequently.
- IV. The instructions for members for voting electronically are as under:  
In case of members receiving e-mail:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab
  - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
    - c. Members holding shares in Physical Form should enter Folio /Sequence Number registered with the Company
  - (v) Next enter the Image Verification as displayed and Click on Login
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
  - (vii) If you are a first time user follow the steps given below:
 

For Members holding shares in Dematerialized Form and Physical Form

PAN\*: Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

    - Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker /Postal Ballot Form /mail) in the PAN field
    - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 100 then enter RA00000100 in the PAN field

DOB#: Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format

Dividend Bank Details#: Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio

    - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field
  - (viii) After entering these details appropriately, click on "SUBMIT" tab
  - (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice
  - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system

- Non-Individual (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote

- V. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) in help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- VI. Any person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date may also vote electronically following the above procedure.
- VII. CS Shilpesh Dalal has been appointed as the Scrutinizer to scrutinize the e-voting process (including poll at the meeting) in a fair and transparent manner.
- VIII. The Chairman shall, at the end of discussion on resolutions on which voting is to be held, allow e-voting with the assistance of scrutinizer, for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting /physical ballot facility.
- IX. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, no later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.alpalabs.com](http://www.alpalabs.com) and on the website of CDSL. The results shall also be forwarded to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

This Notice has been updated with the instructions for voting through electronic means as per amended Rules 2015.

By Order of the Board of Directors of **ALPA LABORATORIES LIMITED**

Pigdamber, Rau, Indore, 08<sup>th</sup> August 2015

**Monali Patel**, Company Secretary

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### Item No. 4

The Board had appointed Ms. Shashi Jain (DIN 07143573), as an Additional /Independent Director of the Company on 31<sup>st</sup> March 2015. In terms of the provisions of Section 160 of the Companies Act, 1956, Ms. Jain holds office as an Additional /Independent Director up to the date of the ensuing Annual General Meeting.

As per provisions of Section 160 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, a member proposed to appoint her as regular Director in the Company.

Particulars of Ms. Shashi Jain are as follows:

Ms. Shashi Jain, aged 51 years, is a graduate of Arts and has been involved in various social causes for over 20 years. She is an Independent Director in the Company and holds 2,000 shares of the Company.

Your Directors therefore recommend for approval of members, the appointment of Ms. Shashi Jain, as a Director of the Company by passing the resolution set out at item no. 4 of the notice as an Ordinary Resolution.

Your Directors recommend the resolution for approval. None of the Directors of the Company except the appointee, are interested in the resolution.

As per opinion of Your Board of Directors, Ms. Jain fulfills the conditions specified in this Act for such an appointment.

**Item No. 5**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board has appointed Sudeep Saxena & Associates, Cost Accountants on the recommendations of the Audit Committee, for conduct of Cost Audit of cost records of company for Financial Year 2015-16 at a remuneration of Rs. 70,000 plus out of pocket expenses.

The Board of Directors recommends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the members as an Ordinary Resolution. None of the Directors or Key Managerial Persons is concerned or interested in the resolution.

By Order of the Board of Directors of **ALPA LABORATORIES LIMITED**

Pigdamber, Rau, Indore, 08<sup>th</sup> August 2015

**Monali Patel**, Company Secretary

## **DIRECTORS' REPORT**

The Directors present the 27<sup>th</sup> Annual Report of the Company along with the Standalone and Consolidated Audited Accounts for the year ended 31<sup>st</sup> March 2015.

### **FINANCIAL SUMMARY**

<b>Standalone</b>	<b>Consolidate d</b>	<b>All figures are ₹ in lacs</b>	<b>Standalone</b>	<b>Consolidated</b>
<b>Year Ended 31<sup>st</sup> March 2014</b>			<b>Year Ended 31<sup>st</sup> March 2015</b>	
5,727.61	5,727.61	Gross total revenue	6,018.20	6,018.20
(495.12)	(495.12)	Profit/(Loss) before tax	(271.08)	(271.17)
(515.48)	(515.48)	Profit/(Loss) after tax	(139.68)	(139.77)
1,745.94	1,745.94	Balance Brought Forward From Previous Year	1,230.46	1,230.46
1,230.46	1,230.46	Profit carried to Balance Sheet	1,090.78	1,090.69

### **MANAGEMENT DISCUSSION AND ANALYSIS**

**a) Industry:** The global pharmaceutical market is now estimated to be US \$ 1 trillion and is growing at an annual rate of about 4-5 %. Even though North America, Japan and Europe constitute about 70% of the global pharmaceutical market, continued rise of emerging markets is a key trend that will shape the Indian pharmaceutical industry in the coming years.

**b) Outlook, Risks and Concerns:** Though in the world pharmaceutical market, India is ranked 3<sup>rd</sup> in volume, it has a negligible share by value and ranks 13<sup>th</sup>. Branded generics constitute 70% of Indian pharmaceutical market. Indian pharmaceuticals exports have increased from US\$ 2 billion in 2006 to about US\$ 10 billion in 2014. Indian companies are focusing on global generic and contract manufacturing alliances. India is also fast emerging as a preferred pharmaceuticals manufacturing location. Several large selling drugs going off patent over next few years and increasing use of pharmaceutical generics to reduce healthcare cost will provide attractive growth opportunities to generics manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years. The Government of India has unveiled 'Pharma Vision 2020' aiming at making India a global leader in end-to-end drug manufacturing. However, the growing ambit of drug price control also poses serious concerns for the industry. Further, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and under developed countries including India, currency fluctuations, regulatory issues, inflation and resultant all round increase in input costs are other causes of concern.

**c) Financial Performance and Operations Review:** The Company generated a revenue of ₹6,018.20 lacs for the Financial Year and incurred a loss of ₹139.68 lacs after taxes. The last few years have been tough for the Company, with the added operational expenses of Unit-II. The performance of Unit-I has been steady, but Unit-II required substantial additional resources for product registrations in the regulated markets and market development. Increasing debt compounded with heightened finance/ interest cost was creating additional pressure on the resources of the Company and jeopardizing the well established steady business of Unit-I. Further, sky-rocketing cost of compliance in regulated markets which is the target for Unit-II had created substantial uncertainties for the long term interest of the Company and other stakeholders. With these factors in mind, the Company passed one Resolution by way of postal ballot vide notice dated 12<sup>th</sup> February 2014 to enable the sale of the loss generating Unit-II of the Company and the Resolution was declared passed by the Chairman on 04<sup>th</sup> April 2014. Subsequently various offers were evaluated and the Company sold its Unit-II manufacturing unit situated at Sector III, Pithampur, Dhar, MP together with its employees by way of a slump sale during the financial year. This sale of the loss generating Unit-II of the Company has substantially reduced the strains on the resources of the Company and the future prospects of the Company look brighter than ever. No material changes or commitments affecting the financial position have occurred after the end of the financial year till the date of this report.

**d) 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.

**e) Manufacturing Facilities:** The Company has a state of the art WHO-GMP certified manufacturing facilities at Pigdamber, Indore that manufactures a wide range of dosage forms like Injections, Tablets, Ointments and Capsules. 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 at this site.

**f) Subsidiaries, Associates and Joint Ventures:** During the financial year, the Company acquired 100% of the shares of Norfolk Mercantile Private Limited making it a wholly owned subsidiary. In accordance with the provisions of Section 136(1) of the Companies Act, 2013, Annual Report of the Company containing therein its standalone and the consolidated financial statements and audited annual accounts of each of the subsidiary companies have been placed on the website of the Company. Further, as required, the financial data of the subsidiaries, joint venture and associate companies is furnished in the prescribed Form AOC-1 attached to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 and Accounting Standard, AS-21 read with Accounting Standard, AS-23, the audited consolidated financial statements of the Company are also attached.

**g) 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 and veterinary products through a ethical marketing model.

**h) International Markets:** The Company continues to lay emphasis on its overseas business. The Company works closely with all its overseas associates 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.

**i) Business Strategy:** The Company has its vision towards optimizing shareholder value. The Company has been consolidating its product range to a more efficient range which has resulted in a higher profit for most products. The Company is deriving its strength from diverse product capability, established client relationship, location advantage and an experienced management team.

**j) 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.

**k) 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.

**l) 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.

**m) Regulatory Approvals:** The Company continues to enjoy the approval of major international regulatory agencies and several dosage forms are being manufactured for export. This WHO-GMP certification of the plant has also been renewed.

**n) Segment-wise Results:** The Company operates in the single segment of Drugs and Chemicals which is the Primary Reportable Segment as per Accounting Standard, AS-17. Secondary Segment reporting is given in Notes to the financial statements.

## SHARE CAPITAL

There is no change in the Share Capital of Company. The Company has not issued any security during the Financial Year.

## DIVIDEND

The Directors do not recommend any dividend for the financial year in reference, with a view to retain internal accruals.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sharad Lunawat, Mr. Devendra Baheti and Mr. Krishna Das Malani were re-appointed as Independent Directors as per provisions of Section 149 of Companies Act, 2013. The Independent Directors of the Company have

declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

Mr. P. R. Patel was re-appointed as Managing Director and Mr. M. S. Chawla and Mr. P. C. Shah were re-appointed as Whole Time Directors of the Company.

Mr. P. R. Patel, Managing Director, Mr. M. S. Chawla & Mr. P. C. Shah, Whole Time Directors, Mr. Jayesh Patel, CEO, Mr. B. C. Shah, CFO and Ms. Monali Patel, Company Secretary are “Key Managerial Personnel” of the Company as per Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ms. Shashi Jain was appointed as Additional /Independent Director (Woman) by the Board of Directors. Your Board has received the proposal to confirm her as regular director in ensuing Annual General Meeting.

Mr. P. C. Shah, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment. A brief note on Directors retiring by rotation and eligible for re-appointment as well as Independent Directors being appointed is furnished in the annexed Corporate Governance Report.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director.

### **REMUNERATION POLICY**

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Persons and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report annexed to this report. The Company's philosophy is to align Directors and employees compensation with the longer term interests of the Company and its shareholders. The Company pays remuneration by way of salary to its Managing Director and Executive Directors. Annual increments are decided by the Compensation Committee within the salary scale approved by the Board and Shareholders. The Remuneration Policy is detailed in the Report on Corporate Governance. Information about elements of remuneration package of directors is provided in the annexed Extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013.

### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company conducts a familiarization program for the Independent Directors with regards to their role, rights and responsibilities. The Independent Directors are also regularly briefed on the nature of the pharmaceuticals industry and the Company's business model. The details of the familiarization program has been uploaded on the website of the Company.

### **MEETINGS OF THE BOARD AND COMMITTEES THEREOF**

The Board met 10 times in the year. Detailed information has been furnished under the annexed Corporate Governance Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, it is confirmed that the Directors have:

- i. followed applicable accounting standards in the preparation of the annual accounts along with proper explanation relating to material departures
- ii. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> Mar 2015 and of the Profit and Loss of the Company for that period
- iii. taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv. prepared the annual accounts on a going concern basis
- v. laid down internal financial controls to be followed and that such controls are adequate and were operating effectively
- vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### **CORPORATE GOVERNANCE**

The Corporate Governance Report as stipulated under Clause 49 of the Listing Agreement forms part of this report.

### **FIXED DEPOSITS**

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

### **AUDIT COMMITTEE**

Details of the Audit Committee, its constitution and other details are provided in the annexed Corporate Governance Report.



**AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS**

C. H. Padliya & Co. (FRN 003151C), Chartered Accountants, retire as auditors and being eligible, offer themselves for re-appointment. The Auditors' Report is self-explanatory and does not contain any qualification, reservation or adverse remark.

**COST AUDITOR**

Pursuant to the provisions of Section 148 of the Companies Act, 2013, Sudeep Saxena & Associates ( FRN 100980), Cost Accountants, were appointed to conduct audit of cost records for the financial year 2014-15. The Cost Audit Report for the financial year 2013-14 was filed with the Ministry of Corporate Affairs on 24<sup>th</sup> September 2014.

**SECRETARIAL AUDIT**

The Board had appointed Shilpesh Dalal & Co., Company Secretary in Practice, as the secretarial auditor for the financial year 2014-15. The Secretarial Audit Report (MR-3) for the financial year ending 31<sup>st</sup> March 2015 is annexed to this report.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Particulars under Section 186 of the Companies Act, 2013 are provided in the Notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the Company's business. There were no materially significant transactions within the meaning of Clause 49 of the listing agreement with any Related Parties which were in conflict with the interest of the Company. Related party transactions under Accounting Standard, AS-18 are disclosed in the Notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company. Form AOC-2 pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed to this report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Details of remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report. There were no employees with remuneration in excess of the limits set out under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CODE OF CONDUCT**

The Board has laid down a Code of Conduct for Board Members and Key Managerial Persons of the Company. The Code of Conduct is posted on Company's website and the Managing Director has declared that all Board Members and Key Managerial Persons have affirmed compliance with the Code of Conduct of the Company.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has also adopted a code of conduct for prevention of insider trading. This is also posted on Company's website and all Directors, Key Managerial Persons and other employees who have access to unpublished price sensitive information of the Company are governed by this code and have complied with it.

**VIGIL MECHANISM /WHISTLE BLOWER POLICY**

There is a Whistle Blower Policy in the Company and no personnel has been denied access to the Chairman of the Audit Committee. The policy provides adequate safe guards against victimization of persons who use vigil mechanism. No complaints have been received during the year and the Vigil Mechanism /Whistle Blower Policy is posted on the website of the Company.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, temporary, contractual and trainees) are covered under this policy. No cases were reported under the Prevention of Sexual Harassment during the year in reference.

**RISK MANAGEMENT**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. There are no risks which threaten the existence of your Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATOR, TRIBUNAL OR COURT**

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

**ENERGY CONSERVATION, TECH. ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this report.

**EXTRACT OF ANNUAL RETURN**

An Extract of Annual Return in Form MGT-9 as on 31<sup>st</sup> March 2015 is annexed to this report.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the continued hard work put in by employees and all stakeholders at all levels.

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

**P. R. Patel**

Managing Director

Pigdamber, Rau, Indore, 08<sup>th</sup> August 2015**M. S. Chawla**

Director

**P. C. Shah**

Director

**ANNEXURES TO THE DIRECTORS' REPORT****Annexure-1 to Directors' Report****Corporate Governance Report**

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

**1. Corporate Governance Philosophy**

Our corporate governance policies recognize the accountability of the Board and importance of its decisions to all constituents 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. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of Clause 49 of the Listing Agreement.

**2. Board of Directors**

The Board of Directors is currently comprised of a Promoter Managing Director, two Promoter Executive Directors and four Independent Non-executive Directors who have wide and varied experience in different disciplines.

The composition and category of the Board of Directors at the end of the year was as follows:

Category	Name of Director
Promoter Managing Director:	Mr. Purushottam R. Patel
Promoter Executive Directors:	Mr. Mahendra Singh Chawla, Mr. Pravin C. Shah
Independent Non-Executive Directors:	Mr. Sharad Chand Lunawat, Mr. Devendra Baheti, Mr. Krishna Das Malani
Independent Non-Executive Woman Director:	Ms. Shashi Jain

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 ten times during the period under review on 29/May/14, 20/Jun/14, 08/Aug/14, 14/Aug/13, 23/Sep/14, 14/Nov/14, 02/Feb/15, 11/Feb/15, 11/Mar/15 and 31/Mar/14. As per the provisions of Schedule IV to the Companies Act, 2013 and Clause 49 of the listing agreement, a separate meeting of the Independent Directors of the Company was held on 22/Sep/14. Attendance at meetings during the year & the last AGM held on 30/Sep/14 and Board /Committee membership details is as under:

Name of Director <sup>2</sup>	Attendance Particulars		No of Directorships in domestic companies (including this Company)	No of Committee Memberships <sup>1</sup> in domestic public limited companies (including this Company)	No. of equity shares held on 31/Mar/15
	Board Meetings	Last AGM			
Mr. Purushottam R. Patel	9	Yes	1	5	5,40,870
Mr. Mahendra Singh Chawla	10	Yes	2	4	13,66,600
Mr. Pravin C. Shah	10	Yes	2	-	11,00,580
Mr. Sharad Chand Lunawat	5	Yes	8	2	-
Mr. Devendra Baheti	6	Yes	2	6	-
Mr. Krishna Das Malani	5	Yes	1	1	-

<sup>1</sup>None 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.

<sup>2</sup>Ms. Shashi Jain Appointed as an Additional /Independent Director (Woman) at the Board Meeting held on 31<sup>st</sup> March 2015. Ms. Jain holds 2,000 shares of the Company.

None of the Directors are related to each other.

**Information required under Clause 49 of the listing agreement on Directors seeking appointment/ re-appointment**

Mr. P. C. Shah, aged 67 years, is a promoter director of the Company and has more than 40 years of experience in the pharmaceutical industry and is a co-founder of the Company. He provides quality management expertise to the Company. He does not hold any other directorship and holds 11,00,580 equity shares of the Company.

**3. Code Of Conduct**

The Board has laid down a Code of Conduct for Board Members and Key Managerial Persons of the Company. The Code of Conduct is posted on Company's website and the Managing Director has declared that all Board Members and Key Managerial Persons have affirmed compliance with the Code of Conduct of the Company.

The Company also has a code of conduct for prevention of insider trading. This is also posted on Company's website and all Directors, Key Managerial Persons and other employees who have access to unpublished price sensitive information of the Company are governed by this code and have complied with it.

**4. Audit Committee**

The Audit Committee comprises of Mr. Devendra Baheti, Chairman of the Committee & Mr. Sharad Chand Lunawat, both Independent Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee and Mr. Purushottam R. Patel, Managing Director. Mr. Mahendra Singh Chawla, Executive Director and Mr. Bakulesh Shah, CFO along with the Statutory Auditors and the Internal Auditors of the Company are invitees to the meetings. Ms. Monali Patel, Company Secretary is the Secretary of this Committee.

S.S. Gandhi & Co. (FRN: 072034) is the appointed Internal Auditor of the Company under the provisions of Section 138 of the Companies Act, 2013.

The terms of reference to this Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and paragraphs C and D of Clause 49(11) of the Listing Agreement. The responsibilities of the Committee include financial reporting, standards compliance and review of financial policies of the Company and to recommend the appointment of Statutory Auditors and Internal Auditors and to fix their remuneration. The Committee also reviews all the unaudited and audited financial results before the submission to the Board.

The Committee met five times during the year on 29/May/14, 08/Aug/14, 23/Sep/14, 14/Nov/14 and 11/Feb/15. All members attended all meetings as well as the AGM held on 30/Sep/14.

**5. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Devendra Baheti, Chairman of the Committee, Mr. Sharad Chand Lunawat and Mr. Krishna Das Malani, all Independent Directors.

The terms of reference to this Committee, inter-alia, covers all the matters specified under Clause 49 of the Listing Agreement. The responsibilities of the Committee include formulating the Remuneration Policy which is posted on the website of the Company and a policy on Board Diversity, periodically reviewing the compensation structure and policies of the Company to attract and retain employees, formulating the criteria for the remuneration of the Directors, Key Managerial Persons and other employees and identifying persons who are qualified to be Directors and senior management as per the criteria laid down.

The Committee met twice during the year on 29/May/14 and 08/Aug/14. All members attended all meetings.

Details of remuneration paid /payable to the Managing Director, Executive Directors and Independent Directors for the Financial Year 2014-15 (no loans have been advanced)

Director	(in ₹)	Type	Remuneration	Sitting Fees	Other	Total
Mr. Purushottam R. Patel		Managing Director	27,00,000	-	-	27,00,000
Mr. Mahendra Singh Chawla		Executive Director	27,00,000	-	-	27,00,000
Mr. Pravin C. Shah		Executive Director	25,20,000	-	-	25,20,000
Mr. Sharad Chand Lunawat		Independent Director	-	9,000	-	9,000
Mr. Devendra Baheti		Independent Director	-	9,000	-	9,000
Mr. Krishna Das Malani		Independent Director	-	9,000	-	9,000

Note: None of the Directors have received any remuneration or commission from Company's Holding or Subsidiary Companies.

**Remuneration Policy of the Company****a. Objective**

The objective of the Remuneration Policy of Company is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives.

**b. The Nomination & Remuneration Committee**

Nomination & Remuneration Committee (Committee) is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Personnel (KMP) and Senior Executives of Company.

**c. Remuneration for Non-Executive Directors**

Non-Executive Directors (NED) are remunerated by way of Sitting Fee for each meeting of the Board attended by them.

#### **d. Remuneration for Executive Director, Key Managerial Personnel (KMP) and Senior Executives**

The following elements are considered for determining the Remuneration of Directors, KMP and Senior Executives:

- The remuneration policy reflects a balance between the interests of Company's main stakeholders as well as a balance between the Company's short term and long term goals. The Management of Company strives for sustainability while maintaining a balance between economic gain, respect for people and concern for the environment.
- To ensure that highly skilled and qualified KMPs /Senior Executives can be attracted and retained, the Company aims for a remuneration level comparable to other companies that are similar to the Company in both size and complexity.
- In designing and setting the levels of remuneration for the Directors, KMPs and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of the Corporate Governance regulations, societal and market trends and the interests of all stakeholders.
- The total compensation of the Managing Director, Whole Time Directors, KMPs and Senior Executives may consist of both a Base Salary and a Variable income. Both the Base Salary and the Variable income are reviewed periodically.

#### **e. Remuneration for other Employees**

Remuneration of middle and lower level employees of the Company consists mostly of fixed pay and a reasonable performance pay which is reviewed on an annual basis. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company.

#### **f. Remuneration for Workmen**

Remuneration of workmen employed by the Company consists of fixed pay and performance incentives, which is negotiated and agreed upon on periodical basis. Increase in the remuneration of workmen is effected based on a review of performance of the Company and increase in the general price levels /cost of living index, etc.

#### **g. Employee Stock Options**

The Company may introduce employee stock options to inculcate a sense of ownership among the employees of the Company.

#### **h. Alignment of Remunerations**

The Committee strives to achieve that the remunerations of the Directors, Senior Executives, middle and lower level employees of Company are aligned to each other.

#### **i. Term of Appointment**

Term of Managing Director is generally for a period of 3 years and renewed for similar periods from time to time. However, the Board reserves the right to increase /decrease the period as it may deem fit. Whereas, term of the other employees, generally is up to superannuation. The Company may also employ contractual employees as 'consultants' for shorter periods on need basis.

#### **j. Post-retirement Benefits**

All permanent employees are entitled for retirement benefits such as provident fund, superannuation fund and gratuity.

#### **k. Severance Arrangements**

Contracts of employment with Executive Directors and regular employees, provide for compensation of up to 3 months pay or advance notice of similar period.

#### **l. Loans**

The Company may grant Loan to Directors, KMPs and employees of the Company, on a case to case basis and on such Terms and Conditions on Recommendation of Nomination and Remuneration Committee. The Loan shall not at any point of time, exceed 20 times of his basic salary and the EMI shall not exceeding 40% of his basic salary.

#### **h. Laws**

All requirements of the law take precedence over the Policy.

#### **6. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of Mr. Devendra Baheti, Chairman of the Committee, Independent Directors, Mr. Purushottam R. Patel, Managing Director and Mr. Mahendra Singh Chawla, Executive Director. The Committee apart from the ensuring timely share transfers also looks into any investors complaints. Ms. Monali Patel, Company Secretary acts as the Company's Compliance Officer and expeditiously attends to all investor complaints and correspondence.

The Committee met four times during the year on 29/May/14, 08/Aug/14, 14/Nov/14 and 11/Feb/15. All members attended all meetings. During the year under review, 4 investor grievances were received and all of them were resolved expeditiously.

#### **7. Risk Management Committee**

The Risk Management Committee was constituted by the Board of Directors at its meeting held on 23/Sep/14 in adherence to Clause 49 of the Listing Agreement and comprises of Mr. Mahendra Singh Chawla & Mr. Pravin C. Shah, both Executive Directors and Mr. Bakulesh Shah, CFO. The Committee monitors and reviews the risk management plan and discharges such other functions as may be delegated to the Committee by the Board from time to time.

The Committee met twice during the year on 14/Nov/14 and 11/Feb/15. All members attended all meetings.

### 8. Subsidiary Companies

The Company has 1 non-listed, non-material (within the meaning of Clause 49 of the Listing Agreement) wholly owned Indian subsidiary company, the financial statements of which are regularly reviewed by the Audit Committee and the Board of Directors. The minutes of board meetings of subsidiary companies are also placed before the Board meetings of the Company.

### 9. General Body Meetings

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

Year	Ended	Venue	Date	Time	Special Resolutions
24 <sup>th</sup>	31/Mar/12	33/2 Pigdamber. A B Road, Indore	27/Sep/12	11:45 AM	None
25 <sup>th</sup>	31/Mar/13	33/2 Pigdamber. A B Road, Indore	06/Aug/13	11:45 AM	None
26 <sup>th</sup>	31/Mar/14	33/2 Pigdamber. A B Road, Indore	30/Sep/14	11:45 AM	1. Appointment of Mr. P. R. Patel as Managing Director of the Company 2. Appointment of Mr. M. S. Chawla as Whole Time Director 3. Appointment of Mr. P. C. Shah as Whole Time Director 4. Approval for Borrowing under Section 180(1)(c) of the Companies Act, 2013

No Extra-ordinary General Meetings have been held during last three financial years.

The Company passed one resolution by way of postal ballot vide notice dated 12<sup>th</sup> February 2014 to sell, transfer and dispose off the Company's Unit-II Undertaking situated at 481, 470, 471 Sector III Industrial Area, Pithampur, District Dhar (M.P.) as a "going concern". The resolution was declared passed on 04<sup>th</sup> April 2014. The summary of the postal ballot is as follows:

	Total Votes received:	44,74,760	Invalid Votes:	(31,769)
Net Valid Votes:	44,42,991			
Votes In Favor and %:	43,91,189	98.83%		
Votes Against and %:	51,802	1.17%		

All resolutions including special resolutions set out in the notices calling the AGM /postal ballot notice were passed by the shareholders. There is no proposal to pass any special resolution through postal ballot at the ensuing Annual General Meeting.

### 10. Disclosure

- There were no materially significant related party transactions during the year that may have potential conflict with the interests of the Company. Transactions with the related parties are disclosed in the Notes to the Accounts.
- There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on such matters during the last three years.
- The company had made application for compounding to H'ble CLB Mumbai, in the matter of violation for certain disclosure requirement u/s 211 of the Companies Act, 1956, in the Annual Report for FY 2007. H'ble Board compounded the offense and imposed compounding fees of Rs. 50,000 each on the Company, the Mg. Director and 2 Whole Time Directors.
- There is a Whistle Blower Policy in the Company and no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism.
- The Company has complied with all the mandatory requirements of corporate governance under the Listing Agreement.

### 11. CEO and CFO Certification

The CEO /CFO have certified positively to the Board on the matters specified under Clause 49(IX) of the Listing Agreement.

### 12. Means of Communications

- 1) Quarterly unaudited and Yearly audited results are published in the newspapers 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 at [www.alpalabs.com](http://www.alpalabs.com)

### 13. General Shareholders Information

- a. Registered Office: 33/2 Pigdamber, A B Road, Rau, Indore (M.P.) 453446, INDIA
- b. Compliance Officer: Ms. Monali Patel [is@alpalabs.com](mailto:is@alpalabs.com)

- c. Annual General Meeting:** 30<sup>th</sup> September 2015 at the Registered Office of the Company at 11:45 A.M.  
**d. Financial Year:** 01<sup>st</sup> April to 31<sup>st</sup> March  
**e. Date of Book Closure:** 21<sup>st</sup> September 2015 to 30<sup>th</sup> September 2015 (Both days inclusive)  
**f. Dividend Payment Date:** Not Applicable  
**g. Listing on Stock Exchanges:** The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.  
The Company has paid listing fees to both the stock exchange for the year 2015-16  
**h. Stock Code:** BSE: 532878 NSE: ALPA ISIN: INE385I01010  
**i. 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](mailto:ipo@bigshareonline.com) Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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

- j. Plant Locations:** 33/2 Pigdamber, A. B. Road, Rau, Indore (M.P.) 453446, India

**k. Market Price Data:**

2014-15	Bombay Stock Exchange (BSE)		BSE Sensex Index		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High	Low	High(₹)	Low(₹)
April	10.00	8.70	22,939.31	22,197.51	10.25	8.55
May	9.37	8.04	25,375.63	22,277.04	9.45	7.90
June	10.20	8.99	25,725.12	24,270.20	10.25	8.95
July	11.93	8.61	26,300.17	24,892.00	11.95	8.80
August	11.20	9.65	26,674.38	25,232.82	11.50	9.80
September	12.65	9.60	27,354.99	26,220.49	12.85	9.50
October	20.91	13.28	27,894.32	25,910.77	20.45	13.20
November	20.15	13.85	28,822.37	27,739.56	20.35	14.25
December	15.85	12.95	28,809.64	26,469.42	15.95	12.80
January	14.51	12.37	29,844.16	26,776.12	14.70	14.70
February	14.15	11.12	29,560.32	28,044.49	14.00	11.05
March	12.85	11.00	30,024.74	27,248.45	13.80	10.85

(Source: BSE & NSE Websites)

**l. Distribution of Shareholding at end of the year was as follows:**

No. of shares	No. of share holders	%	No. of shares held	%
1-5,000	8,671	78.71	16,28,360	7.74
5,001-10,000	1,216	11.04	9,91,284	4.71
10,001-20,000	608	5.52	9,28,757	4.41
20,001-30,000	152	1.38	3,94,365	1.87
30,001-40,000	73	0.66	2,63,322	1.25
40,001-50,000	73	0.66	3,44,497	1.64
50,001-100,000	107	0.97	7,73,842	3.68
Over 100,000	117	1.06	1,57,16,173	74.69
<b>TOTAL</b>	<b>11,017</b>	<b>100.00</b>	<b>2,10,40,600</b>	<b>100.00</b>
Physical Mode	30	0.27	1,12,72,455	53.57
Electronic Mode	10,987	99.73	97,68,145	46.43

**m. De-materialization of Shares and Liquidity:**

At the end of the year, there were 97,68,145 equity shares that had been dematerialized, representing 46.43% of the paid up share capital of the Company. The shares of the Company are traded frequently.

**n. Shareholding pattern at end of the year was as follows:**

Category	No. of share holders	%	No. of shares held	%
Clearing Member	10	0.09	4,136	0.02
Corporate Bodies	156	1.42	7,56,763	3.60
NRI Promoters	2	0.02	49,900	0.24
NRIs	81	0.74	2,07,141	0.98
Promoters	24	0.22	1,14,39,470	54.37
Public	10,744	97.52	85,83,190	40.79
<b>TOTAL</b>	<b>11,017</b>	<b>100.00</b>	<b>2,10,40,600</b>	<b>100.00</b>

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

**P. R. Patel**  
Managing Director  
Pigdamber, Rau, Indore, 08<sup>th</sup> August 2015

**M. S. Chawla**  
Director

**P. C. Shah**  
Director

**CERTIFICATE ON COMPLIANCE OF CLAUSE 49 OF THE LISTING AGREEMENT**

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

I have examined the compliance by Alpa Laboratories Limited (the Company) of the requirements under Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchanges, for the year ended 31<sup>st</sup> March 2015. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures adopted, and implementation thereof, by the Company for ensuring compliance with the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the aforesaid examination and according to the information and explanations given to us, I certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

**Shilpesh Dalal**, Practicing Company Secretary  
FCS No. 5316, Certificate of Practice No. 4235  
Indore, 08<sup>th</sup> August 2015

**Annexure-2 to Directors' Report****Secretarial Audit Report (MR-3)**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members, **Alpa Laboratories Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Alpa Laboratories Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992;
  1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements ) Regulations, 2009;
  4. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  5. The other regulations of the Securities and Exchange Board of India as may be applicable to the Company.
- (vi) Other laws applicable to the Company as per representations made by the management of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
- (ii) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not

in force as on the date of this report.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings were taken unanimously.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules regulations and guidelines.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**Shilpesh Dalal**, Practicing Company Secretary  
FCS No. 5316, Certificate of Practice No. 4235  
Indore, 08th August 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

#### **Annexure-A to Secretarial Audit Report**

To,  
The Members, **Alpa Laboratories Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Shilpesh Dalal**, Practicing Company Secretary  
FCS No. 5316, Certificate of Practice No. 4235  
Indore, 08th August 2015



**Annexure-3 to Directors' Report****Related Party Transactions (Form AOC-2)**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

- a. Name(s) of the related party and nature of relationship: None
- b. Nature of contracts /arrangements /transactions: None
- c. Duration of the contracts /arrangements/transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f. Date(s) of approval by the Board: Not Applicable
- g. Amount paid as advances, if any: None
- h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- a. Name(s) of the related party and nature of relationship: None
- b. Nature of contracts /arrangements /transactions: None
- c. Duration of the contracts /arrangements /transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Date(s) of approval by the Board: Not Applicable
- f. Amount paid as advances, if any: None

Note: All related party transactions that were entered into during the financial year were non-material and were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Clause 49 VII C of Listing Agreement. However, during the financial year being reported, the Company acquired 100% shareholding of Norfolk Mercantile Private Limited ('NMPL') making it a wholly owned subsidiary, hence a related party. The Company invested in 1,010 Compulsory Convertible Debentures (CCDs) of ₹ 1 lac each issued for a term of 20 years at 9% per year by NMPL for a total sum of ₹ 1,010 lacs as approved by the board in its meeting on 02<sup>nd</sup> February 2015. Related party transactions are also duly disclosed in the Notes to the financial statements.

**Annexure-4 to Directors' Report****Employee Remuneration Ratios**

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

i. The percentage increase in remuneration of Directors and KMPs during the financial year 2014-15, ratio of the remuneration of Directors to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of KMPs against the performance of the Company are as under:

SN	Name of the Director /KMP and Designation	Remuneration of Director /KMP for the financial year 2014-15 (₹)	% change in remuneration in the financial year 2014-15	Ratio of remuneration to median remuneration of employees	Comparison of the Remuneration with the performance of the Company
1	P. R. Patel, Managing Director	27,00,000	0.00	34.44	During the year, the net total income of the Company increased by 5.07% to ₹ 6,018.20 lacs and loss decreased by 72.90% to ₹ 139.68 lacs.
2	M. S. Chawla, Executive Director	27,00,000	0.00	34.44	
3	P. C. Shah, Executive Director	25,20,000	0.00	32.14	
4	S. C. Lunawat, Independent Director	9,000	100.00	0.11	
5	D. K. Baheti, Independent Director	9,000	50.00	0.11	
6	K. D. Malani, Independent Director	9,000	50.00	0.11	
7	Jayesh Patel, CEO	22,80,000	0.00	29.08	
8	B. C. Shah, CFO	16,20,504	0.00	20.67	
9	Mayank Lashkari, Comp. Secretary	24,000		Ceased w.e.f 20/May/2014	
10	Monali Patel, Company Secretary	1,33,760		Appointed w.e.f. 20/Jun/2014	

ii. The median remuneration of the employees of the Company during the financial year was ₹ 78,408, up by 9.10%.

iii. There were 366 permanent employees on the rolls of Company as on 31<sup>st</sup> March 2015.

1. During the year, the net total income of the Company increased by 5.07% to ₹ 6,018.20 lacs and loss decreased by 72.90% to ₹ 139.68 lacs and the median remuneration increased by 9.10% which was in line with the industry trend. The total remuneration of KMPs increased by 1.27% from ₹ 118.28 lacs in 2013-14 to ₹ 119.78 lacs in 2014-15. The remuneration of Key Managerial Personnel against the Company's total income is 1.99%.

2. The market capitalization as on 31<sup>st</sup> March 2015 was ₹ 2,377.59 lacs (₹ 2,188.22 lacs as on 31<sup>st</sup> March 2014). Price to Earnings ratios cannot be computed due to a net loss in both years. The Company came out with an IPO in July 2007 at a price of ₹ 68 per share and it started trading on the exchanges on 03<sup>rd</sup> Aug 2007. The price on 03<sup>rd</sup> Aug 2015 was ₹ 15.80, therefore the CAGR is -16.68%

iv. Average increase made in the salaries of employees other than the managerial personnel in the FY 2014-15 was 16.48% whereas there was a decrease of 1.85% in the managerial remuneration.

v. The key parameters for the variable component (if any) of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee

vi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable; and

vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policies of the Company.

viii. The above analysis /presentation does not give a true and fair view as the Company sold its Unit-II division midway in FY 2014-15 which substantially impacted both remuneration and performance figures of the Company.

**Annexure-5 to Directors' Report**

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

**A. Conservation of Energy**

- The Company continues its efforts towards energy conservation including regular review and effective control on utilization of energy. During the financial year, the Company has taken conservation measures steps including replacement of inefficient motors, installation of VFDs, replacement of V belts, installation of energy efficient cooling tower, maintaining of load factor & power factor and replacement of conventional gear boxes.
- The Company is evaluating utilizing alternate sources of energy in its operations, especially solar energy.
- The Company has not incurred expenses specifically attributed to energy conservation equipment.

**B. Technology Absorption**

- The Company is routinely registering formulations for existing and newer active drug substances.
- This activity helps the Company maintain a strong presence in the markets of operation.
- The Company has not imported any technology during the last 5 years.
- The Company has not incurred any expenses on research and development.

**C. Foreign Exchange earning and outgo**

- Earnings: The CIF value of exports during the year aggregated to ₹ 16.90 Cr. as against ₹ 15.46 Cr. in the previous year.
- Outgo: Detailed information is furnished in the Notes to the Accounts.

**Annexure-6 to Directors' Report****Extract Of Annual Return (MGT-9)**

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

**I. Registration and Other Details**

- a) CIN: L85195MP1988PLC004446  
b) Registration Date: 18th March 1988  
c) Name of the Company: Alpa Laboratories Limited  
d) Category /Sub-Category of the Company: Company limited by shares  
e) Address of the Registered office and Contact details: 33/2 Pigdamber, A.B. Road, Rau, Indore (M.P.) 453446  
Ph: +91-731-429-4567 mail@alpalabs.com  
f) Whether listed company: Yes  
g) Name, Address and Contact of Registrar and Transfer Agent: Bigshare Services Private Limited  
E/2 Ansa Industrial Estate, Saki Vihar Road  
Andheri (East) Mumbai 400072  
Ph: +91-22-2847-0652 ipo@bigshareonline.com

**II. Principal Business Activities of the Company**

Name and Description of main products /services: Pharmaceuticals NIC Code: 210 % of total turnover: 100 %

**III. Particulars of Holding, Subsidiary and Associate Companies**

- a) Name & address: Norfolk Mercantile Private Limited, E/704 Mahavir Darshan, Kandivali (W) Mumbai 400067  
b) CIN: U74120MH2014PTC252923  
c) Holding /Subsidiary /Associate: Wholly Owned Subsidiary  
d) % of shares held: 100%  
e) Applicable Section: 2(87)(ii)

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

- a) Category-wise Share Holding

Category of Shareholder	Shares held at the beginning of the year				Shares held at the end of the year				% Change in year	
	Demat	Physical	Total	%	Demat	Physical	Total	%		
<b>A1. Indian Promoters</b>										
Individual /HUF	7,88,650	1,06,50,820	1,14,39,470	54.37	7,88,650	1,06,50,820	1,14,39,470	54.37	0.00	
Government	0	0	0	0.00	0	0	0	0.00	0.00	
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
Bank /FI	0	0	0	0.00	0	0	0	0.00	0.00	
Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub Total (A1)</b>	<b>7,88,650</b>	<b>1,06,50,820</b>	<b>1,14,39,470</b>	<b>54.37</b>	<b>7,88,650</b>	<b>1,06,50,820</b>	<b>1,14,39,470</b>	<b>54.37</b>	<b>0.00</b>	
<b>A2. Foreign Promoters</b>										
Individual	0	49,900	49,900	0.24	0	49,900	49,900	0.24	0.00	
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
Bank /FI	0	0	0	0.00	0	0	0	0.00	0.00	
Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub Total (A2)</b>	<b>0</b>	<b>49,900</b>	<b>49,900</b>	<b>0.24</b>	<b>0</b>	<b>49,900</b>	<b>49,900</b>	<b>0.24</b>	<b>0.00</b>	
<b>Shareholding of Promoters (A)</b>	<b>7,88,650</b>	<b>1,07,00,720</b>	<b>1,14,89,370</b>	<b>54.61</b>	<b>7,88,650</b>	<b>1,07,00,720</b>	<b>1,14,89,370</b>	<b>54.61</b>	<b>0.00</b>	
<b>B1 Public Institutions</b>										
Mutual Fund	0	0	0	0.00	0	0	0	0.00	0.00	
Bank /FI	0	0	0	0.00	0	0	0	0.00	0.00	
Government	0	0	0	0.00	0	0	0	0.00	0.00	
Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00	
Insurance Company	0	0	0	0.00	0	0	0	0.00	0.00	
FII	0	0	0	0.00	0	0	0	0.00	0.00	
Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00	
Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-Total (B1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>B2. Public Non-institutions</b>										
Bodies Corporate	5,98,406	0	5,98,406	2.84	7,56,763	0	7,56,763	3.60	0.75	
Individual		0	0	0.00		0	0	0.00	0.00	
nominal share capital up to ₹ 100,000	52,11,474	5,205	52,16,679	24.79	50,66,230	5,205	50,71,435	24.10	-0.69	
nominal share capital in excess of ₹ 100,000	29,36,255	5,66,530	35,02,785	16.65	29,45,225	5,66,530	35,11,755	16.69	0.04	

Any Other		0	0	0.00		0	0	0.00	0.00
Clearing Member	12,456	0	12,456	0.06	4,136	0	4,136	0.02	-0.04
NRI	2,20,904	0	2,20,904	1.05	2,07,141	0	2,07,141	0.98	-0.07
<b>Sub-Total (B2)</b>	<b>89,79,495</b>	<b>5,71,735</b>	<b>95,51,230</b>	<b>45.39</b>	<b>89,79,495</b>	<b>5,71,735</b>	<b>95,51,230</b>	<b>45.39</b>	<b>0.00</b>
<b>Total Public Shareholding (B)</b>	<b>89,79,495</b>	<b>5,71,735</b>	<b>95,51,230</b>	<b>45.39</b>	<b>89,79,495</b>	<b>5,71,735</b>	<b>95,51,230</b>	<b>45.39</b>	<b>0.00</b>
C. Shares held by Custodians (C)	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>97,68,145</b>	<b>1,12,72,455</b>	<b>2,10,40,600</b>	<b>100.00</b>	<b>97,68,145</b>	<b>1,12,72,455</b>	<b>2,10,40,600</b>	<b>100.00</b>	<b>0.00</b>

## b) Shareholding of Promoters

SN	Shareholder's Name	Shares held at the beginning of the year			Shares held at the end of the year		
		Quantity	%	% Pledged /Encumbered	Quantity	%	% Pledged /Encumbered
1	Purushottam R. Patel	5,40,870	2.57	0.00	5,40,870	2.57	0.00
2	Mahendra Singh Chawla	13,66,600	6.50	0.00	13,66,600	6.50	0.00
3	Pravin C. Shah	11,00,580	5.23	0.00	11,00,580	5.23	0.00
4	Bakulesh Shah	10,26,600	4.88	0.00	10,26,600	4.88	0.00
5	Paresh Chawla	6,34,000	3.01	0.00	6,34,000	3.01	0.00
6	Nayana Patel	5,46,420	2.60	0.00	5,46,420	2.60	0.00
7	Rima Shah	6,45,200	3.07	0.00	6,45,200	3.07	0.00
8	Rupal Shah	5,58,780	2.66	0.00	5,58,780	2.66	0.00
9	Purushottam R. Patel HUF	3,32,800	1.58	0.00	3,32,800	1.58	0.00
10	Bakulesh Shah HUF	21,940	0.10	0.00	21,940	0.10	0.00
11	Jayesh Patel	5,03,300	2.39	0.00	5,03,300	2.39	0.00
12	Jayesh Patel HUF	4,12,930	1.96	0.00	4,12,930	1.96	0.00
13	Kamlaben Patel	4,24,400	2.02	0.00	4,24,400	2.02	0.00
14	Jayana Patel	2,53,500	1.20	0.00	2,53,500	1.20	0.00
15	Neil Patel	2,72,880	1.30	0.00	2,72,880	1.30	0.00
16	Sandhya Patel	21,600	0.10	0.00	21,600	0.10	0.00
17	Amita Patel	2,74,500	1.30	0.00	2,74,500	1.30	0.00
18	Kusum Patel	28,300	0.13	0.00	28,300	0.13	0.00
19	Chhaya Chandel	4,06,800	1.93	0.00	4,06,800	1.93	0.00
20	Asha Chawla	4,83,900	2.30	0.00	4,83,900	2.30	0.00
21	Pooja Chawla	3,04,750	1.45	0.00	3,04,750	1.45	0.00
22	Soni Chawla	3,26,800	1.55	0.00	3,26,800	1.55	0.00
23	Saraswati Shah	1,73,200	0.82	0.00	1,73,200	0.82	0.00
24	Shitul Shah	2,86,440	1.36	0.00	2,86,440	1.36	0.00
25	Mitin Shah	2,05,560	0.98	0.00	2,05,560	0.98	0.00
26	Meeta Sethi	3,36,720	1.60	0.00	3,36,720	1.60	0.00
<b>TOTAL</b>		<b>1,14,89,370</b>	<b>54.61</b>	<b>0.00</b>	<b>1,14,89,370</b>	<b>54.61</b>	<b>0.00</b>

c) Change in Promoters' Shareholding: There is no change between 01<sup>st</sup> April 2014 and 31<sup>st</sup> March 2015

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Shareholder's Name	Date	Transactions		Cumulative Holding	
			Quantity	%	Quantity	%
1	Ashwin Doshi	01Apr14			3,09,000	1.47
		31Mar15			3,09,000	1.47
2	Mahendra Hazarimalji Jain	01Apr14			2,94,545	1.40
		25Sep14	-15,000	-0.07	2,79,545	1.33
		03Oct14	-47,000	-0.22	2,32,545	1.11
		10Oct14	-38,000	-0.18	1,94,545	0.92
		17Oct14	-40,879	-0.19	1,53,666	0.73
		24Oct14	-8,968	-0.04	1,44,698	0.69
		31Oct14	-49,308	-0.23	95,390	0.45
		07Nov14	-45,390	-0.22	50,000	0.24
	21Nov14	-50,000	-0.24	0	0.00	

	31Mar15			0	0.00
3 Jasmin Kishor Ajmera	01Apr14			2,77,655	1.32
	01Aug14	20,000	0.10	2,97,655	1.41
	07Nov14	5,000	0.02	3,02,655	1.44
	30Jan15	5,000	0.02	3,07,655	1.46
	31Mar15			3,07,655	1.46
4 Bang Equity Broking P. Ltd.	01Apr14			0	0.00
	27Mar15	1,00,000	0.48	1,00,000	0.48
	31Mar15	1,45,261	0.69	2,45,261	1.17
5 Inderjeet Singh Chawla	01Apr14			2,05,480	0.98
	31Mar15			2,05,480	0.98
6 Kamlesh D Punamiya	01Apr14			2,00,000	0.95
	31Mar15			2,00,000	0.95
7 Dinesh Chandra Rathi	01Apr14			2,03,225	0.97
	17Oct14	-56,800	-0.27	1,46,425	0.70
	24Oct14	-6,100	-0.03	1,40,325	0.67
	31Oct14	-37,100	-0.18	1,03,225	0.49
	31Dec14	-11,982	-0.06	91,243	0.43
	02Jan15	-5,050	-0.02	86,193	0.41
	09Jan15	-7,400	-0.04	78,793	0.37
	16Jan15	-15,877	-0.08	62,916	0.30
	23Jan15	-8,450	-0.04	54,466	0.26
	30Jan15	-1	0.00	54,465	0.26
	06Feb15	-23,110	-0.11	31,355	0.15
	13Feb15	-600	0.00	30,755	0.15
	20Feb15	-27,530	-0.13	3,225	0.02
	31Mar15			3,225	0.02
	8 Amarjeet Singh Chawla	01Apr14			1,58,150
31Mar15				1,58,150	0.75
9 Gulab Rochlani	01Apr14			1,33,000	0.63
	31Mar15			1,33,000	0.63
10 Rimpa Nihar Sarkar	01Apr14			1,09,090	0.52
	27Feb15	820	0.00	1,09,910	0.52
	06Mar15	13,307	0.06	1,23,217	0.59
	31Mar15			1,23,217	0.59
11 Alpine Properties Pvt. Ltd.	01Apr14			1,30,000	0.62
	22Aug14	-20,000	-0.10	1,10,000	0.52
	05Sep14	-20,000		90,000	0.43
	31Mar15			90,000	0.43
12 Rashesh Doshi	01Apr14			1,11,000	0.53
	31Mar15			1,11,000	0.53
13 Jayraj Ashwin Doshi	01Apr14			1,11,000	0.53
	31Mar15			1,11,000	0.53

## e) Shareholding of Directors and Key Managerial Persons

SN	Shareholder's Name	Date	Transactions		Cumulative Holding	
			Quantity	%	Quantity	%
1	Purushottam R. Patel	01Apr14			5,40,870	2.57
		31Mar15			5,40,870	2.57
2	Mahendra Singh Chawla	01Apr14			13,66,600	6.5
		31Mar15			13,66,600	6.5
3	Pravin C. Shah	01Apr14			11,00,580	5.23
		31Mar15			11,00,580	5.23
4	Jayesh Patel	01Apr14			5,03,300	2.39
		31Mar15			5,03,300	2.39

5	Bakulesh Shah	01Apr14	10,26,600	4.88
		31Mar15	10,26,600	4.88
6	Shashi Jain	01Apr14	2,000	0.01
		31Mar15	2,000	0.01

No other Director or KMP held shares in the Company at the beginning, during or at the end of the financial year.

#### V. Indebtedness

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

	Secured		Unsecured	Total
	Loans		Loans	
	Deposits			Indebtedness
	Total			
<b>Indebtedness at the beginning of the financial year (01<sup>st</sup> April 2014)</b>				
i) Principal Amount	22.99			22.99
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	0.00			0.00
<b>Total (i+ii+iii)</b>	<b>22.99</b>	<b>0.00</b>	<b>0.00</b>	<b>22.99</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	12.52			12.52
ii) Reduction	6.93			6.93
<b>Net Change</b>	<b>5.59</b>	<b>0.00</b>	<b>0.00</b>	<b>5.59</b>
<b>Indebtedness at the end of the financial year (31<sup>st</sup> March 2015)</b>				
i) Principal Amount	28.57			28.57
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	0.00			0.00
<b>Total (i+ii+iii)</b>	<b>28.57</b>	<b>0.00</b>	<b>0.00</b>	<b>28.57</b>

#### VI. Remuneration of Directors and Key Managerial Persons

Remuneration to Managing Director, Whole Time Directors and /or Manager

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total (in ₹)
		P. R. Patel	M. S. Chawla	P. C. Shah	
1	Gross salary				
a)	Salary as per provisions u/s 17(1) of the Income-tax Act, 1961	27,00,000	27,00,000	25,20,000	79,20,000
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961				
c)	Profits in lieu of salary u/s 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
5	Other				
	<b>Total (A)</b>	<b>27,00,000</b>	<b>27,00,000</b>	<b>25,20,000</b>	<b>79,20,000</b>
	Ceiling as per the Act	₹ 42 lac per person as per Part-II, Section-II of Schedule-V of the Companies Act, 2013			

Remuneration to Other Directors

SN	Particulars of Remuneration	Name of Independent Director			Total (in ₹)
		S. C. Lunawat	D. K. Baheti	K. D. Malani	
1	Sitting Fees	7,500	9,000	7,500	24,000
5	Other	1,500	0	1,500	3,000
	<b>Total (B)</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>27,000</b>
	<b>Total Managerial Remuneration (A)+(B)</b>				<b>79,47,000</b>
	Overall Ceiling as per the Act	₹ 42 lac per person as per Part-II, Section-II of Schedule-V of the Companies Act, 2013			

Remuneration to Key Managerial Persons other than MD /Manager /WTD

SN	Particulars of Remuneration	Name of KMP			Total (in ₹)
		Jayesh Patel	Bakulesh Shah	M. Lashkari +M. Patel	
1	Gross salary				
a)	Salary as per provisions u/s 17(1) of the Income-tax Act, 1961	22,80,000	16,20,504	1,57,760	40,58,264
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961				

- c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961  
 2 Stock Option  
 3 Sweat Equity  
 4 Commission as % of profit  
 5 Other

**Total** **22,80,000** **16,20,504** **1,57,760** **40,58,264**

**VII. Penalties / Punishment / Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of imposed Penalty / Punishment / Compounding fees	Authority	Appeals made, if any
<b>A. COMPANY</b>					
Penalty	None				
Punishment	None				
Compounding	Section 211	For non disclosure of 10 items in Annual Report for FY 2006-07	₹ 5000 per particular (Total ₹ 50,000)	Western Bench of H'ble Company Law Board	None
<b>B. DIRECTORS</b>					
Penalty	None				
Punishment	None				
Compounding	Section 211	Same as Above for 3 Directors	₹ 5000 per particular per Director (Total ₹ 1,50,000)	Western Bench of H'ble Company Law Board	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None				
Punishment	None				
Compounding	None				

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

**P. R. Patel**  
 Managing Director  
 Pigdamber, Rau, Indore, 08<sup>th</sup> August 2015

**M. S. Chawla**  
 Director

**P. C. Shah**  
 Director

**INDEPENDENT AUDITOR'S REPORT**

**To,  
The Members of Alpa Laboratories Limited**

*Report on the Financial Statements*

1. We have audited the accompanying standalone financial statements of Alpa Laboratories Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

*Opinion*

8. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2015;
  - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

*Report on Other Legal and Regulatory Requirements*

9. As required by the Companies (Auditor's Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our



- examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation as at 31<sup>st</sup> March 2015 on its financial position in its financial statements.
    - ii. The Company has made provision as at 31<sup>st</sup> March 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2015.

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants, FRN 003151C

**S. C. Padliya**, Partner, Membership Number 071666  
Indore, 29<sup>th</sup> May 2015

**ANNEXURE REFERRED TO IN PARAGRPH 8 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2015 OF ALPA LABORATORIES LIMITED**

The following statement is based on the comments in the Auditor's reports on the standalone financial statements of the Holding Company and subsidiary.

- (i) (a) The Holding Company and its subsidiary have maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have not been physically verified by the Holding Company and its subsidiary during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) We have been informed that the inventory excluding inventory with third parties (which have been substantially confirmed) has been physically verified during the year by the management. 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 it's 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) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (b) and (c) of the Companies (Auditor's Report), 2015 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurating with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. 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 continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 and 76 of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order of the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of the products dealt with by the Company and are of the opinion that prima facie the prescribed accounts and records have

been made and maintained. However, we have not made a detailed examination of the records.

- (vii) (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 generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and other statutory dues as may be applicable to it from time to time.

According to the information and explanations given to us, no undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and other statutory dues were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.

(b) *According to the information and explanations given to us and records of the Company, the dues of Sales Tax, Income Tax and Service Tax, which have not been deposited on account of any dispute are as follows:*

Serial No.	Nature of Dues	Amount ₹ in lacs	Period to which the matter pertains	Forum where dispute pending
1	Value Added Tax	2.68	2002-03	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
2	Central Sales Tax	12.28	2002-03	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
3	Value Added Tax	14.25	2004-05	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
4	Central Sales Tax	19.24	2004-05	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
5	Income Tax	21.00	2007-08	Litigation Pending in the High Court.
6	Central Sales Tax	1.10	2012-13	First appeal filed before Addl. Comm. of Comm. Tax, Indore.

(c) According to the records of the Company, there was no amount which was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.

- (viii) The Company has neither accumulated losses as at 31<sup>st</sup> March 2015 nor it has incurred cash loss either during the year ended on that date or in the immediately preceding financial year.
- (ix) According to the information and explanations provided by the management, Company has neither defaulted in repayment of dues to bank or financial institution nor has issued any debentures.
- (x) 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.
- (xi) As per records of the Company and information and explanations provided to us by the management, the Company has not obtained any term loans.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants, FRN 003151C

**S. C. Padliya**, Partner, Membership Number 071666  
Indore, 29<sup>th</sup> May 2015

(₹ in lacs)

Balance Sheet as at 31 <sup>st</sup> March	Note	2015	2014
<b>Equity and Liabilities</b>			
<i>Shareholders' Funds</i>			
(a) Share Capital	1	2,104.06	2,104.06
(b) Reserves and Surplus	2	6,551.95	6,726.50
<i>Non-Current Liabilities</i>			
(a) Long Term Borrowings	3	-	420.07
(b) Deferred Tax Liabilities (Net)	32	-	140.02
(c) Other Long Term Liabilities	4	50.62	50.62
<i>Current Liabilities</i>			
(a) Short Term Borrowings	5	2,857.17	1,605.15
(b) Trade Payable	6	902.82	1,061.80
(c) Other Current Liabilities	7	238.62	489.28
(d) Short Term Provisions	8	125.53	73.50
<b>Total Equity and Liabilities</b>		<b>12,830.78</b>	<b>12,670.99</b>
<b>Assets</b>			
<i>Non-Current Assets</i>			
(a) Fixed Assets	9		
(i) Tangible Assets		479.64	7,311.43
(ii) Capital Work in Progress		7.36	-
(b) Non Current Investment	10	1,011.00	-
(c) Deferred Tax Assets (Net)	32	9.35	-
(b) Long Term Loans and Advances	11	61.79	83.84
<i>Current Assets</i>			
(a) Inventories	11	751.74	1,300.44
(b) Trade Receivables	12	2,447.79	2,008.02
(c) Cash and Bank Balances	13	7,212.87	1,046.15
(d) Short Term Loans and Advances	14	691.84	843.08
(e) Other Current Assets	15	157.39	78.03
<b>Total Assets</b>		<b>12,830.78</b>	<b>12,670.99</b>

The notes form an integral part of these financial statements

As Per Our Report of even Date  
**For C. H. PADLIYA & CO.**  
Chartered Accountants, FRN 003151C

**S. C. Padliya**  
Partner, Membership Number 071666

For **ALPA LABORATORIES LIMITED**  
CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)**  
**M.S. Chawla, Director (DIN: 00362058)**  
**B. C. Shah, CFO**  
**Monali Patel, Company Secretary**  
Pigdamber, Rau, Indore, 29<sup>th</sup> May 2015

(₹ in lacs)

<b>Profit &amp; Loss Statement for year ended 31st March</b>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Income</b>			
Revenue from Operations	17	5,739.39	5,670.83
Other Income	18	278.81	56.78
<b>Total Income</b>		<b>6,018.20</b>	<b>5,727.61</b>
<b>Expenditure</b>			
(a) Cost of Materials Consumed	19	3,517.62	3,298.42
(b) Manufacturing and Operating Cost	20	391.18	454.57
(c) Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	21	92.24	(88.42)
(d) Employee Benefits Expense	22	763.15	796.76
(e) Finance Costs	23	170.23	212.24
(f) Depreciation and Amortization Expense	9	606.60	905.92
(g) Other Expenses	24	633.44	643.27
<b>Total Expenses</b>		<b>6,174.45</b>	<b>6,222.74</b>
<b>Profit before Extraordinary Items and Tax</b>		<b>(156.24)</b>	<b>(495.13)</b>
Profit /(Loss) On Slump Sale of Pithampur Unit (Unit-II)		(114.84)	
<b>Profit before Tax</b>		<b>(271.08)</b>	<b>(495.13)</b>
Add/(Less): Current Tax	25	-	(18.22)
Add/(Less): Deferred Tax (Net)		131.41	(2.14)
<b>Profit/(Loss) for the period</b>		<b>(139.68)</b>	<b>(515.48)</b>
<b>Earnings per share of face value of ₹10 each</b>			
Basic and Diluted (in ₹)		(0.66)	(2.45)
The notes form an integral part of these financial statements			

As Per Our Report of even Date  
**For C. H. PADLIYA & CO.**  
Chartered Accountants, FRN 003151C

**S. C. Padliya**  
Partner, Membership Number 071666

**For ALPA LABORATORIES LIMITED**  
CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)**  
**M.S. Chawla, Director (DIN: 00362058)**  
**B. C. Shah, CFO**  
**Monali Patel, Company Secretary**  
Pigdamber, Rau, Indore, 29th May 2015

(₹ in lacs)

Cash Flow Statement for year ended 31st March	2015	2014
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	(271.08)	(495.13)
<i>Adjustments for:</i>		
Depreciation and Amortization Expense	606.60	905.92
Interest Expense	150.08	209.24
Bad Debts Written Off	80.91	57.58
(Profit) /Loss on Disposal of Fixed Assets	35.36	-
Interest Income	(253.74)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>348.13</b>	<b>677.61</b>
<i>Adjustments for:</i>		
Decrease /(Increase) in Trade Receivable	(520.69)	(118.56)
Decrease /(Increase) in Loans & Advances & Other Current Assets	(202.07)	108.98
Decrease /(Increase) in Inventories	548.70	29.74
Increase /(Decrease) in Current Liabilities & Provision	(357.61)	176.36
Increase /(Decrease) in Long Term Liabilities	(131.41)	(47.31)
Cash Generated from Operations	(314.93)	826.81
Income Tax	131.41	(20.35)
<b>Net Cash Generated by Operating Activities</b>	<b>(183.53)</b>	<b>806.46</b>
<b>B. Cash Flow from Investing Activities</b>		
<i>Inflow</i>		
Proceeds from Slump Sale of Pithampur Unit (Net)	6,246.17	-
Interest Received	253.74	-
<i>Outflow</i>		
Purchase of Long Term Investments	(1,011.00)	-
Purchase of Tangible Assets	(116.54)	(218.72)
<b>Net Cash Used in Investing Activities</b>	<b>5,372.37</b>	<b>(218.72)</b>
<b>C. Cash Flow from Financing Activities</b>		
<i>Inflow</i>		
Proceeds from Short Term Borrowings	1,252.03	800.96
<i>Outflow</i>		
Repayment of Long Term Borrowings	(420.07)	(200.03)
Interest Paid	(150.08)	(209.24)
<b>Net Cash Generated by Financing Activities</b>	<b>681.88</b>	<b>391.69</b>
<b>D. Net Increase /(Decrease) In Cash and Cash Equivalents</b>	<b>5,870.72</b>	<b>979.43</b>
<b>E. Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,032.15</b>	<b>52.73</b>
<b>F. Cash and Cash Equivalents as at the end of the year</b>	<b>6,902.87</b>	<b>1,032.15</b>
<b>G. Cash and Cash Equivalents as at the end of the year comprise of</b>		
Cash & Bank Balances as per the Balance Sheet	7,212.87	1,046.15
(Less) Deposits Lodged towards Security Deposit & Margin Money against Bank Guarantees	(310.00)	(14.00)
	<b>6,902.87</b>	<b>1,032.15</b>

## Notes:

- Figures in brackets indicate cash outgo.
- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under the Companies (Accounting Standard) Rules, 2006.
- The notes to accounts form an integral part of the Cash Flow Statement.

As Per Our Report of even Date

**For C. H. PADLIYA & CO.**

Chartered Accountants, FRN 003151C

**S. C. Padliya**

Partner, Membership Number 071666

**For ALPA LABORATORIES LIMITED**

CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)****M.S. Chawla, Director (DIN: 00362058)****B. C. Shah, CFO****Monali Patel, Company Secretary**

Pigdamber, Rau, Indore, 29th May 2015

**Notes to the Financial Statements for year ended 31st March****(₹ in lacs)**

<b>1. Share Capital</b>	<b>2015</b>	<b>2014</b>
<b>Authorized Capital</b>	2,500.00	2,500.00
2,50,00,000 Equity Shares of ₹10 Each ( Previous Year 2,50,00,000 Equity Share of ₹10/- Each)		
<b>Issued Capital</b>	2,156.00	2,156.00
2,15,60,000 Equity Shares of ₹10 Each (Previous year 2,15,60,000 Equity Shares of ₹10/- Each)		
<b>Subscribed and Paid Up Capital</b>	2,104.06	2,104.06
2,10,40,600 Equity Shares of ₹10 Each (Previous year 2,10,40,600 Equity Shares of ₹10/- each)		
<b>Total Share Capital</b>	<b>2,104.06</b>	<b>2,104.06</b>

**• Terms and Rights attached to Equity Shares.**

The Company has only one class of equity shares having a par value of ₹10 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

**• Detail of Shareholders holding more than****5% of total subscribed shareholding**

	2015		2014	
	Quantity	%	Quantity	%
Mahendra Singh Chawla	13,66,600	6.50%	13,66,600	6.50%
Pravin C. Shah	11,00,580	5.23%	11,00,580	5.23%

**(₹ in lacs)**

<b>2. Reserves and Surplus</b>	<b>2015</b>	<b>2014</b>
(a) Share Premium	5,496.05	5,496.05
(b) Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	1,230.45	1,745.93
Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013	(34.88)	-
Profit /(Loss) for the year	(139.68)	(515.48)
Closing Balance	1,055.90	1,230.45
<b>Total Reserve and Surplus</b>	<b>6,551.95</b>	<b>6,726.50</b>

**(₹ in lacs)**

<b>3. Long Term Borrowings</b>	<b>2015</b>	<b>2014</b>
--------------------------------	-------------	-------------

**Secured**

Term Loans from Banks	-	420.07
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**Total Long Term Borrowings****- 420.07****Details of terms of repayment for the long term borrowings and security provided in respect of the secured long term borrowings:****A) Terms of Repayment :**

- 1) Corporate Loan: Was repayable in 36 monthly installments commencing from April 2012. Last installment was due in March 2015, but was fully repaid in October 2014. Rate of interest was 13.50% p.a. till repayment. (Previous year: 13.25%)
- 2) Machinery Term Loan: Was repayable in 60 monthly installments commencing from June 2013. Last installment was due in May 2018, but was fully repaid in October 2014. Rate of interest was 13.50% p.a. till repayment. (Previous year: 13.25%)

**B) Security Provided :**

Term loans were secured by mortgage of immovable properties including factory land, building structures and all Plant and Machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future & hypothecation of assets purchased from term loan. Further, the loans were personally guaranteed by the Directors.

(₹ in lacs)		
<b>4. Other Long Term Liabilities</b>	<b>2015</b>	<b>2014</b>
Trade /Security Deposits received	50.62	50.62
<b>Total Other Long Term Liabilities</b>	<b>50.62</b>	<b>50.62</b>

(₹ in lacs)		
<b>5. Short Term Borrowings</b>	<b>2,015</b>	<b>2,014</b>
<i>Secured</i>		
Working Capital Loan from Bank	2,857.17	1,605.15
<b>Total Short Term Borrowings</b>	<b>2,857.17</b>	<b>1,605.15</b>

**Security Provided:**

Working Capital Loan is secured by way of book debts and hypothecation of present and future stock of raw material, finished goods, stock in process consumables, stores & spares, packing material etc.

(₹ in lacs)		
<b>6. Trade Payable</b>	<b>2015</b>	<b>2014</b>
Micro, Small and Medium Enterprises	122.19	96.22
Others	780.63	965.58
<b>Total Trade Payable</b>	<b>902.82</b>	<b>1,061.80</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006\***

Particulars	2015	2014
(i) Principal amount due and remaining unpaid as at the end of the acctg. year	122.19	96.22
(ii) Interest due thereon remaining unpaid as at the end of the accounting year	-	-
(iii) Amount of int. paid along with payment made beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

\*The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

(₹ in lacs)		
<b>7. Other Current Liabilities</b>	<b>2015</b>	<b>2014</b>
(a) Current maturities of long-term debt -Secured Loans from Banks	-	273.33
(b) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	8.72	17.37
(c) Payable on purchase of fixed assets	0.55	11.38
(d) Advances from customers	118.29	38.13
(e) Other payable*	111.06	149.08
<b>Total Other Current Liabilities</b>	<b>238.62</b>	<b>489.28</b>

\*Includes security deposits of employees, salary and allowance payable to employees and other miscellaneous expenses.

(₹ in lacs)		
<b>8. Short Term Provisions</b>	<b>2015</b>	<b>2014</b>
(a) Provision for employee benefits	26.50	23.35
(b) Other provisions	99.03	50.15
<b>Total Short Term Provisions</b>	<b>125.53</b>	<b>73.50</b>

**9. Fixed Assets**

ASSET	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01 Apr 2014	Additions	Deletions	As At 31 Mar 2015	Up To 31 Mar 2014	Retained Earnings (Refer Note No. 37)	For the Year 2014-15	Deductions	Up To 31 Mar 2015	As At 31 Mar 2015	As At 31 Mar 2014
<b>(i) Tangible Assets</b>											
Land and Site Dev.	264.33	-	250.91	<b>13.42</b>	-	-	-	-	-	<b>13.42</b>	264.33
Building	5,637.98	-	5,148.84	<b>489.14</b>	1,089.77	4.11	219.16	932.72	<b>380.31</b>	<b>108.83</b>	4,548.21
Plant and machinery	2,846.57	54.98	1,577.12	<b>1,324.43</b>	1,226.66	11.61	251.21	411.00	<b>1,078.48</b>	<b>245.96</b>	1,619.91
Furniture and Fixtures	78.48	4.60	50.75	<b>32.33</b>	29.36	0.02	8.59	17.65	<b>20.32</b>	<b>12.02</b>	49.12
Computers	38.54	0.63	12.93	<b>26.24</b>	29.10	(0.06)	3.43	8.49	<b>23.99</b>	<b>2.25</b>	9.44
Vehicles	10.84	5.92	10.84	<b>5.92</b>	3.75	-	2.38	4.85	<b>1.28</b>	<b>4.64</b>	7.09
Utility	175.37	-	-	<b>175.37</b>	131.16	1.22	17.36	-	<b>149.74</b>	<b>25.63</b>	44.22
Electrical Installation	426.08	0.28	254.96	<b>171.40</b>	183.37	27.94	28.57	76.65	<b>163.23</b>	<b>8.17</b>	242.71
QC and Lab Equipment	711.28	41.09	594.88	<b>157.50</b>	189.85	7.40	73.61	170.01	<b>100.86</b>	<b>56.64</b>	521.43
Office Equipment	11.49	1.67	2.75	<b>10.41</b>	6.53	0.58	2.29	1.08	<b>8.32</b>	<b>2.09</b>	4.97
<b>Total Tangible Assets</b>	<b>10,200.98</b>	<b>109.18</b>	<b>7,903.99</b>	<b>2,406.17</b>	<b>2,889.55</b>	<b>52.84</b>	<b>606.60</b>	<b>1,622.46</b>	<b>1,926.53</b>	<b>479.64</b>	<b>7,311.43</b>
<b>(ii) Capital Work in Progress</b>											
Capital Work-in-Progress	-	7.36	-	<b>7.36</b>	-	-	-	-	-	<b>7.36</b>	-
<b>Total</b>	<b>10,200.98</b>	<b>116.54</b>	<b>7,903.99</b>	<b>2,413.53</b>	<b>2,889.55</b>	<b>52.84</b>	<b>606.60</b>	<b>1,622.46</b>	<b>1,926.53</b>	<b>487.00</b>	<b>7,311.43</b>
Previous Year	9,982.25	218.72	-	<b>10,200.98</b>	1,983.64		905.92	-	<b>2,889.56</b>	<b>7,311.42</b>	7,998.61



(₹ in lacs)

<b>10. Non Current Investment</b>	<b>2015</b>	<b>2014</b>
Investments (At cost):		
<b>A. Trade</b>		
<i>(a) Investment in equity instruments</i>		
(i) of Subsidiaries		
10,000 (Previous Year: Nil) shares of ₹10 each fully paid up in Norfolk Mercantile Private Limited (Refer Note No. 38)	1.00	-
<i>(b) Investment in debentures or bonds</i>		
(i) of Subsidiaries		
1,010 (Previous Year: Nil) Compulsory Convertible Unsecured Debentures of Norfolk Mercantile Private Limited	1,010.00	-
<b>Total Non-current Investment</b>	<b>1,011.00</b>	<b>-</b>

(₹ in lacs)

<b>11. Long Term Loans and Advances</b>	<b>2015</b>	<b>2014</b>
<b>Unsecured, Considered Good</b>		
(a) Security Deposits	61.79	83.84
<b>Total Long Term Loans and Advances</b>	<b>61.79</b>	<b>83.84</b>

(₹ in lacs)

<b>12. Inventories</b>	<b>2015</b>	<b>2014</b>
(a) Raw materials	384.83	817.74
(b) Work-in-progress	41.77	66.41
(c) Finished goods (other than those acquired for trading)	310.15	377.75
(d) Analytical Materials	14.99	38.54
<b>Total Inventories</b>	<b>751.74</b>	<b>1,300.44</b>

<b>Details of Raw Materials:</b>	<b>2015</b>	<b>2014</b>
Drugs & Chemicals	246.98	339.97
Packing Materials	137.85	477.77
<b>Total</b>	<b>384.83</b>	<b>817.74</b>

<b>Details of Work in Progress:</b>	<b>2015</b>	<b>2014</b>
Injection	28.22	16.84
Tablets & Capsules	12.00	39.45
Ointment & Cream	1.40	0.34
Eye/Ear Drops	0.15	0.85
Dry Powder	-	8.93
<b>Total</b>	<b>41.77</b>	<b>66.42</b>

<b>Details of Finished Goods:</b>	<b>2015</b>	<b>2014</b>
Liquid Injection	198.80	121.42
Dry Powder Injection	61.58	53.25
Tablets	40.61	188.43
Capsules	0.48	2.08
Ointment	8.67	12.57
<b>Total</b>	<b>310.15</b>	<b>377.76</b>

<b>Details of Analytical Materials</b>	<b>2015</b>	<b>2014</b>
GC Columns	2.42	6.43
HPLC Columns	12.56	32.11
<b>Total</b>	<b>14.99</b>	<b>38.54</b>

(₹ in lacs)

<b>13. Trade Receivables</b>	<b>2015</b>	<b>2014</b>
<i>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</i>		
Unsecured, considered good	579.84	543.55
Doubtful	31.40	10.21
<i>Other Trade receivables</i>		
Unsecured, considered good	1,836.48	1,453.35
Doubtful	0.08	0.92
<b>Total Trade Receivables</b>	<b>2,447.79</b>	<b>2,008.02</b>

(₹ in lacs)

<b>14. Cash and Bank Balances</b>	<b>2015</b>	<b>2014</b>
<i>(a) Cash and Cash Equivalents</i>		
(i) Cash on Hand	2.54	0.57
(ii) Balances with Banks	2,120.34	1,031.59
<i>(b) Other Bank Balances*</i>		
(i) In Deposit Accounts	5,090.00	14.00
<b>Total Cash and Bank Balances</b>	<b>7,212.87</b>	<b>1,046.15</b>

\*Other Bank Balances include margin monies amounting to Nil (Previous Year: Nil) which have an original maturity of more than 12 months.

(₹ in lacs)

<b>15. Short Term Loans and Advances</b>	<b>2015</b>	<b>2014</b>
<i>(Unsecured and Considered Good)</i>		
(a) Security Deposits	0.49	3.56
(b) Loans and Advances to Employees	10.31	9.13
(c) Prepaid Expenses	1.77	8.97
(d) Balances with Government Authorities	304.93	347.77
(e) Advances to Suppliers	145.00	110.45
(f) Advance for Capital Goods	229.35	363.19
<b>Total Short Term Loans and Advances</b>	<b>691.84</b>	<b>843.08</b>

(₹ in lacs)

<b>16. Other Current Assets</b>	<b>2015</b>	<b>2014</b>
(a) Interest Accrued on Deposits	26.20	2.66
(b) Duty Drawback Receivable	9.90	14.31
(c) Refund Receivable against Rebate Claim of Duty	118.26	50.95
(d) DEPB Stock	2.18	10.11
(e) Other Receivable	0.85	
<b>Total Other Current Assets</b>	<b>157.39</b>	<b>78.03</b>

(₹ in lacs)

<b>17. Revenue from Operations</b>	<b>2015</b>	<b>2014</b>
(a) Sale of Products	5,632.69	5,167.48
(b) Sale of Services	479.66	814.23
(c) Other Operating Revenues	68.78	63.53
	6,181.13	6,045.24
Less: Excise Duty/ Service Tax Recovered	441.74	374.41
<b>Total Revenue from Operations</b>	<b>5,739.39</b>	<b>5,670.83</b>

<b>Details of Sale of Products (Excluding Excise Duty)</b>	<b>2015</b>	<b>2014</b>
<b>Manufactured Goods</b>		
Liquid Injection	2,217.16	2,077.72
Dry Powder Injection	1,511.65	1,416.59
Tablets	1,042.71	913.54
Capsules	143.07	134.08
Ointments	281.19	263.51
<b>Total</b>	<b>5,195.79</b>	<b>4,805.43</b>

<b>Details of Sale of Services (Excluding Service Tax)</b>	<b>2015</b>	<b>2014</b>
<b>Services</b>		
Analytical Charges	39.09	34.92
Conversion & Packing Charges	435.74	337.46
Formulation Development	-	429.48
<b>Total</b>	<b>474.82</b>	<b>801.86</b>

<b>Details of Other Operating Revenue</b>	<b>2015</b>	<b>2014</b>
<b>Other Revenues</b>		
Sale of Scrap	3.02	2.44
Duty Drawback and Other Export Incentives	60.66	56.80
Other Revenues	5.10	4.29
<b>Total</b>	<b>68.78</b>	<b>63.53</b>

(₹ in lacs)

<b>18. Other Income</b>	<b>2015</b>	<b>2014</b>
<b>(a) Interest Income</b>		
(i) Interest from Banks	253.74	2.80
(ii) Interest from Others	2.02	3.05
(b) Net Gain on Foreign Currency Transactions and Translation	11.24	48.05
(c) Compensation Received on Cancellation of Agreement	0.98	1.38
(d) Other Non-Operating Income	10.83	1.50
<b>Total Other Income</b>	<b>278.81</b>	<b>56.78</b>

(₹ in lacs)

<b>19. Cost of Materials Consumed</b>	<b>2015</b>	<b>2014</b>
Opening stock	817.74	939.07
Add: Purchases	3,084.71	3,177.09
Less: Closing stock	(384.83)	(817.74)
<b>Total Cost of Materials Consumed</b>	<b>3,517.62</b>	<b>3,298.42</b>

Detail of Raw Materials Purchased	2015		2014	
	Value	%	Value	%
Imported	511.75	16.59%	209.54	6.60%
Indigenous	2,572.95	83.41%	2,967.54	93.40%
<b>TOTAL</b>	<b>3,084.71</b>	<b>100.00%</b>	<b>3,177.09</b>	<b>100.00%</b>

Detail of Raw Materials Consumed	2015	2014
Drugs & Chemicals	2,494.57	2,440.36
Packing Material	1,023.04	858.05
<b>TOTAL</b>	<b>3,517.62</b>	<b>3,298.42</b>

20. Manufacturing and Operating Cost	(₹ in lacs)	
	2015	2014
Stores and Spares	42.73	65.84
Power and Fuel	179.87	242.17
Repairs to Buildings	22.22	21.86
Repairs to Machinery	11.10	11.43
Analytical Expenses	71.34	44.83
Other Manufacturing and Operating expenses	63.93	68.44
<b>Total Manufacturing and Operating Cost</b>	<b>391.18</b>	<b>454.57</b>

Detail of Imported and Indigenous Stores and Spare Parts Consumed	2015		2014	
	Value	%	Value	%
Indigenous	42.73	100.00%	65.84	100.00%

21. Changes in Inventories of Fin. Goods, Work in Process	(₹ in lacs)	
	2015	2014
<u>Inventories at the end of the year:</u>		
Finished goods	310.15	377.75
Work-in-progress	41.77	66.41
	<b>351.92</b>	<b>444.15</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	377.75	300.87
Work-in-progress	66.41	54.86
	<b>444.15</b>	<b>355.73</b>
<b>Total Changes in Inventories of Fin. Goods, Work in Process</b>	<b>(92.24)</b>	<b>88.42</b>

22. Employee Benefits Expense	(₹ in lacs)	
	2015	2014
Salaries and Wages	723.97	775.89
Contribution to Provident and Other Funds	32.47	15.60
Staff Welfare Expenses	6.70	5.27
<b>Total Employee Benefits Expense</b>	<b>763.15</b>	<b>796.76</b>

The Company makes Provident Fund contributions under defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹29.97 lacs (Previous Year ₹15.60 lacs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(₹ in lacs)

<b>23. Finance Costs</b>	<b>2015</b>	<b>2014</b>
(a) Interest Expense on:		
(i) Borrowings	149.90	207.75
(ii) Others	0.19	1.50
(b) Other Borrowing Costs	20.14	2.99
<b>Total Finance Costs</b>	<b>170.23</b>	<b>212.24</b>

(₹ in lacs)

<b>24. Other Expenses</b>	<b>2015</b>	<b>2014</b>
Rent including Lease Rentals	8.17	16.75
Repairs and Maintenance (Others)	1.88	2.42
Insurance	3.52	3.80
Rates and Taxes	20.96	53.61
Communication	12.13	16.30
Traveling and Conveyance	137.19	124.97
Printing and Stationery	9.06	12.46
Freight and Forwarding	101.18	98.71
Commission on Sales	110.00	126.29
Business Promotion	28.52	27.83
Sales Discount	13.82	32.13
Donations and Contributions	0.79	0.64
Legal and Professional	118.34	30.09
Liquidated Damages, Testing and LSP Charges	13.95	5.61
Membership & Subscription	1.27	0.25
Payments to Auditors	2.97	2.77
Bad Trade and Other Receivables, Loans and Advances written off	80.91	57.58
Prior Period Items (net)	(52.07)	1.52
Miscellaneous Expenses	20.84	29.52
<b>Total Other Expenses</b>	<b>633.44</b>	<b>643.27</b>

**Payment to Auditors Comprise**

	<b>2015</b>	<b>2014</b>
As Auditors – Statutory Audit	2.40	2.40
For Other Services	0.57	0.37
<b>TOTAL</b>	<b>2.97</b>	<b>2.77</b>

**Prior Period Items (net) Represent**

	<b>2015</b>	<b>2014</b>
Debits Relating to Earlier Years	16.34	2.81
Credits Relating to Earlier Years	(68.41)	(0.39)
<b>TOTAL</b>	<b>(52.07)</b>	<b>2.42</b>

(₹ in lacs)

<b>25. Current Tax</b>	<b>2015</b>	<b>2014</b>
Prior Period Tax	-	18.22
<b>Total Current Tax</b>	<b>-</b>	<b>18.22</b>

(₹ in lacs)		
<b>26. Value of Imports on C.I.F. Basis</b>	<b>2015</b>	<b>2014</b>
Raw Materials and Stock-in-Trade	511.75	209.55
Capital Goods	28.35	94.93
<b>Total Value of Imports on C.I.F. Basis</b>	<b>540.11</b>	<b>304.49</b>
(₹ in lacs)		
<b>27. Expenditure in Foreign Currency</b>	<b>2015</b>	<b>2014</b>
Legal & Professional and Consultation fees	80.87	-
Bank Charges	2.25	3.36
Traveling Expenses	4.67	2.08
<b>Total Expenditure in Foreign Currency</b>	<b>87.78</b>	<b>5.44</b>
(₹ in lacs)		
<b>28. Earnings in Foreign Currency</b>	<b>2015</b>	<b>2014</b>
Export of Goods Calculated on FOB Basis	1,689.79	1,292.98
Export of Services	-	252.68
<b>Total Earnings in Foreign Currency</b>	<b>1,689.79</b>	<b>1,545.66</b>
(₹ in lacs)		
<b>29. Details of Leasing Arrangements</b>	<b>2015</b>	<b>2014</b>
<i>As Lessee (operating lease)</i>		
The Company has entered into operating lease arrangements for certain facilities and office premises.		
A. Future minimum lease payments		
- not later than one year	-	-
B. Lease Payments recognized in the Statement of Profit and Loss	6.66	10.33
(₹ in lacs)		
<b>30. Government Grants</b>	<b>2015</b>	<b>2014</b>
Government Grants Received by the Company during the Year towards		
- Duty Drawback (Recognized under Other Operating Revenues)	60.66	56.80
<b>Total Government Grants</b>	<b>60.66</b>	<b>56.80</b>
(₹ in lacs)		
<b>31. Related Party Disclosures</b>	<b>2015</b>	<b>2014</b>
A. <i>Relationships:</i>		
i. <u>Subsidiary Companies</u>		
a. Norfolk Mercantile Private Limited		
ii. <u>Key Management Personnel</u>		
a. P. R. Patel, MD	b. M. S. Chawla, Director	c. P. C. Shah, Director
d. Jayesh Patel, CEO	e. Paresh Chawla, COO	f. B. C. Shah, CFO

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

a. Shitul Shah	b. Soni Chawla	c. Nayana Patel
d. Rupal Shah	e. Vinit Shah	

*B. Transactions carried out with related parties referred to in A.i., A.ii. & A.iii. above, in the ordinary course of business:*

Investments in Subsidiaries referred to in A.i. above	1,011.00	-
Remuneration for Key Management Personnel referred to in A.ii. above	79.20	79.20
Salary for Key Management Personnel referred to in A.ii. above	66.00	65.20
Traveling Expenses for Key Management Personnel referred to in A.ii. above	-	-
Payable to Key Management Personnel referred to in A.ii. above	12.79	20.93
Receivable from Key Management Personnel referred to in A.ii. above	2.12	1.69
Salary for Relatives of Key Management Personnel referred to in A.iii. above	15.00	15.80
Payable to Relatives of Key Management Personnel referred to in A.iii. above	1.58	8.29

(₹ in lacs)

<b>32. Deferred Tax</b>	<b>2015</b>	<b>2014</b>
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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 the Institute of Chartered Accountants of India.

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

Tax effect of items constituting deferred tax liability

- on difference between book balance and tax balance of fixed assets		140.02
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Tax effect of items constituting deferred tax asset

- on difference between book balance and tax balance of fixed assets	9.35	-
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**Total Deferred Tax Liabilities**

<b>9.35</b>	<b>140.02</b>
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(₹ in lacs)

<b>33. Contingent Liabilities &amp; Commitments (to the extent not provided for)</b>	<b>2015</b>	<b>2014</b>
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a. Bank Guarantees given to various government departments for tenders for supply of medicines	31.00	50.04
b. Liability in respect of arbitration proceedings (Refer Note No. 39)	0.04	-
c. Disputed demands before relevant authorities :		
Value Added Tax	16.93	16.93
Central Sales Tax	31.52	31.52
Income Tax	21.00	21.00

**34. Court Case has been filed against Innovec Laboratories Private Limited for ₹28.95 lacs (Previous Year: ₹28.95 lacs) for recovery of outstanding amounts.**

**35. Segment Reporting**

a. As the Company operates in the single segment of Drugs and Chemicals which is the Primary Reportable Segment as per Accounting Standard (AS-17) “Segment Reporting” issued by the Institute of Chartered Accountants of India, no separate disclosure pertaining to attributable Revenue, Profits, Assets, Liabilities and Capital Employed are given.

b. The secondary segment based on geographical segmentation is considered to be business Outside India and Within India.

Detail of geographical segments based on location of the customers	2015		2014	
	Value	%	Value	%
Outside India	1,716.32	29.90%	1,564.17	27.58%
Within India	4,023.07	70.10%	4,106.66	72.42%
Total	5,739.39	100.00%	5,670.83	100.00%

36. As per the terms of agreement dated 01<sup>st</sup> October 2014, the Company's manufacturing unit at Pithampur (Unit-II) has been transferred on slump sale basis to Ipca Laboratories Limited, w.e.f. 01<sup>st</sup> October 2014, for a total consideration of ₹6,400 lacs. Further, non- compete fees amounting to ₹10.00 lacs has been received by the Company.

### 37. Schedule II Compliance

a. In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at 01<sup>st</sup> April 2014, the carrying value (net of residual value) amounting to ₹34.88 lacs (net of deferred tax of ₹17.96 lacs) as a transitional provision has been recognized in the retained earnings.

b. Further, in case of assets acquired prior to 01<sup>st</sup> April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective from 01<sup>st</sup> April 2014.

c. Depreciation and amortization expenses for the year would have been lower by ₹153.42 lacs, had the Company continued with the previous assessment of useful life such assets.

38. During the year, the Company has invested an amount of ₹1.00 lacs by purchasing shares of Norfolk Mercantile Private Limited making it a wholly owned subsidiary of the Company.

39. During the year, Ranbaxy Laboratories Limited (Petitioner) filed a Petition in the High Court at New Delhi to prevent the Company from selling its Unit-II division at Pithampur. To expedite the disposing of the said petition, the Company agreed to enter into arbitration proceedings with the Petitioner and furnish a bank guarantee to the tune of ₹300.00 lacs in the name of the Petitioner which shall remain live till the final disposal of the arbitration proceedings. The Honorable High Court was pleased to dispose off the petition without restricting the Company from selling its Unit-II division and appointing an arbitrator to settle the claims and counter claims made by the parties against each other. The Company is of the view, supported by legal opinion, that no provision is required to be made in the accounts as it expects favorable outcome of the arbitration proceedings and hence adjustments, if any, will be recorded by the Company on final outcome of the matter.

40. The Company has invested during the F.Y. 2014-15 in the unsecured debentures issued by its wholly owned subsidiary "Norfolk Mercantile Private Limited" amounting to ₹1,010 lacs for the purpose of meeting the working capital requirements and capital /investment requirement of the Company on the following terms and conditions:

- The debentures shall compulsory be converted into fully paid shares of the Company.
- The debentures shall have a term of 20 years from the date of issue.
- The debentures shall earn interest at the rate of 9% payable at the end of each year till debentures are converted into shares.
- No interest shall be payable in the year of conversion or buyback.
- The first interest accrual date shall be 31/03/2016.
- Interest shall be paid on a yearly basis, subject to availability of funds. In case interest is not paid on or before the end of the following quarter following the end of each financial year, the Company shall also pay interest of 9% on outstanding interest till the date of payment.

41. Significant Accounting Policies and Practices adopted by the Company are disclosed in the Statement annexed to these Financial Statements as Annexure A.

### 42. Previous Year Figures

Comparative financial information is presented in accordance with the corresponding figure reporting framework as set out in Standards on Auditing 710 on "Comparatives". Previous Year figures have been regrouped or rearranged, as wherever appropriate to correspond to figures of the current year.

As Per Our Report of even Date  
**For C. H. PADLIYA & CO.**  
 Chartered Accountants, FRN 003151C

**S. C. Padliya**  
 Partner, Membership Number 071666

**For ALPA LABORATORIES LIMITED**  
 CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)**  
**M.S. Chawla, Director (DIN: 00362058)**  
**B. C. Shah, CFO**  
**Monali Patel, Company Secretary**  
 Pigdamber, Rau, Indore, 29th May 2015



**Annexure A** (Annexed to and forming part of the Accounts for the year ended 31<sup>st</sup> March 2015)  
**SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

**COMPANY BACKGROUND**

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

**1. Basis of Preparation of Financial Statements**

The accompanying financial statements have been prepared under the historical cost convention on the accrual basis, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly – issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current - non current classification of assets and liabilities.

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 recoverability 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. The value of unutilized unconditional Customs Duty credit granted against exports under "Duty Entitlement Pass Book Scheme" are accounted in the year of export.

**4. Expenditure**

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

**5. Fixed Assets**

- a. Fixed asset is stated at their historical cost (net of recoverable taxes wherever credit availed) of acquisition or construction, less accumulated depreciation. Cost includes all cost incurred to bring the asset to their working condition and location.
- b. Capital Work in Progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date.
- 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 over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013.
- b. Depreciation for assets purchased or sold during the period is charged to revenue pro-rata to the period of their use.

**7. Inventories**

Finished goods (including for trade), work in process and raw materials 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. 'First In First Out' cost formula is used for determination of cost of inventories.

**8. 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.

#### **9. 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.

#### **10. 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 actually determined and demanded by LIC at the year end.

b. Liability on account of obligation under the employee's provident fund & employee state insurance, both defined contribution plans, is charged to Profit and Loss account on the basis of actual liability calculated as a percentage of salary.

#### **11. 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.

#### **12. 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.

#### **13. 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.

#### **14. 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.

#### **15. 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.

#### **16. 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.

#### **17. Leases**

Lease Agreements where the risk and reward incidental to ownership of assets substantially vest with the lessor, are recognized as operating leases. Lease rental under operating leases are recognizes in the Profit and Loss statement on a straight line basis.

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS**

**To,  
The Board of Alpa Laboratories Limited**

*Report on the Consolidated Financial Statements*

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Alpa Laboratories Limited ("the Company"), its subsidiaries, herein referred to as the "Group" (refer note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

2. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting fraud and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

*Auditor's Responsibility*

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding company has an adequate internal financial control systems over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

*Opinion*

7. In our opinion and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Group as at 31<sup>st</sup> March 2015;
  - (b) in the case of the Consolidated Profit and Loss Account, of the Consolidated loss for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the Consolidated cash flows for the year ended on that date.

*Report on Other Legal and Regulatory Requirements*

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the relevant assertion contained in the audit reports of standalone financial statements of each subsidiary, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigation as at 31<sup>st</sup> March, 2015 on its consolidated financial position of the Group.
    - ii. Provision has been made in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants, FRN 003151C  
**S. C. Padliya**, Partner, Membership Number 071666  
 Indore, 29<sup>th</sup> May 2015

**ANNEXURE REFERRED TO IN PARAGRAPH 8 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2015 OF ALPA LABORATORIES LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
 (b) All the 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. No material discrepancies were noticed on such verification.
- (ii) (a) Inventory excluding inventory with third parties (which have been substantially confirmed) has been physically verified during the year by the respective management of the Holding Company and its subsidiary. In our opinion, the frequency of verification is reasonable.  
 (b) The procedures of physical verification of inventory followed by the management as referred to above are reasonable and adequate in relation to the size of the respective company and the nature of its business.  
 (c) The Holding Company and its subsidiary has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material.
- (iii) The Holding Company and its subsidiary has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (b) and (c) of the Companies (Auditor's Report), 2015 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations obtained by the statutory auditors of the Holding Company and its subsidiary, these companies have an adequate internal control system commensurating with the size of each company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services and there is no continuing failure to correct major weaknesses in internal control system of any of these companies.
- (v) Holding Company and its subsidiary have not accepted any deposits within the meaning of section 73 and 76 of the Companies Act, 2013 and the rules framed there under.
- (vi) The statutory auditor of the Holding Company has broadly reviewed the books of accounts maintained by the Company pursuant to the order of the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of the products dealt with by the Company and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, the statutory auditor has not made a detailed examination of the records. For subsidiary company, the Central Government has not prescribed the maintenance of cost

records under sub section (1) of section 148 of the Companies Act, 2013, for the products and services of the Company.

- (vii) (a) According to the information and explanations given to and on the basis of the examination of the records of the Holding Company and its subsidiary by their respective statutory auditors, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and other statutory dues as may be applicable to it from time to time, have been generally regularly deposited during the year by each of these companies with the appropriate authorities.

According to the information and explanations given to statutory auditors of the Holding Company and its subsidiary, no undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and other statutory dues were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.

(b) *According to the information and explanations given to the statutory auditors of the Holding Company and its subsidiary, the dues of Sales Tax, Income Tax and Service Tax, which have not been deposited on account of any dispute are as follows:*

Company Name	Relationship	Nature of Dues	Amount ₹ in lacs	Period to which the matter pertains	Forum where dispute pending
Alpa Laboratories Limited	Holding Company	Value Added Tax	2.68	2002-03	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
Alpa Laboratories Limited	Holding Company	Central Sales Tax	12.28	2002-03	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
Alpa Laboratories Limited	Holding Company	Value Added Tax	14.25	2004-05	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
Alpa Laboratories Limited	Holding Company	Central Sales Tax	19.24	2004-05	Second appeal filed before Madhya Pradesh Appeal Board, Bhopal.
Alpa Laboratories Limited	Holding Company	Income Tax	21.00	2007-08	Litigation Pending in the High Court.
Alpa Laboratories Limited	Holding Company	Central Sales Tax	1.10	2012-13	First appeal filed before Addl. Comm. of Comm. Tax, Indore.

(c) According to the information and explanations given to and on the basis of the examination by the statutory auditors of the records of Holding Company and its subsidiary, there was no amount which was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

- (viii) The subsidiary company has accumulated losses at the end of the year on a standalone basis and has incurred cash losses on a standalone basis in the current financial year (subsidiary was not in existent in preceding financial year). The Holding Company has neither accumulated losses on a standalone basis as at 31<sup>st</sup> March 2015 nor it has incurred cash losses on a standalone basis either during the year ended on that date or in the immediately preceding financial year. On a consolidated basis, the Holding Company and its subsidiary has neither accumulated losses as at 31<sup>st</sup> March 2015 nor it has incurred cash losses either during the year ended on that date or in the immediately preceding financial year.
- (ix) In their opinion and according to the information and explanations given to the statutory auditors of the Holding Company, none of the companies has defaulted in repayment of their respective dues to their banks or financial institution. The subsidiary company did not have dues to bank or financial institution during the year. The subsidiary has not defaulted in repayment of dues to debenture holders. The Holding Company did not have any outstanding dues to debenture holders during the year.
- (x) According to information and explanations given to the statutory auditors of the Holding Company and its subsidiary, no guarantees have been given by them for loans taken by others from banks or financial institutions.
- (xi) In their opinion and according to the information and explanations given to the respective statutory auditors, the Holding Company and its subsidiary have not raised any term loans during the year.
- (xii) According to information and explanations given to the statutory auditors of the Holding Company and its subsidiary, no instances of material fraud on or by each company, has been noticed or reported during the course of audit by the statutory auditors of the Holding Company and its subsidiary.

For and on behalf of **C. H. PADLIYA & CO.**, Chartered Accountants, FRN 003151C

**S. C. Padliya**, Partner, Membership Number 071666

Indore, 29<sup>th</sup> May 2015

(₹ in lacs)

Consolidated Balance Sheet as at 31 <sup>st</sup> March	Note	2015	2014
<b>Equity and Liabilities</b>			
<i>Shareholders' Funds</i>			
(a) Share Capital	1	2,104.06	2,104.06
(b) Reserves and Surplus	2	6,551.86	6,726.50
<i>Non-Current Liabilities</i>			
(a) Long Term Borrowings	3	-	420.07
(b) Deferred Tax Liabilities (Net)	32	-	140.02
(c) Other Long Term Liabilities	4	50.62	50.62
<i>Current Liabilities</i>			
(a) Short Term Borrowings	5	2,857.17	1,605.15
(b) Trade Payable		902.82	1,061.80
(c) Other Current Liabilities	7	238.62	489.28
(d) Short Term Provisions	8	125.62	73.50
<b>Total Equity and Liabilities</b>		<b>12,830.78</b>	<b>12,670.99</b>
<b>Assets</b>			
<i>Non-Current Assets</i>			
(a) Fixed Assets	9		
(i) Tangible Assets		479.64	7,311.43
(i) Intangible Assets		0.07	-
(ii) Capital Work in Progress		7.36	-
(b) Non Current Investment	10	1,010.00	-
(c) Deferred Tax Assets (Net)	32	9.35	-
(b) Long Term Loans and Advances	11	61.79	83.84
<i>Current Assets</i>			
(a) Inventories	11	751.74	1,300.44
(b) Trade Receivables	12	2,447.79	2,008.02
(c) Cash and Bank Balances	13	7,213.80	1,046.15
(d) Short Term Loans and Advances	14	691.84	843.08
(e) Other Current Assets	15	157.39	78.03
<b>Total Assets</b>		<b>12,830.78</b>	<b>12,670.99</b>
The notes form an integral part of these financial statements			

As Per Our Report of even Date  
**For C. H. PADLIYA & CO.**  
Chartered Accountants, FRN 003151C

**S. C. Padliya**  
Partner, Membership Number 071666

For **ALPA LABORATORIES LIMITED**  
CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)**  
**M.S. Chawla, Director (DIN: 00362058)**

**B. C. Shah, CFO**  
**Monali Patel, Company Secretary**  
Pigdamber, Rau, Indore, 29<sup>th</sup> May 2015

(₹ in lacs)

<b>Consolidated Profit &amp; Loss Statement for year ended 31st March</b>		<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Income</b>				
Revenue from Operations	17		5,739.39	5,670.83
Other Income	18		278.81	56.78
<b>Total Income</b>			<b>6,018.20</b>	<b>5,727.61</b>
<b>Expenditure</b>				
(a) Cost of Materials Consumed	19		3,517.62	3,298.42
(b) Manufacturing and Operating Cost	20		391.18	454.57
(c) Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	21		92.24	(88.42)
(d) Employee Benefits Expense	22		763.15	796.76
(e) Finance Costs	23		170.23	212.24
(f) Depreciation and Amortization Expense	9		606.60	905.92
(g) Other Expenses	24		633.53	643.27
<b>Total Expenses</b>			<b>6,174.54</b>	<b>6,222.74</b>
<b>Profit before Extraordinary Items and Tax</b>			<b>(156.33)</b>	<b>(495.13)</b>
Profit /(Loss) On Slump Sale of Pithampur Unit (Unit-II)			(114.84)	
<b>Profit before Tax</b>			<b>(271.17)</b>	<b>(495.13)</b>
Add/(Less): Current Tax	25		-	(18.22)
Add/(Less): Deferred Tax (Net)			131.41	(2.14)
<b>Profit/(Loss) for the period</b>			<b>(139.77)</b>	<b>(515.48)</b>
<b>Earnings per share of face value of ₹10 each</b>				
Basic and Diluted (in ₹)			(0.66)	(2.45)
The notes form an integral part of these financial statements				

As Per Our Report of even Date  
**For C. H. PADLIYA & CO.**  
Chartered Accountants, FRN 003151C

**S. C. Padliya**  
Partner, Membership Number 071666

**For ALPA LABORATORIES LIMITED**  
CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)**  
**M.S. Chawla, Director (DIN: 00362058)**  
**B. C. Shah, CFO**  
**Monali Patel, Company Secretary**  
Pigdamber, Rau, Indore, 29th May 2015

(₹ in lacs)

Consolidated Cash Flow Statement for year ended 31st March	2015	2014
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	(271.17)	(495.13)
<i>Adjustments for:</i>		
Depreciation and Amortization Expense	606.60	905.92
Interest Expense	150.08	209.24
Bad Debts Written Off	80.91	57.58
(Profit) /Loss on Disposal of Fixed Assets	35.36	-
Interest Income	(253.74)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>348.04</b>	<b>677.61</b>
<i>Adjustments for:</i>		
Decrease /(Increase) in Trade Receivable	(520.69)	(118.56)
Decrease /(Increase) in Loans & Advances & Other Current Assets	(202.07)	108.98
Decrease /(Increase) in Inventories	548.70	29.74
Increase /(Decrease) in Current Liabilities & Provision	(357.52)	176.36
Increase /(Decrease) in Long Term Liabilities	(131.41)	(47.31)
Cash Generated from Operations	(314.93)	826.81
Income Tax	131.41	(20.35)
<b>Net Cash Generated by Operating Activities</b>	<b>(183.53)</b>	<b>806.46</b>
<b>B. Cash Flow from Investing Activities</b>		
<i>Inflow</i>		
Proceeds from Slump Sale of Pithampur Unit (Net)	6,246.17	-
Interest Received	253.74	-
<i>Outflow</i>		
Purchase of Long Term Investments	(1,010.00)	-
Purchase of Tangible Assets	(116.54)	(218.72)
Purchase of Intangible Assets	(0.07)	-
<b>Net Cash Used in Investing Activities</b>	<b>5,373.30</b>	<b>(218.72)</b>
<b>C. Cash Flow from Financing Activities</b>		
<i>Inflow</i>		
Proceeds from Short Term Borrowings	1,252.03	800.96
<i>Outflow</i>		
Repayment of Long Term Borrowings	(420.07)	(200.03)
Interest Paid	(150.08)	(209.24)
<b>Net Cash Generated by Financing Activities</b>	<b>681.88</b>	<b>391.69</b>
<b>D. Net Increase /(Decrease) In Cash and Cash Equivalents</b>	<b>5,871.65</b>	<b>979.43</b>
<b>E. Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,032.15</b>	<b>52.73</b>
<b>F. Cash and Cash Equivalents as at the end of the year</b>	<b>6,903.80</b>	<b>1,032.15</b>
<b>G. Cash and Cash Equivalents as at the end of the year comprise of</b>		
Cash & Bank Balances as per the Balance Sheet	7,213.80	1,046.15
(Less) Deposits Lodged towards Security Deposit & Margin Money against Bank Guarantees	(310.00)	(14.00)
	<b>6,903.80</b>	<b>1,032.15</b>

Notes:

- Figures in brackets indicate cash outgo.
- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under the Companies (Accounting Standard) Rules, 2006.
- The notes to accounts form an integral part of the Cash Flow Statement.

As Per Our Report of even Date

For C. H. PADLIYA &amp; CO.

Chartered Accountants, FRN 003151C

S. C. Padliya

Partner, Membership Number 071666

For ALPA LABORATORIES LIMITED

CIN: L85195MP1988PLC004446

P.R. Patel, Mg. Director (DIN: 00362015)

M.S. Chawla, Director (DIN: 00362058)

B. C. Shah, CFO

Monali Patel, Company Secretary

Pigdamber, Rau, Indore, 29th May 2015



**Notes to the Consolidated Financial Statements for year ended 31st March****(₹ in lacs)****1. General Information**

A. The Consolidated Financial Statements present the Consolidated Accounts of Alpa Laboratories Limited with its following subsidiaries:

**i. Subsidiaries**

Indian Subsidiaries

Name	Country of Incorporation	Proportion of Ownership of Interest	
		As at 31/03/2015	As at 31/03/2014
Norfolk Mercantile Private Limited	India	100%	0%

**ii. Disclosure mandated by Schedule III of Companies Act, 2013, by way of additional information:**

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)	
	As a % of Consolidated net assets	Amount	As a % of Consolidated (loss)	Amount
<b>Parent:</b>				
Alpa Laboratories Limited	99.99%	8,655.01	99.93%	(139.68)
<b>Subsidiary</b>				
Indian Subsidiaries				
Norfolk Mercantile Private Limited	0.01%	0.84	0.12%	(0.16)
Sub Total		8,655.85		(139.84)
Inter-company Elimination & Consolidation Adjustments	0.00%	0.07	-0.05%	0.07
<b>Grand Total</b>	<b>100.00%</b>	<b>8,655.92</b>	<b>100.00%</b>	<b>(139.77)</b>
Minority Interest		-		-

B. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

**(₹ in lacs)**

<b>2. Share Capital</b>	<b>2015</b>	<b>2014</b>
<b>Authorized Capital</b>	2,500.00	2,500.00
2,50,00,000 Equity Shares of ₹10 Each ( Previous Year 2,50,00,000 Equity Share of ₹10/- Each)		
<b>Issued Capital</b>	2,156.00	2,156.00
2,15,60,000 Equity Shares of ₹10 Each (Previous year 2,15,60,000 Equity Shares of ₹10/- Each)		
<b>Subscribed and Paid Up Capital</b>	2,104.06	2,104.06
2,10,40,600 Equity Shares of ₹10 Each (Previous year 2,10,40,600 Equity Shares of ₹10/- each)		
<b>Total Share Capital</b>	<b>2,104.06</b>	<b>2,104.06</b>

**• Terms and Rights attached to Equity Shares.**

The Company has only one class of equity shares having a par value of ₹10 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

**• Detail of Shareholders holding more than 5% of total subscribed shareholding**

	2015		2014	
	Quantity	%	Quantity	%
Mahendra Singh Chawla	13,66,600	6.50%	13,66,600	6.50%
Pravin C. Shah	11,00,580	5.23%	11,00,580	5.23%

(₹ in lacs)		
<b>3. Reserves and Surplus</b>	<b>2015</b>	<b>2014</b>
(a) Share Premium	5,496.05	5,496.05
<i>(b) Surplus/(Deficit) in Statement of Profit and Loss</i>		
Opening Balance	1,230.45	1,745.93
Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013	(34.88)	-
Profit /(Loss) for the year	(139.77)	(515.48)
Closing Balance	1,055.81	1,230.45
<b>Total Reserve and Surplus</b>	<b>6,551.86</b>	<b>6,726.50</b>

(₹ in lacs)		
<b>4. Long Term Borrowings</b>	<b>2015</b>	<b>2014</b>
<i>Secured</i>		
Term Loans from Banks	-	420.07
<b>Total Long Term Borrowings</b>	<b>-</b>	<b>420.07</b>

**Details of terms of repayment for the long term borrowings and security provided in respect of the secured long term borrowings:**

A) Terms of Repayment :

- 1) Corporate Loan: Was repayable in 36 monthly installments commencing from April 2012. Last installment was due in March 2015, but was fully repaid in October 2014. Rate of interest was 13.50% p.a. till repayment. (Previous year: 13.25%)
- 2) Machinery Term Loan: Was repayable in 60 monthly installments commencing from June 2013. Last installment was due in May 2018, but was fully repaid in October 2014. Rate of interest was 13.50% p.a. till repayment. (Previous year: 13.25%)

B) Security Provided :

Term loans were secured by mortgage of immovable properties including factory land, building structures and all Plant and Machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future & hypothecation of assets purchased from term loan. Further, the loans were personally guaranteed by the Directors.

(₹ in lacs)		
<b>5. Other Long Term Liabilities</b>	<b>2015</b>	<b>2014</b>
Trade /Security Deposits received	50.62	50.62
<b>Total Other Long Term Liabilities</b>	<b>50.62</b>	<b>50.62</b>

(₹ in lacs)		
<b>6. Short Term Borrowings</b>	<b>2,015</b>	<b>2,014</b>
<i>Secured</i>		
Working Capital Loan from Bank	2,857.17	1,605.15
<b>Total Short Term Borrowings</b>	<b>2,857.17</b>	<b>1,605.15</b>

**Security Provided:**

Working Capital Loan is secured by way of book debts and hypothecation of present and future stock of raw material, finished goods, stock in process consumables, stores & spares, packing material etc.

	(₹ in lacs)	
<b>7. Other Current Liabilities</b>	<b>2015</b>	<b>2014</b>
(a) Current maturities of long-term debt -Secured Loans from Banks	-	273.33
(b) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	8.72	17.37
(c) Payable on purchase of fixed assets	0.55	11.38
(d) Advances from customers	118.29	38.13
(e) Other payable*	111.06	149.08
<b>Total Other Current Liabilities</b>	<b>238.62</b>	<b>489.28</b>

\*Includes security deposits of employees, salary and allowance payable to employees and other miscellaneous expenses.

	(₹ in lacs)	
<b>8. Short Term Provisions</b>	<b>2015</b>	<b>2014</b>
(a) Provision for employee benefits	26.50	23.35
(b) Other provisions	99.12	50.15
<b>Total Short Term Provisions</b>	<b>125.62</b>	<b>73.50</b>

**9. Fixed Assets**

ASSET	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01 Apr 2014	Additions	Deletions	As At 31 Mar 2015	Up To 31 Mar 2014	Retained Earnings (Refer Note No. 37)	For the Year 2014-15	Deductions	Up To 31 Mar 2015	As At 31 Mar 2015	As At 31 Mar 2014
<b>(i) Tangible Assets</b>											
Land and Site Dev.	264.33	-	250.91	<b>13.42</b>	-	-	-	-	-	<b>13.42</b>	264.33
Building	5,637.98	-	5,148.84	<b>489.14</b>	1,089.77	4.11	219.16	932.72	<b>380.31</b>	<b>108.83</b>	4,548.21
Plant and machinery	2,846.57	54.98	1,577.12	<b>1,324.43</b>	1,226.66	11.61	251.21	411.00	<b>1,078.48</b>	<b>245.96</b>	1,619.91
Furniture and Fixtures	78.48	4.60	50.75	<b>32.33</b>	29.36	0.02	8.59	17.65	<b>20.32</b>	<b>12.02</b>	49.12
Computers	38.54	0.63	12.93	<b>26.24</b>	29.10	(0.06)	3.43	8.49	<b>23.99</b>	<b>2.25</b>	9.44
Vehicles	10.84	5.92	10.84	<b>5.92</b>	3.75	-	2.38	4.85	<b>1.28</b>	<b>4.64</b>	7.09
Utility	175.37	-	-	<b>175.37</b>	131.16	1.22	17.36	-	<b>149.74</b>	<b>25.63</b>	44.22
Electrical Installation	426.08	0.28	254.96	<b>171.40</b>	183.37	27.94	28.57	76.65	<b>163.23</b>	<b>8.17</b>	242.71
QC and Lab Equipment	711.28	41.09	594.88	<b>157.50</b>	189.85	7.40	73.61	170.01	<b>100.86</b>	<b>56.64</b>	521.43
Office Equipment	11.49	1.67	2.75	<b>10.41</b>	6.53	0.58	2.29	1.08	<b>8.32</b>	<b>2.09</b>	4.97
<b>Total Tangible Assets</b>	<b>10,200.98</b>	<b>109.18</b>	<b>7,903.99</b>	<b>2,406.17</b>	<b>2,889.55</b>	<b>52.84</b>	<b>606.60</b>	<b>1,622.46</b>	<b>1,926.53</b>	<b>479.64</b>	<b>7,311.43</b>
<b>(ii) Intangible Assets</b>											
Goodwill on Consolidation	-	0.07	-	<b>0.07</b>	-	-	-	-	-	<b>0.07</b>	-
<b>(iii) Capital Work in Progress</b>											
Capital Work-in-Progress	-	7.36	-	<b>7.36</b>	-	-	-	-	-	<b>7.36</b>	-
<b>Total</b>	<b>10,200.98</b>	<b>116.61</b>	<b>7,903.99</b>	<b>2,413.60</b>	<b>2,889.55</b>	<b>52.84</b>	<b>606.60</b>	<b>1,622.46</b>	<b>1,926.53</b>	<b>487.07</b>	<b>7,311.43</b>
Previous Year	9,982.25	218.72	-	<b>10,200.98</b>	1,983.64	-	905.92	-	<b>2,889.56</b>	<b>7,311.42</b>	7,998.61

(₹ in lacs)

<b>10. Non Current Investment</b>	<b>2015</b>	<b>2014</b>
Investments (At cost):		
(a) <i>Investment in debentures or bonds</i>		
(i) of Subsidiaries		
1,010 (Previous Year: Nil) Compulsory Convertible Unsecured Debentures of Norfolk Mercantile Private Limited	1,010.00	-
<b>Total Non-current Investment</b>	<b>1,010.00</b>	<b>-</b>

(₹ in lacs)

<b>11. Long Term Loans and Advances</b>	<b>2015</b>	<b>2014</b>
<b>Unsecured, Considered Good</b>		
(a) Security Deposits	61.79	83.84
<b>Total Long Term Loans and Advances</b>	<b>61.79</b>	<b>83.84</b>

(₹ in lacs)

<b>12. Inventories</b>	<b>2015</b>	<b>2014</b>
(a) Raw materials	384.83	817.74
(b) Work-in-progress	41.77	66.41
(c) Finished goods (other than those acquired for trading)	310.15	377.75
(d) Analytical Materials	14.99	38.54
<b>Total Inventories</b>	<b>751.74</b>	<b>1,300.44</b>

(₹ in lacs)

<b>13. Trade Receivables</b>	<b>2015</b>	<b>2014</b>
<i>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</i>		
Unsecured, considered good	579.84	543.55
Doubtful	31.40	10.21
<i>Other Trade receivables</i>		
Unsecured, considered good	1,836.48	1,453.35
Doubtful	0.08	0.92
<b>Total Trade Receivables</b>	<b>2,447.79</b>	<b>2,008.02</b>

(₹ in lacs)

<b>14. Cash and Bank Balances</b>	<b>2015</b>	<b>2014</b>
(a) <i>Cash and Cash Equivalents</i>		
(i) Cash on Hand	3.47	0.57
(ii) Balances with Banks	2,120.34	1,031.59
(b) <i>Other Bank Balances*</i>		
(i) In Deposit Accounts	5,090.00	14.00
<b>Total Cash and Bank Balances</b>	<b>7,213.80</b>	<b>1,046.15</b>

\*Other Bank Balances include margin monies amounting to Nil (Previous Year: Nil) which have an original maturity of more than 12 months.

(₹ in lacs)

<b>15. Short Term Loans and Advances</b>	<b>2015</b>	<b>2014</b>
(Unsecured and Considered Good)		
(a) Security Deposits	0.49	3.56
(b) Loans and Advances to Employees	10.31	9.13
(c) Prepaid Expenses	1.77	8.97
(d) Balances with Government Authorities	304.93	347.77
(e) Advances to Suppliers	145.00	110.45
(f) Advance for Capital Goods	229.35	363.19
<b>Total Short Term Loans and Advances</b>	<b>691.84</b>	<b>843.08</b>

(₹ in lacs)

<b>16. Other Current Assets</b>	<b>2015</b>	<b>2014</b>
(a) Interest Accrued on Deposits	26.20	2.66
(b) Duty Drawback Receivable	9.90	14.31
(c) Refund Receivable against Rebate Claim of Duty	118.26	50.95
(d) DEPB Stock	2.18	10.11
(e) Other Receivable	0.85	
<b>Total Other Current Assets</b>	<b>157.39</b>	<b>78.03</b>

(₹ in lacs)

<b>17. Revenue from Operations</b>	<b>2015</b>	<b>2014</b>
(a) Sale of Products	5,632.69	5,167.48
(b) Sale of Services	479.66	814.23
(c) Other Operating Revenues	68.78	63.53
	6,181.13	6,045.24
Less: Excise Duty/ Service Tax Recovered	441.74	374.41
<b>Total Revenue from Operations</b>	<b>5,739.39</b>	<b>5,670.83</b>

(₹ in lacs)

<b>18. Other Income</b>	<b>2015</b>	<b>2014</b>
(a) <i>Interest Income</i>		
(i) Interest from Banks	253.74	2.80
(ii) Interest from Others	2.02	3.05
(b) Net Gain on Foreign Currency Transactions and Translation	11.24	48.05
(c) Compensation Received on Cancellation of Agreement	0.98	1.38
(d) Other Non-Operating Income	10.83	1.50
<b>Total Other Income</b>	<b>278.81</b>	<b>56.78</b>

(₹ in lacs)

<b>19. Cost of Materials Consumed</b>	<b>2015</b>	<b>2014</b>
Opening stock	817.74	939.07
Add: Purchases	3,084.71	3,177.09
Less: Closing stock	(384.83)	(817.74)
<b>Total Cost of Materials Consumed</b>	<b>3,517.62</b>	<b>3,298.42</b>

(₹ in lacs)		
<b>20. Manufacturing and Operating Cost</b>	<b>2015</b>	<b>2014</b>
Stores and Spares	42.73	65.84
Power and Fuel	179.87	242.17
Repairs to Buildings	22.22	21.86
Repairs to Machinery	11.10	11.43
Analytical Expenses	71.34	44.83
Other Manufacturing and Operating expenses	63.93	68.44
<b>Total Manufacturing and Operating Cost</b>	<b>391.18</b>	<b>454.57</b>

(₹ in lacs)		
<b>21. Changes in Inventories of Fin. Goods, Work in Process</b>	<b>2015</b>	<b>2014</b>
<u>Inventories at the end of the year:</u>		
Finished goods	310.15	377.75
Work-in-progress	41.77	66.41
	<u>351.92</u>	<u>444.15</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	377.75	300.87
Work-in-progress	66.41	54.86
	<u>444.15</u>	<u>355.73</u>
<b>Total Changes in Inventories of Fin. Goods, Work in Process</b>	<b>(92.24)</b>	<b>88.42</b>

(₹ in lacs)		
<b>22. Employee Benefits Expense</b>	<b>2015</b>	<b>2014</b>
Salaries and Wages	723.97	775.89
Contribution to Provident and Other Funds	32.47	15.60
Staff Welfare Expenses	6.70	5.27
<b>Total Employee Benefits Expense</b>	<b>763.15</b>	<b>796.76</b>

The Company makes Provident Fund contributions under defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹29.97 lacs (Previous Year ₹15.60 lacs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(₹ in lacs)		
<b>23. Finance Costs</b>	<b>2015</b>	<b>2014</b>
<u>(a) Interest Expense on:</u>		
(i) Borrowings	149.90	207.75
(ii) Others	0.19	1.50
<u>(b) Other Borrowing Costs</u>	<u>20.14</u>	<u>2.99</u>
<b>Total Finance Costs</b>	<b>170.23</b>	<b>212.24</b>

	(₹ in lacs)	
<b>24. Other Expenses</b>	<b>2015</b>	<b>2014</b>
Rent including Lease Rentals	8.17	16.75
Repairs and Maintenance (Others)	1.88	2.42
Insurance	3.52	3.80
Rates and Taxes	20.96	53.61
Communication	12.13	16.30
Traveling and Conveyance	137.19	124.97
Printing and Stationery	9.06	12.46
Freight and Forwarding	101.18	98.71
Commission on Sales	110.00	126.29
Business Promotion	28.52	27.83
Sales Discount	13.82	32.13
Donations and Contributions	0.79	0.64
Legal and Professional	118.37	30.09
Liquidated Damages, Testing and LSP Charges	13.95	5.61
Membership & Subscription	1.27	0.25
Payments to Auditors	3.02	2.77
Bad Trade and Other Receivables, Loans and Advances written off	80.91	57.58
Prior Period Items (net)	(52.07)	1.52
Miscellaneous Expenses	20.84	29.52
<b>Total Other Expenses</b>	<b>633.53</b>	<b>643.27</b>

	(₹ in lacs)	
<b>25. Current Tax</b>	<b>2015</b>	<b>2014</b>
Prior Period Tax	-	18.22
<b>Total Current Tax</b>	<b>-</b>	<b>18.22</b>



(₹ in lacs)

26. Details of Leasing Arrangements	2015	2014
-------------------------------------	------	------

*As Lessee (operating lease)*

The Company has entered into operating lease arrangements for certain facilities and office premises.

## A. Future minimum lease payments

- not later than one year

B. Lease Payments recognized in the Statement of Profit and Loss	6.66	10.33
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(₹ in lacs)

27. Government Grants	2015	2014
-----------------------	------	------

Government Grants Received by the Company during the Year towards

- Duty Drawback (Recognized under Other Operating Revenues)	60.66	56.80
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**Total Government Grants**

<b>60.66</b>	<b>56.80</b>
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(₹ in lacs)

28. Related Party Disclosures	2015	2014
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## A. Relationships:

i. Key Management Personnel

a. P. R. Patel, MD

b. M. S. Chawla, Director

c. P. C. Shah, Director

d. Jayesh Patel, CEO

e. Paresh Chawla, COO

f. B. C. Shah, CFO

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

a. Shitul Shah

b. Soni Chawla

c. Nayana Patel

d. Rupal Shah

e. Vinit Shah

## B. Transactions carried out with related parties referred to in A.i. &amp; A.ii. above, in the ordinary course of business:

Remuneration for Key Management Personnel referred to in A.i. above	79.20	79.20
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Salary for Key Management Personnel referred to in A.i. above	66.00	65.20
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Traveling Expenses for Key Management Personnel referred to in A.i. above	-	-
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Payable to Key Management Personnel referred to in A.i. above	12.79	20.93
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Receivable from Key Management Personnel referred to in A.i. above	2.12	1.69
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Salary for Relatives of Key Management Personnel referred to in A.ii. above	15.00	15.80
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Payable to Relatives of Key Management Personnel referred to in A.ii. above	1.58	8.29
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(₹ in lacs)

29. Deferred Tax	2015	2014
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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 the Institute of Chartered Accountants of India.

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

Tax effect of items constituting deferred tax liability

- on difference between book balance and tax balance of fixed assets		140.02
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Tax effect of items constituting deferred tax asset

- on difference between book balance and tax balance of fixed assets	9.35	-
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**Total Deferred Tax Liabilities**

<b>9.35</b>	<b>140.02</b>
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(₹ in lacs)

<b>30. Contingent Liabilities &amp; Commitments (to the extent not provided for)</b>	<b>2015</b>	<b>2014</b>
a. Bank Guarantees given to various government departments for tenders for supply of medicines	31.00	50.04
b. Liability in respect of arbitration proceedings (Refer Note No. 39)	0.04	-
c. Disputed demands before relevant authorities :		
Value Added Tax	16.93	16.93
Central Sales Tax	31.52	31.52
Income Tax	21.00	21.00

**31. Court Case has been filed against Innovec Laboratories Private Limited for ₹28.95 lacs (Previous Year: ₹28.95 lacs) for recovery of outstanding amounts.**

### **32. Segment Reporting**

a. As the Company operates in the single segment of Drugs and Chemicals which is the Primary Reportable Segment as per Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India, no separate disclosure pertaining to attributable Revenue, Profits, Assets, Liabilities and Capital Employed are given.

b. The secondary segment based on geographical segmentation is considered to be business Outside India and Within India.

<b>Detail of geographical segments based on location of the customers</b>	<b>2015</b>		<b>2014</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
Outside India	1,716.32	29.90%	1,564.17	27.58%
Within India	4,023.07	70.10%	4,106.66	72.42%
Total	5,739.39	100.00%	5,670.83	100.00%

**33. As per the terms of agreement dated 01<sup>st</sup> October 2014, the Company's manufacturing unit at Pithampur (Unit-II) has been transferred on slump sale basis to Ipca Laboratories Limited, w.e.f. 01<sup>st</sup> October 2014, for a total consideration of ₹6,400 lacs. Further, non- compete fees amounting to ₹10.00 lacs has been received by the Company.**

### **34. Schedule II Compliance**

a. In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at 01<sup>st</sup> April 2014, the carrying value (net of residual value) amounting to ₹34.88 lacs (net of deferred tax of ₹17.96 lacs) as a transitional provision has been recognized in the retained earnings.

b. Further, in case of assets acquired prior to 01<sup>st</sup> April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective from 01<sup>st</sup> April 2014.

c. Depreciation and amortization expenses for the year would have been lower by ₹153.42 lacs, had the Company continued with the previous assessment of useful life such assets.

**35. During the year, the Company has invested an amount of ₹1.00 lacs by purchasing shares of Norfolk Mercantile Private Limited making it a wholly owned subsidiary of the Company.**

**36. During the year, Ranbaxy Laboratories Limited (Petitioner) filed a Petition in the High Court at New Delhi to prevent the Company from selling its Unit-II division at Pithampur. To expedite the disposing of the said petition, the Company agreed to enter into arbitration proceedings with the Petitioner and furnish a bank guarantee to the tune of ₹300.00 lacs in the name of the Petitioner which shall remain live till the final disposal of the arbitration proceedings. The Honorable High Court was pleased to dispose off the petition without restricting the Company from selling its Unit-II division and appointing an arbitrator to settle the claims and counter claims made by the parties against each other. The Company is of the view, supported by legal opinion, that no provision is required to be made in the accounts as it expects favorable outcome of the arbitration proceedings and hence adjustments, if any, will be recorded by the Company on final outcome of the matter.**

37. The Company has invested during the F.Y. 2014-15 in the unsecured debentures issued by its wholly owned subsidiary "Norfolk Mercantile Private Limited" amounting to ₹1,010 lacs for the purpose of meeting the working capital requirements and capital /investment requirement of the Company on the following terms and conditions:

- a. The debentures shall compulsorily be converted into fully paid shares of the Company.
- b. The debentures shall have a term of 20 years from the date of issue.
- c. The debentures shall earn interest at the rate of 9% payable at the end of each year till debentures are converted into shares.
- d. No interest shall be payable in the year of conversion or buyback.
- e. The first interest accrual date shall be 31/03/2016.
- f. Interest shall be paid on a yearly basis, subject to availability of funds. In case interest is not paid on or before the end of the following quarter following the end of each financial year, the Company shall also pay interest of 9% on outstanding interest till the date of payment.

**38. Significant Accounting Policies and Practices** adopted by the Company are disclosed in the Statement annexed to these Financial Statements as Annexure A.

### **39. Previous Year Figures**

Comparative financial information is presented in accordance with the corresponding figure reporting framework as set out in Standards on Auditing 710 on "Comparatives". Previous Year figures have been regrouped or rearranged, as wherever appropriate to correspond to figures of the current year.

As Per Our Report of even Date  
**For C. H. PADLIYA & CO.**  
 Chartered Accountants, FRN 003151C

**S. C. Padliya**  
 Partner, Membership Number 071666

**For ALPA LABORATORIES LIMITED**  
 CIN: L85195MP1988PLC004446

**P.R. Patel, Mg. Director (DIN: 00362015)**

**M.S. Chawla, Director (DIN: 00362058)**

**B. C. Shah, CFO**

**Monali Patel, Company Secretary**

Pigdamber, Rau, Indore, 29th May 2015

**Annexure A** (Annexed to and forming part of the Consolidated Accounts for the year ended 31<sup>st</sup> March 2015)  
**SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

**1. Basis of Preparation of Financial Statements**

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly – issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle to be 12 months for the purpose of current - non current classification of assets and liabilities.

**2. Principles of Consolidation**

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra-group transactions and the unrealized profits.

The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

The difference between the cost of investment in the subsidiary, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognized in the financial statement as Goodwill or Capital Reserve as the case may be.

**3. 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.

**4. Revenue Recognition**

- a. The Group 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 Group 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. The value of unutilized unconditional Customs Duty credit granted against exports under "Duty Entitlement Pass Book Scheme" are accounted in the year of export.

**5. 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.

**6. 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.

**7. Depreciation**

- a. Fixed asset is depreciated on a written down value basis over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013.
- b. Depreciation for assets purchased or sold during the period is charged to revenue pro-rata to the period of their use.

**8. Inventories**

Finished goods (including for trade), work in process and raw materials 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. 'First In First Out' cost formula is used for determination of cost of inventories.

**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 Statement of Profit and Loss.

**c. Exchange Differences**

All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Statement of Profit and Loss, 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 Group's contribution to Life Insurance Corporation of India (LIC) for group gratuity policy is charged to the Statement of Profit and Loss each year. The contribution for Group Gratuity Policy is based on values as actually determined and demanded by LIC at the year end.

b. Liability on account of obligation under the employee's provident fund & employee state insurance, both defined contribution plans, is charged to Statement of Profit and Loss 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 Group 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 Group 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 Group 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 Statement of Profit and Loss.

**18. Leases**

Lease Agreements where the risk and reward incidental to ownership of assets substantially vest with the lessor, are recognized as operating leases. Lease rental under operating leases are recognizes in the Statement of Profit and Loss on a straight line basis.

**Annexure B** (Annexed to and forming part of the Consolidated Accounts for the year ended 31<sup>st</sup> March 2015)  
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries /associate companies /joint ventures

Part “A”: Subsidiaries

<b>As at 31/03/2015</b>	<b>(₹ in lacs) Norfolk Mercantile Pvt. Ltd.</b>
Reporting Currency	INR
Ex. Rate to INR on 31 <sup>st</sup> Mar	₹ 1.00
% of shareholding	100.00%
Share Capital	1.00
Reserves & Surplus	-0.16
Total Assets	1,010.93
Total Liabilities	1,010.93
Investments	1,010.00
Income /Turnover	0.00
Profit /Loss before tax	-0.16
Provision for taxation	0.00
Profit /Loss after tax	-0.16
Proposed dividend	0.00

Part “B”: Associates and Joint Ventures

None.

**ALPA LABORATORIES LIMITED      CIN: L85195MP1988PLC004446**  
**REGD. OFFICE: 33/2, Pigdamber, A.B. Road, Rau, Dist. INDORE (M.P.) 453446**

**PROXY FORM (FORM MGT-11)**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) \_\_\_\_\_ Email Id.: \_\_\_\_\_  
Registered Address \_\_\_\_\_ Folio No./ Client Id.: \_\_\_\_\_  
DP Id.: \_\_\_\_\_

I/ We being member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

Name \_\_\_\_\_ Email Id.: \_\_\_\_\_  
Address \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

Name \_\_\_\_\_ Email Id.: \_\_\_\_\_  
Address \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

Name \_\_\_\_\_ Email Id.: \_\_\_\_\_  
Address \_\_\_\_\_ Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on 30<sup>th</sup> September 2015 at 11:45 AM and at any adjournment thereof in respect of resolutions as are indicated below:

1	Adoption of Audited Financial Statements, Directors' Report and Auditors' Report for the Year ended 31 <sup>st</sup> March 2015
2	Appointment of rotational director
3	Appointment of Auditor and Fixing their remuneration
4	Appointment of Ms. Shashi Jain as an Independent Director (Woman) of the Company
5	Appointment of Cost Auditors

Affix ₹ 1  
revenue  
stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015 Signature of Shareholder(s) \_\_\_\_\_

Note: This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**ALPA LABORATORIES LIMITED      CIN: L85195MP1988PLC004446**  
**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 27<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2015, at 11:45 AM.

Name of the Shareholder (in BLOCK letters) \_\_\_\_\_

email Id. of the Shareholder (in BLOCK letters) \_\_\_\_\_

Signature of the shareholder(s) \_\_\_\_\_

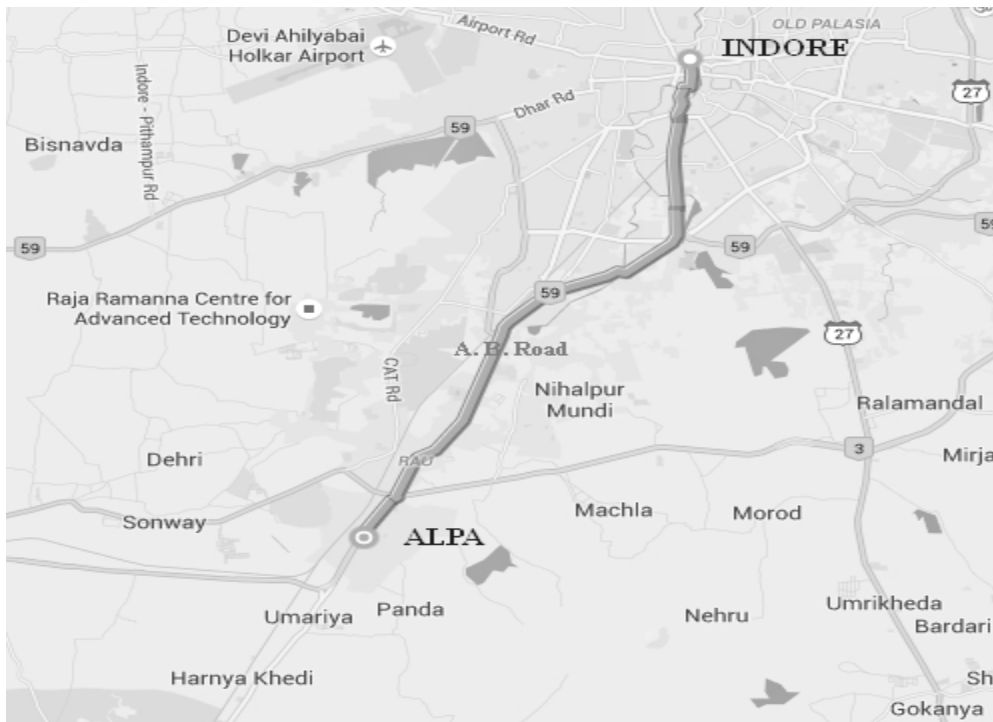
Name of the proxy (in BLOCK letters) \_\_\_\_\_

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.

## PRINTED MATTER

LOCATION MAP



# ALPA LABORATORIES LIMITED

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





# Alpa Laboratories Ltd.

33/2, A. B. Road, Pigdamber - 453 446 Distt. INDORE - (M.P.) INDIA  
Phone No. : +91-731-429 4567, Fax No.: +91-731-429 4444, Email : mail@alpalabs.com

CIN-L85195MP1988PLC004446

01/Sep/15

To,

The Bombay Stock Exchange Ltd.

Attn: The Manager, Department of Corporate Services

P. J. Towers, Dalal Street

Mumbai 400001

NSE Scrip Name: ALPA

CIN: L85195MP1988PLC004446

Fax: 2272-3353, 3121, 2039

## Sub: Annual Reports of Alpa Laboratories Limited

Dear Madam/ Sir,

Please find 6 copies of the Company's Annual Report for financial year 2014-15 along with the duly signed Form A (Unqualified/ Matter of Emphasis Report) given below. The Annual Reports have already been sent as required to all the shareholders of the Company and are also being sent to all the other stock exchanges.

Thank you.

Sincerely,

Authorized Signatory

### FORM A

- |  |                                    |
|--|------------------------------------|
| 6. Name of the Company:                            | <b>Alpa Laboratories Limited</b>   |
| 7. Annual financial statements for the year ended: | <b>31<sup>st</sup> March, 2015</b> |
| 8. Type of Audit observation:                      | <b>None</b>                        |
| 9. Frequency of observation:                       | <b>Not Applicable</b>              |
| 10. Signed by:                                     |                                    |
| a. <b>Managing Director</b>                        |                                    |

b. CFO

c. **Auditor of the Company**

d. **Audit Committee Chairman**