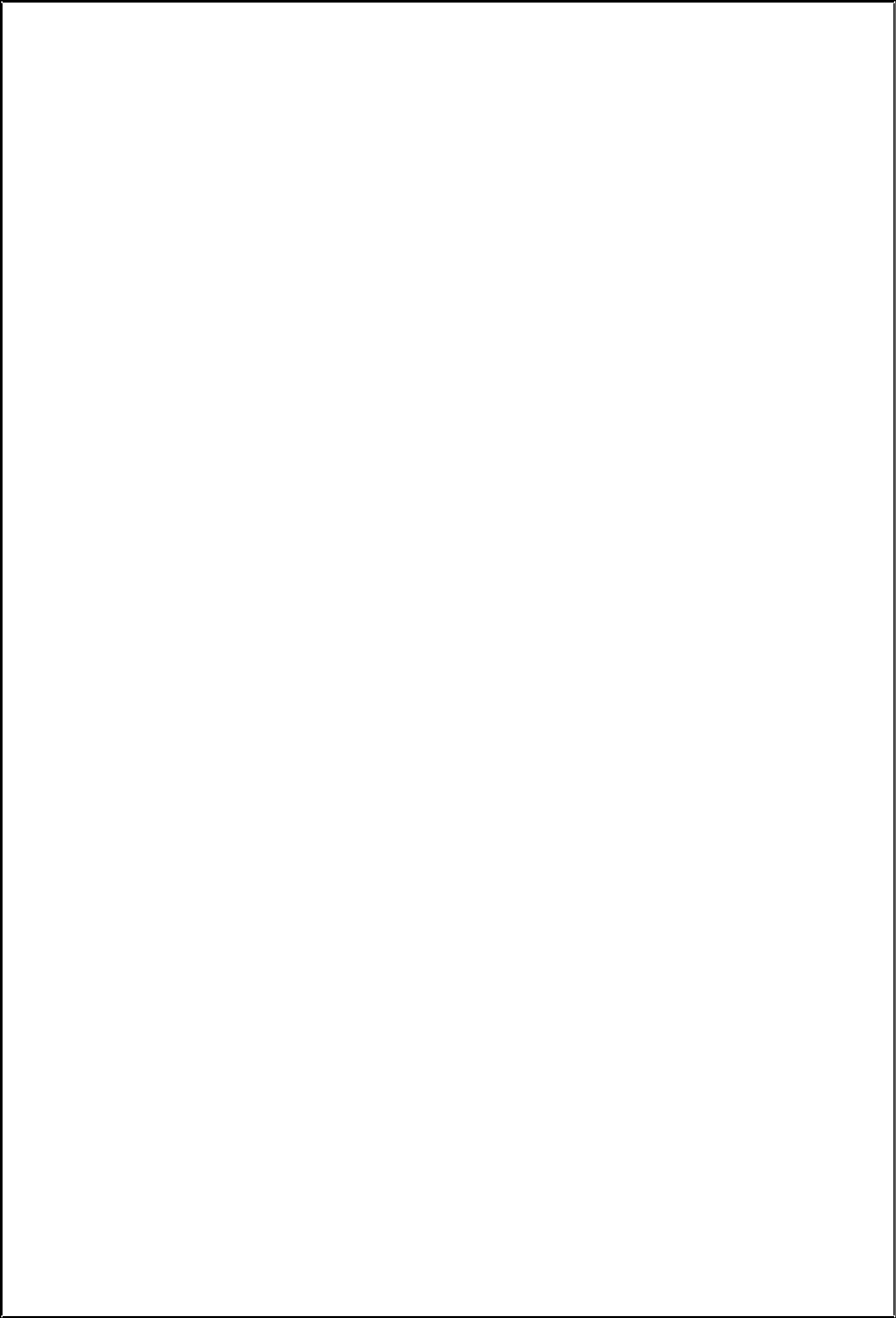


Annual Report 2013-14



Alpa Laboratories Limited



Annual Report 2013-14

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

REGISTERED & CORPORATE OFFICE

33/2 Pigdamber, A.B. Road, Rau
Indore (M.P.) 453446, India
CIN: L85195MP1988PLC004446
Phone: +91-731-429-4567
Fax: +91-731-429-4444
Email: is@alpalabs.com Website: www.alpalabs.com

UNIT-I

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

UNIT-II

481, 470, 471 Sector III, Pithampur
Dist. Dhar (M.P.) 454775, India

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

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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 26th Annual General Meeting of the members of the Company will be held on the 30th Day of September 2014 at the registered office at 11:45 AM to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. M. S. Chawla (DIN 00362058), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint 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

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, including any statutory modifications or re-enactment thereof for the time being enforced, the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. P. R. Patel (DIN 00362015) as Chairman and Managing Director for a period of 3 consecutive years from 01st March 2015 at a remuneration up to Rs. 2,50,000 per month.

FURTHER RESOLVED THAT in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. P. R. Patel shall be the minimum remuneration payable by the Company.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to decide breakup of his remuneration within the permissible limits in its absolute discretion as may be considered necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, including any statutory modifications or re-enactment thereof for the time being enforced, the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. M. S. Chawla (DIN 00362058) as Whole Time Director for a period of 3 consecutive years from 01st March 2015 at a remuneration up to Rs. 2,50,000 per month.

FURTHER RESOLVED THAT in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. M. S. Chawla shall be the minimum remuneration payable by the Company.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to decide breakup of his remuneration within the permissible limits in its absolute discretion as may be considered necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, including any statutory modifications or re-enactment thereof for the time being enforced, the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. P. C. Shah (DIN 01232138) as Whole Time Director for a period of 3 consecutive years from 01st March 2015 at a remuneration up to Rs. 2,50,000 per month.

FURTHER RESOLVED THAT in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. P. C. Shah shall be the minimum remuneration payable by the Company.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to decide breakup of his remuneration within the permissible limits in its absolute discretion as may be considered necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

7. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as may be amended from time to time, Mr. S. C. Lunawat (DIN 00444502), who was holding a position of Independent Directors and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of up to 5 consecutive years up to 31st March, 2019."
8. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as may be amended from time to time, Mr. D. K. Baheti (DIN 01752872), who was holding a position of Independent Directors and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of up to 5 consecutive years up to 31st March, 2019."
9. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as may be amended from time to time, Mr. K. D. Malani (DIN 03455620), who was holding a position of Independent Directors and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of up to 5 consecutive years up to 31st March, 2019."
10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT that pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and in super-session of all earlier resolutions passed in this regard by the Company in general meetings, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time all such sums of money for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board of Directors and outstanding shall not at any time exceed the sum of Rs. 151 crores."
11. 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 31st March 2015, be confirmed and be paid remuneration of Rs. 90,000 per year plus reimbursement of out of pocket expenses."

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

Pigdamber, Rau, Indore, 08th August 2014

P. R. Patel, Chairman & Managing Director

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 26th September 2014 to 30th September 2014 (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 Report on Corporate Governance.
- (5) Members seeking specific information are requested to write to the Company by email at 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, 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.
- (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, Proxy Form and Ballot 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
- (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, the Company is pleased to provide members facility to exercise their right to vote at the 26th 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).
 - The instructions for e-voting are as under:
 - In case of members receiving e-mail:
 - (i) Log on to the e-voting website 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 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 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 Demat 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 last 8 digits of the demat account/folio number in the PAN field
 - In case the folio 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 folio 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
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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
 - 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 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

- II. The voting period begins on 24th September 2014 (9:00 am) and ends on 26th September 2014 (6:00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- III. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- IV. CS Shilpesh Dalal has been appointed as the Scrutinizer to scrutinize the e-voting process (including ballot form received from the members who do not have access to the e-voting facility) in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, and send it to the Chairman of the Company.
- VI. The Results shall be declared at or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.alpalabs.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and also communicated to the Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE).

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

Pigdamber, Rau, Indore, 08th August 2014

P. R. Patel, Chairman & Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

As per provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013, every public company having paid up capital of Rs. 10 Crores or more is required to have a Managing Director and Key Managerial Persons.

At the Board Meeting held on 08th August 2014, the Board had approved the reappointment and terms of remuneration of Mr. P. R. Patel as the Managing Director and Key Managerial Person of the Company for a period of 3 consecutive years w.e.f. 1st March 2015. The reappointment was made on recommendation of Nomination and Remuneration Committee and subject to approval of members on following terms and conditions.

A. Remuneration: ₹ 2,50,000 per month

The Aggregate of the remuneration as aforesaid shall be within the limits as laid down under Sections 196, 197, 198, read with Schedule V of the Act. In compliance with the provisions of Section 196, 197, 198 read with Schedule V of the Act, the reappointment and remuneration of Managing Director is now being placed before the members in general meeting for their approval by way of Special Resolution.

Mr. P. R. Patel is a promoter director of the Company and has more than 57 years of experience in the pharmaceutical Industry and is a co-founder of the Company. He provides strategic direction and vision to the Company. He is not holding any other directorship.

None of the Directors or Key Managerial Persons is concerned or interested in the resolution except, Mr. P.R. Patel who is being reappointed and his son Mr. Jayesh Patel who is the Chief Executive Officer of the Company.

Item No. 5

As per provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013, every public company having paid up capital of Rs. 10 Crores or more is required to have a Managing Director and Key Managerial Persons.

At the Board Meeting held on 08th August 2014, the Board had approved the reappointment and terms of remuneration of Mr. M. S. Chawla as Whole time Director and Key Managerial Person of the Company for a period of 3 consecutive years w.e.f. 1st March 2015. The reappointment was made on recommendation of Nomination and Remuneration Committee and subject to approval of members on following terms and conditions.

A. Remuneration: ₹ 2,50,000 per month

The Aggregate of the remuneration as aforesaid shall be within the limits as laid down under Sections 196, 197, 198, read with Schedule V of the Act. In compliance with the provisions of Section 196, 197, 198 read with Schedule V of the Act, the reappointment and remuneration of Whole Time Director is now being placed before the members in general meeting for their approval by way of Special Resolution.

Mr. M. S. Chawla is a promoter director of the Company and has more than 48 years of experience in the pharmaceutical Industry and is a co-founder of the Company. He provide operational direction to the Company. He is not holding any other directorship.

None of the Directors or Key Managerial Persons is concerned or interested in the resolution except, Mr. M. S. Chawla who is being reappointed.

Item No. 6

As per provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013, every public company having paid up capital of Rs. 10 Crores or more is required to have a Managing Director and Key Managerial Persons.

At the Board Meeting held on 08th August 2014, the Board had approved the reappointment and terms of remuneration of Mr. P. C. Shah as Whole time Director and Key Managerial Person of the Company for a period of 3 consecutive years w.e.f. 1st March 2015. The reappointment was made on recommendation of Nomination and Remuneration Committee and subject to approval of members on following terms and conditions.

A. Remuneration: ₹ 2,50,000 per month

The Aggregate of the remuneration as aforesaid shall be within the limits as laid down under Sections 196, 197, 198, read with Schedule V of the Act. In compliance with the provisions of Section 196, 197, 198 read with Schedule V of the Act, the reappointment and remuneration of Whole Time Director is now being placed before the members in general meeting for their approval by way of Special Resolution.

Mr. P. C. Shah 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 is not holding any other directorship.

None of the Directors or Key Managerial Persons is concerned or interested in the resolution except, Mr. P. C. Shah who is being reappointed and his brother Mr. Bakulesh Shah who is the Chief Finance Officer of the Company.

Item No. 7, 8 & 9

The Board of directors of the Company comprises six directors out of which, three are Non-Executive Independent Directors of the Company.

Mr. S. C. Lunawat joined the Board on 29th July 2008 as an Independent Director and has served as director of the Company for over 7 years. He has rich experience in legal and taxation matters and industrial administration. He is not a director in any other public limited company and does not hold any equity shares of the Company.

Mr. D. K. Baheti joined the Board on 28th December 2010 as an Independent director. Mr. Baheti has an experience of more than 39 years in various business associations and social organizations. He is not a director in any other public limited company and does not hold any equity shares of the Company.

Mr. K. D. Malani joined the Board on 28th December, 2010 as an Independent Director. He has a rich experience of over 43 years in Banking and Finance. He is not a director in any other public limited company and does not hold any equity shares of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, the above mentioned Independent Directors being eligible and offering themselves for appointment, are proposed to be appointed as an Independent Director for five consecutive years term up to 31st March 2019.

In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the Company's management. The Board considers that their continued association would be of immense benefit to the Company and recommends the resolutions as set out in Item 7, 8 and 9 as Ordinary Resolutions in relation to appointment of Mr. S. C. Lunawat, Mr. D. K. Baheti and Mr. K. D. Malani respectively as Independent Directors for the approval by the shareholders of the Company.

Except themselves, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 10

Increasing business operations and future growth plans of the Company would necessitate borrowing from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, both in the domestic and international markets, as may be considered suitable by the Board. However as per the provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business except with the permission of the Shareholders in General Meeting by way of special resolution, borrow monies in excess of the aggregate of the paid-up capital and free reserves of the Company.

Hence, the Board of Directors of the Company needs to be authorized to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), from time to time on behalf of the Company not exceeding Rs. 151 Crores that may be over and above the paid up capital and free reserves of the Company.

The Board accordingly recommends the Special Resolution as mentioned at Item no.10 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors or Key Managerial Persons and their relatives is either directly or indirectly concerned or interested, in the proposed resolution in any manner except as a member of the Company.

Item No. 11

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 2014-15 at a remuneration of Rs. 90,000 plus out of pocket expenses.

The Board of Directors recommends the resolution set out at Item No. 11 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.

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

Pigdamber, Rau, Indore, 08th August 2014

P. R. Patel, Chairman & Managing Director