

Annual Report 2010-11



Alpa Laboratories Limited

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**THE BOARD OF DIRECTORS**

Mr. Purushottam R. Patel, Chairman & Managing Director  
 Mr. Mahendra Singh Chawla  
 Mr. Pravin C. Shah  
 Mr. Devendra Baheti  
 Mr. Sharad Chand Lunawat  
 Mr. Krishna Das Malani  
**COMPLIANCE OFFICER**  
 Mr. Hemant Jain

**REGISTERED & CORPORATE OFFICE**

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

**STATUTORY AUDITORS OF THE COMPANY**

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

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**BANKERS**

Bank of Baroda  
 A.B. Road Branch  
 Indore (M.P.) 452001

**REGISTRAR & TRANSFER AGENT**

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

**NOTICE TO SHAREHOLDERS**

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

**ORDINARY BUSINESS**

- To receive, consider and adopt the audited Balance Sheet as at March 31<sup>st</sup>, 2011 and the Profit & Loss Account for the year ended on that date, together with the Report of the Directors and the Auditors thereon.
- To appoint a director in place of Mr. P. C. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a director in place of Mr. S. C. Lunawat, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s. C. H. Padliya & Co., Chartered Accountants, as the statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.

**SPECIAL BUSINESS**

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:  
**"RESOLVED THAT** Mr. Devendra Baheti, a Director who was appointed as an additional Director in the meeting of the Board of Directors of the Company held on Dec. 28, 2011 and who holds office as such up to the date of Annual General Meeting and in respect of whom notices under Section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Mr. Devendra Baheti as a candidate for the office of Director of the company be and is hereby appointed as a Director of the Company."
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:  
**"RESOLVED THAT** Mr. Krishna Das Malani, a Director who was appointed as an additional Director in the meeting of the Board of Directors of the Company held on Dec. 28, 2011 and who holds office as such up to the date of Annual General Meeting and in respect of whom notices under Section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Mr. Krishna Das Malani as a candidate for the office of Director of the company be and is hereby appointed as a Director of the Company."

**NOTES:**

- A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the company.
- The proxy form to be effective, should be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
- The 'Register of Members' and 'Share Transfer Books' will remain closed from 26<sup>th</sup> September, 2011 to 28<sup>th</sup> September, 2011 (both days inclusive).
- Members are requested to notify immediately changes, if any, in their address/ bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar & Share Transfer Agent with all necessary details, in respect of physical share folios.
- Members are requested to register their email ID with the Company at [is@alpalabs.com](mailto:is@alpalabs.com) or with the Share Transfer

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

6. Nomination facility is available as per the provision of the Companies Act, 1956. Those who wish to avail themselves of this facility may send in their Nomination Forms (Form 2B) either to the Registrar or to the Company at its Registered Office.
7. At the ensuing general meeting Mr. P. C. Shah shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. P. C. Shah are as follows:  
Mr. P. C. Shah, aged 63 years, holds a Bachelors Degree in Science from Indore University. He is also an approved chemist. He is also a co-founder of the company.
8. At the ensuing general meeting Mr. S. C. Lunawat shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. S. C. Lunawat are as follows:  
Mr. S. C. Lunawat, aged 60 years, holds multiple Bachelors Degrees in Commerce, Journalism & Library Sciences and multiple Masters Degrees in Economics & Public Administration.

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

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

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

Particulars of Mr. Baheti are as follows:

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

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

**Item No. 6**

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

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

Particulars of Mr. Malani are as follows:

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

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

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

**Mahendra Singh Chawla**, Whole Time Director

Place: Pigdamber, Rau, Indore

Date: 27<sup>th</sup> August, 2011

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

**DIRECTORS' REPORT**

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

**1. FINANCIAL RESULTS & PERFORMANCE**

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

## 2. PAST HISTORY AND FUTURE PROSPECT

The Company posted a turnover of Rs. 8,357.95 lacs for the Financial Year and earned a profit before tax of Rs. 146.52 lacs. The exercise of product consolidation and pruning of the product line has resulted in an improvement in the profitability of your company during the year. Even in the difficult market, the Company has continued to book a profit as a result of better management, cost efficiencies and strategic planning for margin. The new plant is already undergoing trial productions and the management is confident of taking it to commercial production in the very near future depending on the finalization of the specific formulations to be manufactured.

## 3. FIXED DEPOSITS

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

## 4. DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the provision of the Article of Association of the Company Mr. P. C. Shah and Mr. S. C. Lunawat, being directors of the Company are liable to retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

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

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

## 5. PARTICULARS OF EMPLOYEES

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

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

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

## 7. RE-CONSTITUTION OF AUDIT COMMITTEE

Pursuant to the Companies Act 1956 and the Listing Agreement, an audit committee exists in the Company and the same was re-constituted on 28<sup>th</sup> December, 2010; consisting of a non-executive independent director as chairman and 2/3<sup>rd</sup> number of members of total strength of the committee as non-executive independent directors.

## 8. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011, on a "Going Concern" basis.

## 9. CORPORATE GOVERNANCE

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

## 10. MANAGEMENT DISCUSSION & ANALYSIS

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

### 10.1. Internal Control Systems and its adequacy

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

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

#### 10.2 Adequate coverage of risk

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

#### 10.3 Segment-wise results

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

#### 10.4 Subsidiary Company

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

### 11. DISCLOSURES

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

### 12. STOCK EXCHANGES - COMPLIANCE OF LISTING AGREEMENTS

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

### 13. AUDITORS

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

### 14. AUDITORS REPORT

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

### 15. DIRECTORS COMMENTS ON AUDITORS QUALIFICATION(S)

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

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

### 16. COMPLIANCE OF ACCOUNTING STANDARD

As clarified in point 4(iv) of Auditors' Report, Company has complied with all applicable Accounting Standards as per provision of section 211 (3C) of the Companies Act 1956.

### 17. APPRECIATION

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

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

**Purushottam R. Patel**

Managing Director

Place: Pigdamber, Rau, Indore

Date: 27<sup>th</sup> August, 2011

**Mahendra Singh Chawla**

Whole Time Director

**Pravin C. Shah**

Whole Time Director

### ANNEXURE I

(Annexed to and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2011)  
Companies (Disclosure of particulars in the report of the Board of Directors) – Rules 1988  
Particulars in respect of :

**A. Conservation of Energy**

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

FORM A

**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

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

**B. Technology Absorption**

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

**C. Foreign Exchange earning and outgo**

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

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

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

**Industry Structure and Development**

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

**Manufacturing Facilities**

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

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

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

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

#### Regulatory Approvals

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

#### Domestic Markets

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

#### International Markets

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

#### Outlook

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

#### Business Strategy

Your company has always endeavored to optimize shareholder value but due to various factors, the Company has not been able to achieve the anticipated levels. However, in the opinion of Directors, after setting up the new plant at Pithampur (Unit-II), the product range will be enhanced resulting in a sharp increase in profitability. The Company has been consolidate its product list to bring in marketing efficiency and better profit realization. This has resulted in a higher profit even with a lowering of the sales turnover. This exercise is expected to continue for some more time, but is eventually expected higher profitability and improved efficiencies. The Company is deriving its strength from diverse product capability, established client relationship, location advantage and an experienced management team.

#### Risk Concerns

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

#### Human Resources and Industrial Relations

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

#### Cautionary Statement

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

## **CORPORATE GOVERNANCE REPORT**

The detailed report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing



Agreement with Stock Exchanges is set out below:

### 1. Corporate Governance Philosophy

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

### 2. Board of Directors

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

The composition and category of the Board of Directors as on March 31, 2011 was as follows:

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

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

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

The Board of Directors met six times during the period under review on 21/May/2010, 30/Jul/2010, 07/Aug/2010, 29/Oct/2009, 28/Dec/2010 and 31/Jan/2011. Attendance of each Director at the meeting of the Board of Director held during the year and the last Annual General Meeting and also the number of Board of Directors or Committee meetings of which he is a member/ chairman is as under:

Name of Director	Attendance Particulars		No of Directorships in domestic public limited companies (including this Company)		No of Committee Memberships <sup>1</sup> in domestic public limited companies (including this Company)	
			As Chairman	As Director	As Chairman	As Member
Mr. Purushottam R. Patel	Board Meetings 4	Last AGM No	1	-	-	2
Mr. Mahendra Singh Chawla	6	Yes	-	1	-	1
Mr. Pravin C Shah	6	Yes	-	1	-	-
Mr. Sampat Lal Chaplot <sup>2</sup>	4	Yes	-	1	2 <sup>2</sup>	-
Mr. Sharad Chand Lunawat	4	Yes	-	1	-	1
Mr. Devendra Baheti <sup>3</sup>	1	N.A.	-	1	2	-
Mr. Krishna Das Malani	1	N.A.	-	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>Resigned as Director and ceased to be chairman of Audit committee & Grievance committee w.e.f. 28/Dec/2010

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

### 3. Audit Committee (see term of reference)

The Company has complied with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement relating to the composition and terms of reference of the Audit Committee. The committee was reconstituted on 28/Dec/2010 with the composition of 2 Independent Non-executive Directors (1 as Chairman) and 1 Executive Director.

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

Name of the Member	No. of meetings attended	Whether attended AGM
Mr. Sampat Lal Chaplot (Resigned on 28/Dec/2010)	3	Yes
Mr. Devendra Baheti (Chairman & Member from 28/Dec/2010)	1	N.A.
Mr. Purushottam R. Patel	3	No