

ALEMBIC LIMITED



ANNUAL REPORT 2011-12

ALCHEMY
REAL ESTATE
ALEMBIC GROUP

Samsāra

LUXURY
APARTMENTS

Everything you seek is within..

NIZAMPURA CHHANI ROAD

532 RESIDENCES | 2/3/4 BHK APARTMENTS | 2 ACRES OF GARDENS

Bookings Open

Site Office: B/h Space Studio, Nr. Keya Motors, Besides Chhani Canal, Chhani, Vadodara

Sales Office: FB Colony, Near Bhailal Amin Hospital, Alembic Road, Vadodara | M.: +91 96876 39701/702/703

Alembic Limited | Alembic Corp. Office, Alembic Road, Vadodara - 390 003, Gujarat, India • Tel.: +91 265 300 7900
info@alchemyindia.com • www.alchemyindia.com

Board of Directors

Mr. Chirayu R. Amin
Chairman

Mrs. Malika Amin
Whole-time Director

Dr. B. R. Patel
Director

Mr. Milin Mehta
Director

Mr. R. M. Kapadia
Director

Mr. Ashok Tulankar
(w.e.f. 30th August, 2011)

Company Secretary

Mr. Chirag K. Shukla
(w.e.f. 29th July, 2011)

Regd. Office

Alembic Road, Vadodara - 390 003
Tel: (0265) 2280550, 2280880
Fax: (0265) 2282506
Email: alembic@alembic.co.in

Statutory Auditors

K.S. Aiyar & Co.
Chartered Accountants
Laxmi Estate No. F - 07/08
Shakti Mills Lane
Off Dr. E. Moses Road
Mahalaxmi, Mumbai - 400 011

Bankers

Bank of Baroda
AXIS Bank
HDFC Bank Limited
YES Bank Limited

Registrar & Transfer Agents

Link Intime India Pvt. Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara 390 020.
Tel:(0265) 2356573, 2356794
Fax:(0265) 2356791
Email: vadodara@linkintime.co.in

Manufacturing Facility

Alembic Road, Vadodara 390 003. Gujarat

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This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are 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 realised. 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.



Notice

ALEMBIC LIMITED, Alembic Road, Vadodara - 390 003.

Notice is hereby given that the 105th Annual General Meeting of the Members of Alembic Limited will be held at "Sanskruti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003, on Monday, the 13th August, 2012 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS

- To receive and adopt the audited Balance Sheet and Statement of Profit & Loss of the Company for the year ended on 31st March, 2012 and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Milin Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. R. M. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To transact the following business as special business:

- To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Ashok Tulankar, who was appointed as an Additional Director of the Company on 30th August, 2011 and who vacates his office at this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."
- To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII, Ministry of Corporate Affairs' notification GSR 534 (E) dated 14th July, 2011, other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the approval of the shareholders be and is hereby accorded to the appointment of Mr. Ashok Tulankar as Whole-time Director of the Company for a period from 30th August, 2011 upto 30th September, 2011 at a remuneration and on such terms and conditions as set out in the Explanatory Statement annexed to this notice."
- To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:
"RESOLVED THAT in accordance with the provisions of Sections 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, the approval of the Company, be and is hereby accorded, subject to approval of the Central Government to waive the excess payment of the Managerial Remuneration to Mrs. Malika Amin, Whole-time Director and that the Remuneration paid to Mrs. Malika Amin, Whole-time Director for the year 2011-12 as mentioned herein below be and is hereby approved :

(₹ in Lacs)

Name and designation of Director	Salary & Perquisites
Mrs. Malika Amin, Whole-time Director	171.24
Total	171.24

RESOLVED FURTHER THAT subject to approval of the Central Government, the amount of excess payment of the managerial remuneration of ₹123.24 Lacs paid to Mrs. Malika Amin, Whole-time Director during the year 2011-12 be and is hereby approved.

RESOLVED FURTHER THAT the company do apply to Central Government for its approval to the waiver of recovery of excess remuneration paid by the company and that Board of Directors of the Company and Company Secretary, be and are hereby authorized to do all the necessary acts, deeds, matters and things to effectuate the above resolution."

Notice

NOTES:

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from Monday, the 6th August, 2012 to Monday, the 13th August, 2012 (both days inclusive), for the purpose of Annual General Meeting.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting.
5. Shareholders who have not encashed the dividend warrants from the financial year ended on 31st March, 2005 onwards are requested to immediately approach the Company. According to Section 205A of the Companies Act, 1956, all the unclaimed dividends, if any, are required to be transferred to the 'Investor Education and Protection Fund'.
6. All the work related to share registry in terms of both - physical and electronic – are being conducted by Company's R & T Agents – M/s. Link-Intime India Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390020 Tel:(0265) 2356573, 2356794 Fax:(0265) 2356791 Email: vadodara@linkintime.co.in. The Shareholders are requested to send their communication to the aforesaid address in future.

Registered Office:
Alembic Road,
Vadodara - 390 003.
Date : 2nd May, 2012

By Order of the Board,

Chirag K. Shukla
Company Secretary

Explanatory Statement as required under Section 173 of the Companies Act, 1956
Item No. 5

The Board of Directors at its meeting held on 30th August, 2011 had appointed Mr. Ashok Tulankar as an Additional Director of the Company. Mr. Tulankar is B.Tech in Chemical Engineering with 33 years experience in Manufacturing, Projects, Process Development, EHS, cGMP, HR and Administration. He has worked with various well known private sector companies in the pharmaceutical space.

The Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his appointment as a Director of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution except Mr. Ashok Tulankar.

Item No. 6

Mr. Ashok Tulankar was appointed as Additional Director of the Company by the Board of Directors at its meeting held on 30th August, 2011. Mr. Ashok Tulankar was also Vice President – Manufacturing of the Company and as per the provisions of the Companies Act, 1956 and read with notification of the Ministry of Corporate Affairs dated 14-07-2011, Mr. Ashok Tulankar was deemed to be Whole-Time Director in professional category. Mr. Ashok Tulankar ceased to be in employment of the Company w.e.f. 1st October, 2011 and hence he also ceased to be Whole-Time Director of the Company w.e.f. 1st October, 2011.

As per the provisions of the Companies Act, 1956 approval of members is sought for appointment and remuneration of Mr. Ashok Tulankar as Whole-Time Director from 30th August, 2011 to 30th September, 2011.

The Remuneration proposed by the Board of Directors for payment to Mr. Ashok Tulankar as a Whole-Time Director is as under:

Basic Salary : Maximum upto of ₹ 2,40,630/- per month.

HRA and other allowances: Maximum upto ₹ 1,73,529/- per month.

Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.

Reimbursement of Medical Expenses & LTC as per the rules of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution except Mr. Ashok Tulankar.

Notice

Item No. 7

As per Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII, the Company can pay remuneration to one managerial personnel upto 5% of the net profit calculated as per Sections 349 & 350 of the Companies Act, 1956.

During the financial year 2011-12, the profit is inadequate and therefore, the managerial remuneration paid during 2011-12 exceeds the limits prescribed under the Act.

The Pen-G business was facing difficulties due to uneconomical prices of Pen-G and lack of support from the Government. Hence the Company has stopped manufacturing of Pen G. The Company's operations therefore have been downsized.

The Company is now focusing on manufacture of other API Products. The turnover has remained low due to above reasons and therefore the company incurred losses during the FY. 2011-12.

In accordance with the provisions of Schedule XIII and other applicable provisions of the Act, the Remuneration Committee and the Board of Directors at their respective meetings held on 2nd May, 2012 have recommended the waiver of excess remuneration paid during the year 2011-12 as set forth in the resolution in view of the inadequate profit for the year 2011-12 subject to approval of the Central Government.

Your Directors recommend the resolution for your approval.

A copy of the resolution passed by the Remuneration Committee of Directors and Board of Directors at its meeting held on 2nd May, 2012 is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays and holidays up to the date of Annual General Meeting.

None of the Directors of the Company are in any way concerned or interested in the resolution except Mrs. Malika Amin and Mr. Chirayu Amin.

Registered Office:
Alembic Road,
Vadodara - 390 003.
Date : 2nd May, 2012

By Order of the Board,

Chirag K. Shukla
Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors hereby present their 105th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2012.

1 Financial Results :

(₹ in Lacs)

For the year ended 31st March	2012	2011
Profit for the year before Interest, Depreciation, Non-recurring Income or Expenses and Tax	500	563
Adjusting therefrom:		
Interest (net)	520	240
Depreciation	1093	1007
Non-recurring Income or expenses i.e. Expenses on Voluntary Retirement Scheme	248	422
Provision for deferred tax liabilities or (assets)	(142)	105
Provision for current tax / wealth tax	-	(13)
Excess provision of Income Tax written Back (Net)	-	(276)
Net Profit / (Loss)	(1220)	(1290)
Adding thereto:		
Balance brought forward from last year	6100	7532
Less: Appropriated as per Scheme of Arrangement	-	(145)
The amount available is	4880	6097
Appropriating there from:		
Reversal of Corporate Dividend tax	-	3
Balance carried forward to next year's accounts	4880	6100

2 Dividend :

In view of loss for the current year, your Directors do not recommend Dividend on Equity Shares.

3 Management's Discussion and Analysis:

The Report on Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges is enclosed as Annexure – A to this report. Certain statements in this section may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

4 Operations :

The Company's Gross Sales including export incentives were ₹ 123.96 Crores for the year ended 31st March, 2012 as compared to ₹ 216.91 Crores for the previous year.

The profit before Interest, Depreciation, Non-recurring Income and Expenses and Taxes was ₹ 5.00 Crores for the year under review as compared to ₹ 5.63 Crores for the previous year.

During the year, the interest and financing cost was ₹ 5.20 Crores as compared to ₹ 2.40 Crores in previous year.

5 Listing of shares :

The equity shares of the Company continue to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is regular in paying listing fees to both the Stock Exchanges.

6 Fixed Deposits :

During the year under review, the Company has not invited/accepted any deposits from public.

7 Directors :

The Board at its meeting held on 30th August, 2011 had appointed Mr. Ashok Tulankar as Additional Director in the category of Professional Executive Director. Mr. Ashok Tulankar ceased to be in employment of the Company w.e.f. 1st October, 2011 and hence he also ceased to be Whole-Time Director of the Company w.e.f. 1st October, 2011. He holds office of Additional Director upto the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 257 of the Companies Act, 1956 from a shareholder of the Company proposing the candidature of Mr. Ashok Tulankar as Director liable to retire by rotation.

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Milin Mehta and Mr. R. M. Kapadia, Directors of the Company will retire by rotation at the ensuing Annual General Meeting who are eligible for re-appointment.

The brief resumes of Mr. Milin Mehta, Mr. R. M. Kapadia and Mr. Ashok Tulankar are given in the Corporate Governance Report.

8 Energy, Technology and Foreign Exchange :

In accordance with the provisions of 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, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in Annexure - B to this report.

9 Particulars of Employees :

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (particular of Employees) Rules, 1975, forms part of this report as Annexure-C.

10 Corporate Governance:

Your Company has complied with all the provisions of Corporate Governance as prescribed under the amended Listing Agreements of the Stock Exchanges, with which the Company's shares are listed.

A separate report on Corporate Governance is produced as a part of the Annual Report, along with the Auditor's Certificate on the compliance.

As required vide clause 49 of the listing agreement on Corporate Governance, the board has laid down a code of conduct for all members and senior management team of the Company. The said code of conduct has been posted on the website of the Company – www.alembiclimited.com. All Board members and senior management personnel of the company have affirmed the requirements of the said code of conduct.

11 Audit Committee:

The Audit Committee comprises of 3 Directors viz. Mr. Milin Mehta, Dr. B.R. Patel and Mr. R. M. Kapadia. Mr. Milin Mehta is Chairman of the Audit Committee. During the financial year, Mr. R. M. Kapadia was appointed w.e.f. 25th April, 2011 and Mr. Sanjay Bhatt resigned w.e.f. 28th July, 2011. All the Directors in Audit Committee are Non Executive-Independent Directors. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements.

DIRECTORS' REPORT

12 Auditors:

M/s. K.S. Aiyar & Co., Chartered Accountants, Mumbai, (Firm Regn. No. 100186W) the Company's Auditors, will retire at the conclusion of the ensuing Annual General meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them and fix their remuneration.

13 Cost Auditors:

As per the order No. 52/26/CAB/2010 dated 2nd May, 2011 of the Ministry of Corporate Affairs, the Company is required to get audited, the Cost Accounts maintained by the Company relating to Bulk Drugs for the year ended on 31st March, 2012 by Auditors with qualification prescribed in Section 233B(1) of the Companies Act, 1956. Accordingly, the Board has appointed Mr. H. R. Kapadia as Cost Auditor for the year ended on 31st March, 2012.

14 Human Resource Management:

Human capital has always been the most important and valuable asset to your Company. Your Company has enhanced its performance management process that motivates people to take ownership of their own performance and encourages innovation and meritocracy. Your Company has created people practices which enables it to attract and retain potential talents. Employee relations in your Company continues to be cordial and harmonious.

15 Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected appropriate 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 on the loss of the Company for the year under review;
- (iii) that the Directors have 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; and
- (iv) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

On behalf of the Board of Directors,

Chirayu R. Amin
Chairman

Vadodara, 2nd May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Perspective vis-à-vis Company

The Company operates primarily in three lines of business, manufacture of Bulk Drugs, Real Estate and Power Generation through Windmills and Co-gen Power Plant which is presently used for captive consumption for the operation of the Bulk Drugs Manufacturing plant at Vadodara.

FINANCE :

The Company has registered a total income of ₹ 116.87 Crores for the year under review as compared to ₹ 201.93 Crores for the previous year ended on 31st March, 2011. The Company incurred a net loss of ₹ 12.20 Crores compared to net loss of ₹ 12.90 for the previous year ended on 31st March, 2011.

OUTLOOK :

The Pen-G business was facing difficulties due to uneconomical prices of Pen-G and lack of support from the Government. Hence the Company has stopped manufacturing of Pen G and now focusing on other API products. The Company's operations therefore have been downsized.

The Company is developing its maiden residential project in Vadodara. The project is spread on 6 Acres of Land consisting of 532 residential units and the total project cost is around ₹ 132 crores (excluding the value of land). As per the policy of the Company, the cost/revenue from the project shall be recognized when 40% of the cost of the project is incurred. The Company also has few Commercial properties in Vadodara and Mumbai and the same have been leased out to various corporate clients.

INTERNAL CONTROL SYSTEMS AND ADEQUACY :

The Company maintains a system of well-established policies and procedures for internal control of operations and activities. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has appointed M/s. S. H. Bathiya & Associates, Chartered Accountants, as Internal Auditors.

The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

HUMAN RESOURCE INTERVENTION

Reinforcing performance orientation and building human capital have been the focus of the company during the year. Efforts of improving effectiveness and efficiency of the employees without losing the

“human sensitivity” have been the challenge which has been successfully navigated through during the period.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Health, Safety, Security and Environment is at the core of our business and all employees are accountable for it. Alembic's operations follow the best industry practices as regards to Health, Safety, Security and Environment.

During the year under review, safety audits were carried out by third party & all observations / suggestions were implemented. Environmental audits (statutory) were carried out & submitted to pollution control boards for their review. Waste generation was reduced by improving chemical processes at various stages. ISO 14000 certificate were renewed for all API plants which deals with EHS. Enzymatic processes are being tried for waste water treatment at our Baroda plant to reduce energy consumption & also recycling of water.

Alembic carried out the following activities as part of its annual plan:

- a. Basic safety training was imparted to all factory employees including temporary workers. Safety and technical competency development programmes were carried out to improve competencies of employees and employees of contractors for safety critical jobs.
- b. Work place inspections were carried out by executives and managers at all levels. Senior management team members demonstrated leadership commitment through work place inspections.
- c. Reduced waste generation and improved waste management by collecting and disposing of all waste in an environmentally friendly manner.
- d. Tree plantation across factory premises.
- e. Reduced level of sound pollution by providing acoustic enclosures on certain set of machinery and compressor sets.

CONTRIBUTION TO SOCIETY :

Alembic is committed to enhancing the quality of life in and around the community it operates in. During the year under review, the Company undertook a number of development projects with a focus on health, education and vocational training. The Alembic Group has a rural development society started in 1980. This is located near Panelav in the foothills of Pawagadh. The Objective is to provide self-employment opportunities through vocational training and education for adults and children in 50 villages in the vicinity.

ANNEXURE B

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The Company is committed to preservation of environment and conservation of natural resources. During the financial year 2011-12, following measures were taken:

(a) Energy Conservation measures during the year under review

- 1) The captive cogeneration plant consisting of 3 x 4.2 MW gas turbines and associated Heat Recovery Steam Generation unit has been operated optimally throughout the year.
- 2) 5 MW wind farm generation run throughout the year with expected level of efficiency.
- 3) Installation of Dry Air Receiver in Inst. Air Comp. for Cogeneration plant for reduction in discharge Air pressure to reduce the power consumption and improve the air quality.
- 4) Air system energy saving by
 - process air pressure optimization for down stream recoveries.
 - separating instrument & jetomiser air grid.
- 5) Nitrogen system energy saving by
 - Plant consumption optimization.
 - Reduction in nitrogen supply pressure by installing pressure reducing valve (PRV).
- 6) Agitator power reduction in fermentation plant by
 - Installation of Variable frequency drive.
 - Changing impeller configuration.

(b) Additional Investment Proposals for Reduction of Consumption & Cost of Energy.

- 1) Installation of variable frequency drive in instrument and process air compressors.
- 2) Revamping of induced draft cooling towers.
- 3) Pump internal coating to reduce frictional losses in pump.

(c) Impact of Measures at (a) & (b) above for reduction of energy consumption & consequent impact on the cost of production of goods.

- 1) Lower Consumption of Power & decrease in power cost
- 2) Equipments will operate at optimum efficiency.

Efforts made in technology absorption:

Form B enclosed.

1. The Export sales were ₹ 8.58 Crores (FOB) during the year under review. The Company has undertaken aggressive marketing strategies to increase share of export business.
2. Total Foreign exchange used and earned:

(₹ In Lacs)

For the year ended on 31st March,	2012	2011
Income		
Export (FOB basis)	857.89	2,124.06
Expenditure		
Raw Materials (CIF basis)	594.66	1,237.13
Packing Material, Components and Spare Parts (CIF basis)	62.70	31.88
Capital Goods (CIF basis)	-	1.94
Professional and Consultancy fees	15.61	4.56
Others	29.07	85.02
Total	702.04	1,360.53

Form for disclosure of particulars with respect to conservation of energy.

A. Power and Fuel Consumption:

For the year ended 31st March	2012	2011
1. Electricity :		
(a) Purchased Units (KwH)	17,85,868	13,11,810
Total Amount ₹	3,24,49,244	2,45,25,426
Rate (₹ /Unit) *	18.17	18.70
(b) Own Generation :		
(i) Through diesel generator :		
Units (KwH)	17,011	12,712
Units per litre of diesel oil	2.33	2.32
Cost (₹ /Unit)	17.36	14.52
(ii) Through Gas/steam Turbine/Generator		
Units KwH)	6,40,47,412	6,30,60,680
Units per LTR/M3/M.T./LTR of Fuel		
Oil/Gas/Steam/HSD	2.529	2.656
Cost (₹ / Unit)	3.663	3.065
2. Other / Internal generation :		
(a) Natural Gas & RNLG Gas :		
Qty. (CubicMeter)	1,61,44,138	1,54,25,553
Amount (₹)	14,92,24,204	13,05,11,839
Average Rate (₹ /M3)	9.243	8.461
(b) Steam (Purchase) :		
Qty. (MT)	68,186	64,326
Amount (₹)	8,54,06,390	7,75,91,150
Average Rate (₹ /M.T)	1,252.55	1,206.22
3. Wind Farm Generation:		
Units (KwH)	92,88,331	88,92,992

* Largely due to low purchase from GEB and high demand charges

B) Consumption per unit of production

In view of the number of products with different sizes, shapes and other parameters being manufactured by the Company, it is not feasible to give information on consumption of fuel per unit of production.

FORM B

Form for disclosure of particulars with respect to technology absorption, etc.

A) Research and Development (R&D)

1. R&D's focus areas

Increasing yields of fermentation products

Exploring possibilities to manufacture value added chemistry based APIs at Vadodara.

2. Benefits derived as a result of R&D

The Company has developed other API products and has started generating revenues from the same.

3. Future plan of action

a. Increasing activities of TIOC from present level of 6 gms / lit to 7 gms/lit.

b. Azithromycin: Decrease factor of TIOC from 1.73 to 1.6

4. Expenditure on R&D (₹ In Lacs)

a)	Capital	Nil
b)	Recurring	184.60
c)	Total	184.60
d)	Total R&D expenditure as a percentage of total turnover	1.45

Adaptation and Innovation

- 1) Efforts made towards technology absorption, adaptation and innovation
The fermentation technology refinement & absorption and technology development of organic synthesis which are developed in our R&D laboratories, are scaled up in our pilot plant and then implemented at the production scale.
- 2) Benefits derived
Introduction of strains giving higher productivities, use of cheaper raw material and various strategies to reduce utility cost has helped us to remain in the price competitive market for our existing products.
- 3) Information regarding technology imported during last five years.
Nil.

ANNEXURE C

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended on 31st March, 2012

Sr. No.	Name	Designation	Remuneration (₹ In Lac)	Qualification	Experience (Years)	Date of Joining	Age (Years)	Previous Employment
(a) Employed for whole of the year under review and were in receipt of remuneration at a rate which in aggregate, was not less than ₹ 60,00,000/-								
1	Mrs. Malika Amin	Whole-Time Director	171.24	M.A.	27	2nd July, 1988	57	Managing Director – Aavaran Ltd
(b) Employed for a part of the year under review and were in receipt of remuneration at a rate which in the aggregate, was not less than ₹ 5,00,000/-								
1	Mr. V.J. Nanavati	General Manager	22.43	B.Sc, L.L. B., M.L.W.	34	14th August, 1993	60	Senior Manager, Royal Cushion
Note : 1. Gross remuneration received as shown in the statement includes Salary, Commission, Allowances, Employer's contribution to Provident Fund and superannuation Scheme.								
2. The agreement with Whole-time Director is for a period of 5 years. Mrs. Malika Amin is relative of Mr. Chirayu R. Amin, Director of the Company.								

Report on Corporate Governance

1 Company's Philosophy

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance. This improves the understanding of the structure, activities and policies of the organization and enhances the trust and confidence of the stakeholders.

The Company has always been committed to the principles of good corporate governance.

2 Board of Directors

- Composition of the Board**

The Company has an optimum combination of Executive and Non-Executive Directors on its Board as on 31st March, 2012 and also meets the requirement of having at least half of the strength of the Board consisting of Independent Directors. There were three Independent Directors out of six (50% of the Board Strength) and Five Non-Executive Directors out of six (83% of the Board Strength).

- Meetings of Board of Directors**

Five (5) Meetings of Board of Directors were held during the year ended 31st March, 2012 on 2nd May, 2011, 26th July, 2011, 30th August, 2011, 19th October, 2011 and 14th February, 2012.

- Attendance of the Director at the Board Meetings and at the last AGM and Number of other Public Limited Companies in which the Director is a Director / Committee Member**

Name of Director	Category	No. of Board Meetings held & attended during the Financial Year	Attendance at the last AGM	No. of other Directorships	No. of Committees Chairmanship / Membership	
					As Chairman	As Member
Mr. C. R. Amin Chairman	Promoter Non-Executive	5 of 5	Yes	11	1	2
Mrs. M. C. Amin	Promoter Executive	5 of 5	Yes	4	-	2
Dr. B.R. Patel	NED (I) #	4 of 5	Yes	-	-	-
Mr. R. M. Kapadia	NED (I) #	5 of 5	Yes	-	-	-
Mr. Milin Mehta	NED (I) #	5 of 5	Yes	1	2	-
Mr. Sanjay Bhatt Upto 28th July, 2011	NED (NI) ^	2 of 2	N.A.	-	-	-
Mr. Ashok Tulankar w.e.f. 30th August, 2011	NED (NI) ^ \$	2 of 2	N.A.	-	-	-

NED(I) means Non-Executive- Independent Director

^ NED (NI) means Non-Executive – Non Independent Director

\$ Mr. Ashok Tulankar was Executive Director from 30th August, 2011 upto 30th September, 2011

As required by the Companies Act, 1956 and clause 49 of the listing agreement with stock exchanges, none of the Directors hold Directorship in more than 15 Public Companies, membership of Board Committees (Audit & Investor Grievance Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5.

None of the non-executive Directors has any pecuniary relationship or transactions with the company and its associates except Mr. Milin Mehta where the company's associates have paid ₹ 14.15 lacs to M/s. K. C. Mehta & Co., Chartered Accountants as fees for professional services provided by the firm to the company's associates. Mr. Milin Mehta, a Director of the Company is partner of the said firm. The Board does not consider the firm's association with the company's

Report on Corporate Governance

2 Board of Directors - Contd.

associates to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta as a Director of the Company.

Code of Conduct

The Board has adopted code of conduct for all Board Members and Senior Management of the Company vide resolution dated 26th October, 2005 and the said code of conduct is posted on the web site of the Company (www.alembiclimited.com)

CEO/CFO Certificate

As required under Clause 49 (V) of the Listing Agreement with the Stock Exchanges, the Whole-time Director (CEO) and Group CFO of the Company have certified to the Board the financial statements for the year ended 31st March, 2012.

3 Audit Committee

• Composition & Terms of Reference

The Audit Committee comprises of 3 Directors viz. Mr. Milin Mehta, Dr. B.R. Patel and Mr. R. M. Kapadia. Mr. Milin Mehta is Chairman of the Audit Committee. During the year, Mr. R. M. Kapadia was appointed w.e.f. 25th April, 2011 and Mr. Sanjay Bhatt resigned w.e.f. 28th July, 2011. All the Directors in Audit Committee are Non Executive-Independent Directors. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements. The Statutory Auditors, Internal Auditors, Cost Auditors, Group CFO and other relevant persons of Finance Department are invited to attend the Meetings of Audit Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Milin Mehta was present at the last Annual General Meeting held on 29th August, 2011.

• Meetings and the attendance during the year

There were Four (4) meetings of the Audit Committee during the year held on 2nd May, 2011, 26th July, 2011, 19th October, 2011 and 14th February, 2012.

The attendance of each member of the Committee is given below:

Name of Director	Category of Director	No. of Meetings Attended
Mr. Milin Mehta	Non-Executive - Independent	4
Dr. B.R. Patel	Non-Executive - Independent	3
Mr. R. M. Kapadia	Non-Executive - Independent	4

4 Remuneration Committee

The Remuneration Committee of the Board is consisting of Mr. Milin Mehta, Dr. B. R. Patel and Mr. R. M. Kapadia. All the members of the Committee are Independent Directors.

Meetings and the attendance during the year

Two Meetings of the Remuneration Committee were held during the year held on 2nd May, 2011 and on 30th August, 2011.

The attendance of each member of the Committee is given below

Name of Director	Category of Director	No. of Meetings Attended
Mr. Milin Mehta	Non-Executive - Independent	2
Dr. B. R. Patel	Non-Executive - Independent	1
Mr. R. M. Kapadia	Non-Executive - Independent	2

Report on Corporate Governance

4 Remuneration Committee - Contd.

- **Details of Remuneration paid to Directors**

- a. **Executive Directors**

All elements of remuneration package i.e. salary, benefits, bonus, pension etc. paid to Executive Directors are as under:

(Amount ₹ in Lacs)

Name of Director	Salary & Perquisites
Mrs. Malika Amin - Whole-time Director	171.24
Mr. Ashok Tulankar - Whole-time Director (Professional)	3.64
Total	174.88

Notes:

- The Board approved the agreement with Mrs. M.C. Amin, Whole-time Director, at its meeting held on 25th April, 2008 renewal w.e.f. 2nd July, 2008. The agreement with the Whole-time Director is for a period of 5 years.
- Mr. Ashok Tulankar was Whole-time Director from 30th August, 2011 to 30th September, 2011.
- There is no separate provision for payment of severance fees.
- The Company does not have any Stock Options Scheme.

- b. **Non-Executive Directors**

Non-Executive Directors are paid sitting fees for attending Board and Committee Meetings at ₹ 20,000/- per meeting.

Name of Director	Sitting Fees for Board Meetings (₹)	Sitting Fees for Committee Meetings (₹)	Total Fees Paid (₹)
Mr. Chirayu Amin	1,00,000	-	1,00,000
Dr. B.R. Patel	80,000	2,60,000	3,40,000
Mr. Milin Mehta	1,00,000	3,60,000	4,60,000
Mr. R. M. Kapadia	1,00,000	1,20,000	2,20,000
Mr. Ashok Tulankar	20,000	-	20,000

5 Shareholders' / Investors' Committee

The Shareholders'/Investors' Committee comprises of 3 Directors viz. Mr. Milin Mehta, Dr. B.R. Patel and Mrs. Malika Amin. Mr. Milin Mehta is Chairman of the Shareholders'/Investors' Committee w.e.f. 30th April, 2011.

- **Meetings and the attendance during the year**

There were Twelve (12) meetings of the Shareholders' / Investors' Committee during the year. The attendance of each Member of the Committee is given below:

Name of Director	Category of Director	No. of Meetings Attended
Dr. B.R. Patel	Non-Executive-Independent	9
Mr. Milin Mehta	Non-Executive -Independent	12
Mrs. Malika Amin	Whole-time Director	12

Mr. Chirag Shukla, Company Secretary is the Compliance Officer of the Company. The meeting of Shareholders' / Investors' Committee is held every month in which transfers, transmission, issuance of certificates etc. are approved. Mr. Chirag Shukla is also authorised by the Board to approve the transfers at the interval of fifteen days time.

Report on Corporate Governance

5 Shareholders' / Investors' Committee - Contd.

The Company has been receiving various correspondences from shareholders and the required information / documents are furnished at the earliest possible to the satisfaction of shareholders. During the year, the Company has received 14 complaints from shareholders. All the complaints have been resolved and as on 31st March, 2012 no complaint from shareholder is pending. At the end of the year, no requests for shares transfers were pending for registration.

6 General Body Meetings

Details of the location of the last three AGMs and the Extraordinary General Meetings held during the year.

Details of the last three Annual General Meetings are given below :

Year	Location	Date	Time	No. of Special Resolutions passed
2008-09	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	28th July, 2009	4.00 p.m.	1
2009-10	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	30th July, 2010	4.00 p.m.	4
2010-11	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	29th August, 2011	4.30 p.m.	2

* Whether special resolution was put through postal ballot last year? No.

* Are polls proposed to be conducted through postal ballot this year? No.

* No Extraordinary General Meeting was held during the Financial Year 2011-12

6A. Notes on Directors seeking appointment / re-appointment as required under Clause 49 IV(G) of the Listing Agreement entered into with Stock Exchanges.

Mr. Milin Mehta and Mr. R. M. Kapadia, Directors of the Company will retire by rotation at the ensuing Annual General Meeting who are eligible for re-appointment.

Mr. Milin Mehta is a Senior Partner of M/s. K. C. Mehta & Co., a reputed Chartered Accountants' firm, since more than 2 decades. He is a fellow member of the Institute of Chartered Accountants of India. He is also a Law Graduate and holds a Masters Degree in Commerce. In the professional practice he is mainly engaged in the area of providing consultancy to various corporate and non-corporate bodies in the area of Strategy, Taxation (domestic and international), Mergers, Acquisitions, Joint Ventures, etc.

He has contributed large number of papers in various seminars and conferences organized. He has also contributed various articles in reputed Professional Journals. He has also co-authored a book on "Minimum Alternate Tax" published by The Bombay Chartered Accountants' Society. He is also active in social service and is presently heading a reputed educational institution involved in providing school education in Baroda. He holds directorships in Startronic Investment Consultants Private Limited, Gujarat Life Sciences Private Limited and Alembic Pharmaceuticals Limited. He is Chairman of Audit Committee, Shareholders Grievances Committee and Remuneration Committee of the Company and also member of Audit Committee and Remuneration Committee of Alembic Pharmaceuticals Limited.

Mr. R.M. Kapadia is M.Com, LL.B., DTP, FICWA, FCS, AIMA and DM. He has experience of 46 years in various areas of Corporate Management, Management Accounting, Costing and MIS. Mr. R. M. Kapadia does not hold any other Directorship. He is member of Audit Committee and Remuneration Committee of the Company.

Mr. Ashok Tulankar was appointed as Additional Director (Executive Director) w.e.f. 30th August, 2011. However due to his transfer to other Group Company, He ceased to be Executive Director of the Company w.e.f. 1st October, 2011. He is presently Non Executive Non Independent Director of the Company.

Report on Corporate Governance

6 General Body Meetings - Contd.

Mr. Ashok Tulankar is B.Tech in Chemical Engineering with 33 years experience in Manufacturing, Projects, Process Development, EHS, cGMP, HR and Administration. He has worked with various well known private sector companies in the pharmaceutical space. Mr. Ashok Tulankar does not hold any other Directorship nor membership of any Committee.

Shareholding of Non-Executive Directors:

Mr. R.M. Kapadia holds 9000 equity shares of the Company. No other Non-executive Director holds any shares in the Company.

7 Disclosure

Related Party Transactions

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per Accounting Standard No. AS18 are disclosed in Note No. Y-II(ix) of the Notes forming part of Accounts.

8 Compliance

The Company has complied with all the mandatory requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Further, there is no penalty/stricture by any statutory authority during the year.

9 Means of Communication

- | | | |
|--|---|--|
| • Half-yearly results sent to each household of the shareholders | : | The results are Published in newspapers having wide coverage and also put on the website of the Company. |
| • Quarterly Results | : | The results are published in newspapers having wide coverage |
| • Which Newspapers normally published in | : | The Indian Express (English),
The Financial Express (Gujarati) |
| • Any web-site where displayed | : | www.alembiclimited.com |
| • Whether Shareholder information forms part of Annual Report | : | Yes |

Report on Corporate Governance

10 Shareholders' Information

1.	Annual General Meeting Date, Time and Venue	13th August, 2012 at 12.30 p.m. "Sanskruti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.
2.	Financial Calendar	Adoption of Results for the quarter:
	Quarter ending June 30, 2012	by 14th August, 2012
	Quarter ending Sept.30, 2012	by 14th November, 2012
	Quarter ending Dec. 31, 2012	by 14th February, 2013
	Quarter/Year ending March 31, 2013	by 15th/30th May, 2013
	Annual General Meeting for the year ended 31st March, 2013	August -September, 2013
3.	Date of Book Closure	6th August, 2012 (Monday) to 13th August, 2012 (Monday) both days inclusive
4.	Dividend Payment Date	N.A.
5.	Registered Office	Alembic Road, Vadodara -390 003. Phone: (91-265) 2280550, Fax : (91-265) 2282506 E-mail: alembic.investors@alembic.co.in Web: www.alembiclimited.com
6.	Listing Details	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. (Security Code: 506235) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. (Symbol : ALEMBICLTD)
7.	Stock Market Data	Pursuant to the Scheme of Arrangement in the nature of Demerger between Alembic Limited and Alembic Pharmaceuticals Limited, the Board of Directors had fixed 14th April, 2011 as the Record date for allotment of shares of Alembic Pharmaceuticals Limited to the shareholders of Alembic Limited. Accordingly, the shares of the Company were trading on ex-entitlement w.e.f. 11th April, 2011 being the 'ex-date' decided by Stock Exchanges.*

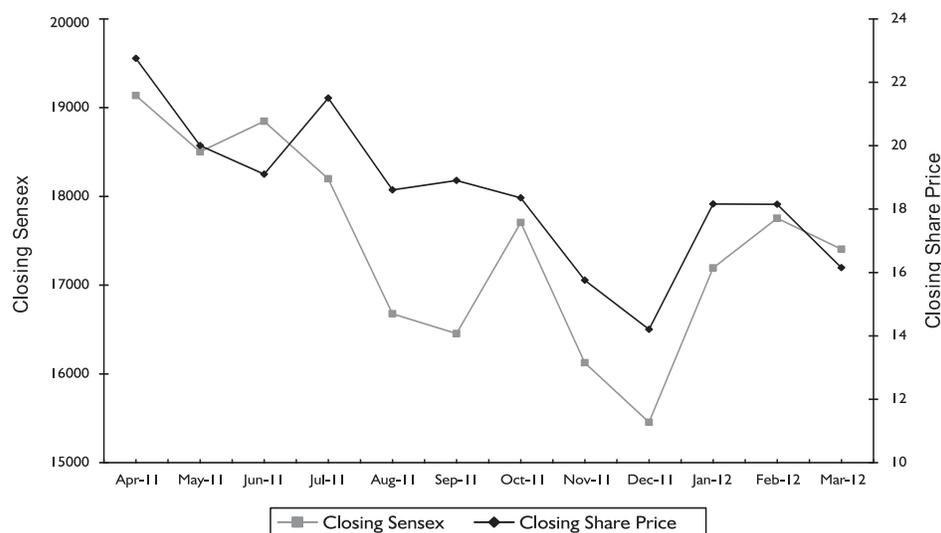
Month	Bombay Stock Exchange		National Stock Exchange	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr-2011*	74.50	19.10*	74.50	19.35*
May-2011	22.95	18.70	22.95	18.70
Jun-2011	20.60	17.60	20.80	17.55
Jul-2011	25.40	18.90	25.35	18.75
Aug-2011	22.65	17.60	22.90	17.60
Sep-2011	21.40	18.15	20.90	17.75
Oct-2011	19.30	17.75	19.20	17.90
Nov-2011	18.80	15.00	18.50	15.20
Dec-2011	18.45	13.75	19.00	13.45
Jan-2012	22.35	13.55	22.40	13.55
Feb-2012	20.25	16.60	20.90	17.90
Mar-2012	18.80	15.20	18.75	14.65

As on 30th March, 2012, the last trading day of the financial year 2011-12, the closing price of the shares of the Company on BSE was ₹ 16.15 and on NSE was ₹ 16.20.

Report on Corporate Governance

10 Shareholders' Information - Contd.

Share Performance of the Company in comparison to BSE Sensex



8.	Registrar and Share transfer Agents	Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020 Tel:(0265) 2356573, 2356794 Fax:(0265) 2356791 Email: vadodara@linkintime.co.in
9.	Share Transfer System	Share transfers are registered and returned generally within a period of Fifteen days from the date of receipt, if documents are accurate in all respects. The Shareholders/Investors Committee meets every month and transfers are also approved by Company Secretary generally at the interval of Fifteen days time. The total number of shares transferred in the physical form during the year were 72,426 (previous year 86,275).

Distribution of Shareholding

The Distribution of Shareholdings as on 31st March, 2012 is given as under:

No. of Shares (of face value)	No. of Shareholders	% of Shareholders	No. of Shares held	% of total shares
1 - 5,000	50,838	98.46	1,95,92,955	14.67
5,001 - 10,000	455	0.88	32,26,120	2.42
10,001 - 20,000	180	0.35	25,33,168	1.90
20,001 - 30,000	54	0.10	13,43,120	1.00
30,001 - 40,000	25	0.05	8,79,039	0.66
40,001 - 50,000	15	0.03	6,64,799	0.50
50,001 - 1,00,000	19	0.04	14,63,700	1.10
1,00,001 & above	46	0.09	10,38,13,013	77.75
Total	51,632	100.00	13,35,15,914	100.00

Report on Corporate Governance

10 Shareholders' Information - Contd.

Shareholding pattern as on 31st March, 2012:

Sr. No.	Category	No. of Shares Held	% of Voting Strength
1.	Promoters & Associates	8,47,38,620	63.47
2.	Mutual Funds & UTI	-	-
3.	Banks, Financial Institutions & Insurance Companies	12,30,410	0.92
4.	Foreign Institutional Investors	1,20,86,626	9.05
5.	Private Corporate Bodies	49,34,326	3.70
6.	Indian Public	3,00,13,264	22.48
7.	NRIs / OCBs	5,12,668	0.38
	Total	13,35,15,914	100.00

10.	Dematerialisation of Shares and Liquidity	At the end of the year, 12,80,44,837 shares (95.90%) are held in dematerialised form by the shareholders. Trading in Company's shares for all investors is permitted only in dematerialised form from 28th August, 2000 as per notification issued by the SEBI (ISIN CODE: INE426A01027)
11.	Outstanding GDR/Warrants	Not applicable
12.	Plant Location	a. Alembic Road, Vadodara -390 003. b. Wind Mills at village Ukharla/Trambak, Tal-Ghogha, Dist. Bhavnagar, Gujarat.
13.	Investor Correspondence	1. Alembic Limited Alembic Road, Vadodara -390 003. 2. Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390 020 Tel:(0265) 2356573, 2356794 Fax:(0265) 2356791 Email: vadodara@linkintime.co.in

Report on Corporate Governance

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Alembic Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We 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.

For **K.S. AIYAR & CO.**
Chartered Accountants
Firm Registration No.100186W

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai : 5th May, 2012

Auditor's Report

To the members of, Alembic Limited

We have audited the attached Balance Sheet of Alembic Limited (the Company) as at 31st March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (vi) In view of the inadequate profits as detailed in note no.Y(II)(iv), we draw attention to the fact that the managerial remuneration paid is in excess of the limits laid down under section 198 and schedule XIII of the Companies Act, 1956 by ₹123.24 Lacs and we are informed that the Company is in process of obtaining the Central Government's approval, and therefore the payments made are subject to such approval.
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet of the state of the affairs of the Company as at 31st March, 2012;
 - b) in case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **K.S. AIYAR & CO.**
Chartered Accountants
Firm Registration No.100186W

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai : 5th May, 2012

Annexure to the Auditor's Report

Re: Alembic Limited

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. However, item wise value in respect of assets other than land, buildings and vehicles acquired prior to 1982 are not available.
- (b) Fixed assets have been physically verified by the management during the year as per the phased programme of physical verification of fixed assets. As informed to us the programme is such that all the fixed assets will get physically verified in three years time. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance recoverable as at the year end is ₹4540 Lacs (Maximum balance during the year ₹ 4595 Lacs).
- (b) In our opinion, the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured, to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.
- (c) In respect of the above loans granted, receipt/renewal of the principal amount and interest were regular, as stipulated.
- (d) There is no overdue amount of more than rupees one lakh of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken unsecured loan from one party listed in the register maintained under section 301 of the Companies Act, 1956 wherein the balance payable as at the year end is ₹ 6300 Lacs (Maximum balance outstanding during the year ₹ 6300 Lacs).
- (f) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie prejudicial to the interest of the company.
- (g) In our opinion and according to the explanations given to us, the company is regular in paying the principal and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding ₹5,00,000 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from public. Therefore, provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209

Annexure to the Auditor's Report

(1)(d) of the Companies Act, 1956 and we 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 for determining whether they are accurate or complete.

- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the following dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess have not been deposited on account of some dispute or are partially deposited under protest.

Statute & Nature of dues.	Amount not deposited ₹	Forum where dispute is pending	Period
Sales Tax Act. Sales Tax, interest and penalty.	80,16,782	Joint Commissioner – Appeals	2000-01
	15,48,517	Joint Commissioner (Appeals)	2002-03
The Central Excise Act. Excise Duty, Interest & Penalty.	11,60,818	CESTAT, Comm. (A)	1999-2000
	5,00,000	CESTAT, Comm. (A)	2001-2002
	1,58,414	CESTAT, Comm. (A)	2004 to 2009
	59,77,921	Supreme Court	1995-96
	21,10,720	Supreme Court	1996-97
	35,21,786	Supreme Court	2003-04
	4,59,176	CESTAT	2008
	7,253	Commissioner (Appeals)	2011

- (x) The Company does not have any accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and has also incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any term loan from any bank or financial institution.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment/applications.

Annexure to the Auditor's Report

- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not created security in respect of debentures issued.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K.S. AIYAR & CO.**
Chartered Accountants
Firm Registration No.100186W

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai : 5th May, 2012

Balance Sheet

(₹ in Lacs)

As at 31st March	Notes	2012		2011	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	A	2,670.40		2,670.40	
(b) Reserves and Surplus	B	17,046.45	19,716.85	18,266.20	20,936.60
(2) Non-Current Liabilities					
(a) Long Term Liabilities	C	3,028.52		75.74	
(b) Long Term Provisions	D	98.25	3,126.77	134.60	210.34
(3) Current Liabilities					
(a) Short-Term Borrowings	E	10,332.77		6,799.54	
(b) Trade Payables	F	2,568.02		4,794.28	
(c) Other Current Liabilities	G	2,780.54		679.14	
(d) Short-Term Provisions	H	624.88	16,306.20	614.03	12,886.99
			39,149.82		34,033.93
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	I	19,495.04		20,207.63	
(ii) Capital Work-In-Progress		42.57	19,537.61	9.94	20,217.57
(b) Non-Current Investments	J	2,342.85		1,623.76	
(c) Deferred Tax Assets (Net)	K	197.97		56.24	
(d) Long Term Loans and Advances	L	70.99	2,611.81	195.51	1,875.51
(2) Current Assets					
(a) Inventories	M	9,424.82		6,226.40	
(b) Trade Receivables	N	1,604.11		4,714.78	
(c) Cash and Bank Balances	O	314.28		302.71	
(d) Short-Term Loans and Advances	P	5,657.19	17,000.41	696.96	11,940.85
			39,149.82		34,033.93
Significant Accounting Policies and other explanatory notes and information	Y				

Note : The notes referred to above form an integral part of the Balance Sheet
As per our report of even date

For K. S. AIYAR & CO.
Chartered Accountants

Chirayu R. Amin
Chairman

Malika Amin
Whole-time Director

R. M. Kapadia
Director

Milin Mehta
Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128
Firm Registration No.100186W
Mumbai : 5th May, 2012

Ashok Tulankar
Director

Chirag K. Shukla
Company Secretary

Vadodara : 2nd May, 2012

Profit and Loss Account

(₹ in Lacs)

For the Year Ended 31st March	Notes	2012		2011	
I. Revenue from Operations	Q	12,728.81		21,805.81	
Less : Excise Duty		1,041.54	11,687.27	1,612.75	20,193.03
II. Other Income	R		1,035.53		262.33
III. Total Revenue (I +II)			12,722.80		20,455.36
IV. Expenses:					
Cost of materials consumed	S		7,774.04		12,679.85
Purchase of Finished Goods			-		70.08
Changes in inventories of Finished Goods and Work in process	T		(2,444.95)		368.55
Employee Benefit Expenses	U		2,550.88		2,968.42
Other expenses	V		4,343.36		3,805.78
Total Expenses			12,223.33		19,892.68
V. Profit/(Loss) before Interest, Depreciation and Tax			499.47		562.68
Finance costs	W		520.39		239.88
Depreciation			1,093.20		1,006.77
VI. Profit/(Loss) from ordinary activities before exceptional items and Tax			(1,114.12)		(683.97)
Exceptional Items - Voluntary Retirement Scheme	X		247.63		422.32
VII. Profit/(Loss) before tax			(1,361.75)		(1,106.29)
VIII. Tax expense					
Current tax / Wealth Tax			-		13.00
Deferred tax			(141.73)		(105.45)
Excess provision of income tax no longer required (Net)			(0.26)		276.35
IX. Loss for the year			(1,219.76)		(1,290.19)
X. Earning per equity share (FV ₹ 2/- per share)					
Basic & Diluted (In ₹)			(0.91)		(0.97)
Significant Accounting Policies and other explanatory notes and information	Y				

Note : The notes referred to above form an integral part of the Profit and Loss Account
As per our report of even date

For K. S. AIYAR & CO.
Chartered Accountants

Chirayu R. Amin
Chairman

Malika Amin
Whole-time Director

R. M. Kapadia
Director

Milin Mehta
Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128
Firm Registration No.100186W
Mumbai : 5th May, 2012

Ashok Tulankar
Director

Chirag K. Shukla
Company Secretary

Vadodara : 2nd May, 2012

Cash Flow Statement

(₹ in Lacs)

For the Year ended 31st March		2012		2011	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit before tax and non-recurring items		(1,114.12)		(683.97)
	Add:				
1	Depreciation	1,093.20		1,006.77	
2	Interest charged	552.67		335.34	
3	(Gain) / Loss on sale of fixed assets	0.47		-	
4	Unrealised Foreign Exchange Loss / (Gain)	15.90	1,662.24	12.32	1,354.43
	Less:				
1	Interest Income	32.28		95.46	
2	Dividend Income	564.82	597.10	14.59	110.05
	Operating Profit before change in working capital		(48.98)		560.41
	Working capital changes:				
	Add / (Less):				
1	(Increase) / Decrease in inventories	(3,198.42)		191.90	
2	(Increase) / Decrease in trade receivables	3,110.67		(773.99)	
3	(Increase) / Decrease in short-term loans and advances	(4,951.36)		(145.84)	
4	(Increase) / Decrease in long-term loans and advances	124.52		219.46	
5	Increase / (Decrease) in trade payables	(2,229.83)		(301.41)	
6	Increase / (Decrease) in other current liabilities	1,572.45		679.14	
7	Increase / (Decrease) in short term provisions	50.51		129.70	
8	Increase / (Decrease) in long term provisions	(36.35)	(5,557.82)	11.46	10.42
	Cash generated from operations		(5,606.80)		570.83
	Add / (Less):				
	Direct taxes paid (Net of refunds)		(52.66)		1,371.76
	Cash flow before non-recurring items		(5,659.46)		1,942.59
	Expenses under Voluntary Retirement Scheme		247.63		422.32
	Net Cash inflow from Operating Activities (A)		(5,907.09)		1,520.27
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	Add:				
1	Proceeds from sale of fixed assets	3.21		1.16	
2	Interest received	23.41		80.05	
3	Dividend received	564.82	591.44	14.59	95.80
	Less:				
1	Purchase of tangible assets / increase in capital work-in-progress	415.97		1,017.99	
2	Purchase of Investments (Net)	719.09		1,110.00	
		-	1,135.06	-	2,127.99
	Net Cash inflow from Investing Activities (B)		(543.62)		(2,032.19)

Cash Flow Statement

Contd.

(₹ in Lacs)

For the Year ended 31st March	2012		2011	
C CASH FLOW FROM FINANCING ACTIVITIES:				
Add:				
1 Proceeds from long-term liabilities	2,952.78		(3.74)	
2 Proceeds from short-term borrowings	3,533.23	6,486.01	1,784.91	1,781.17
Less:				
1 Dividends paid (including distribution tax)	-		773.80	
2 Interest and other finance costs	23.72	23.72	352.07	1,125.87
Net Cash inflow from Financing Activities (C)		6,462.29		655.30
II. Net (decrease)/increase in cash and cash equivalents		11.58		143.38
III. Add: Cash and cash equivalents at the beginning of the period	5.11		42.85	
Add: Other Bank Balances	297.60	302.71	116.48	159.33
IV. Cash and cash equivalents at the end of the period	25.51		5.11	
Other Bank Balances	288.77	314.28	297.60	302.71

As per our report of even date

For K. S. AIYAR & CO.
Chartered Accountants

Chirayu R. Amin
Chairman

Malika Amin
Whole-time Director

R. M. Kapadia
Director

Milin Mehta
Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128
Firm Registration No.100186W
Mumbai : 5th May, 2012

Ashok Tulankar
Director

Chirag K. Shukla
Company Secretary

Vadodara : 2nd May, 2012

A Share Capital

(₹ in Lacs)

As at 31st March	2012		2011	
(a) Authorized				
15,00,00,000 Equity shares of ₹ 2/- each		3,000.00		3,000.00
		3,000.00		3,000.00
(b) Shares issued, subscribed				
13,84,64,270 Equity shares of ₹ 2/- each		2,769.29		2,769.29
		2,769.29		2,769.29
(c) Shares fully paid :				
13,35,15,914 Equity Shares of ₹ 2/- each,		2,670.31		2,670.31
9,365 Forfeited Equity Shares of ₹ 2/- each		0.09		0.09
		2,670.40		2,670.40
(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ;				
	31st March 2012		31st March 2011	
	Numbers	₹ in lacs	Numbers	₹ in lacs
At the beginning of the period	13,35,15,914	2,670.31	13,35,15,914	2,670.31
Issued during the period	-	-	-	-
Outstanding at the end of the period	13,35,15,914	2,670.31	13,35,15,914	2,670.31
(e) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital;				
The Company is having only one class of shares i.e Equity carrying a nominal value of ₹ 2/- per share				
Every holder of the equity share of the Company is entitled to one vote per share held				
In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder				
(f) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held;				
	31st March 2012		31st March 2011	
	Numbers	% held	Numbers	% held
1 SHRENO LTD	1,83,68,780	13.76%	1,83,68,780	13.76%
2 WHITEFIELD CHEMTECH P LTD	1,82,85,230	13.70%	1,82,85,230	13.70%
3 SIERRA INVESTMENTS LTD	1,67,92,070	12.58%	1,67,92,070	12.58%
4 NIRAYU PVT LTD	1,62,13,755	12.14%	1,62,13,755	12.14%
(g) Aggregate number of equity shares bought back during last 5 years : 49,38,991 equity shares				

B Reserves and Surplus :

(₹ in Lacs)

As at 31st March	2012		2011	
(a) Capital Reserve ;				
Balance as per the last financial statements	35.00		65.00	
Transferred as per Scheme of Arrangement	-	35.00	30.00	35.00
Add : Transferred from Statement of Profit and Loss				
(b) Capital Redemption Reserve;				
Balance as per the last financial statements	98.79		98.79	
Add : Transferred from Statement of Profit and Loss	-	98.79	-	98.79
(c) Debenture Redemption Reserve;				
Balance as per the last financial statements	-		1,541.70	
Transferred as per Scheme of Arrangement	-	-	1,541.70	-
(d) Security Premium Account;				
Balance as per the last financial statements	-		4,057.47	
Less: Appropriated per Scheme of Arrangement	-	-	4,057.47	-
(e) Business Restructuring Reserve;				
Balance as per the last financial statements	8923.98			
Reserve created on revaluation			7,124.16	
Reversal of Deferred Tax Liability on account of above revaluation	-	8,923.98	1,799.82	8,923.98
(f) Revaluation Reserve;				
Balance as per the last financial statements		3,108.48		3,108.48
(g) General Reserve				
Balance as per the last financial statements	-		15,607.62	
As per Scheme of Arrangement	-		15,607.62	
Add : Amount transferred from Surplus Balance in the Statement of Profit & Loss	-	-	-	-
(h) Surplus / (deficit) in the statement of profit and loss				
Balance as per last financial statements		6,099.95		7,532.35
Less: Appropriated as per Scheme of Arrangement		-		(144.79)
Profit/(Loss) for the year		(1,219.76)		(1,290.19)
Add : Reversal of Corporate Dividend Tax on equity shares		-		2.58
Net Surplus in the statement of profit and loss		4,880.19		6,099.95
Total Reserves and Surplus		17,046.45		18,266.20

Business Restructuring Reserve

Certain Fixed assets of the Company having written down value of ₹ 10,839.73 lacs have been revalued by an external valuer to its fair market value of ₹ 17,963.89 lacs and the net upward revaluation surplus of ₹ 7,124.16 lacs has been credited to business restructuring reserve as per the approved scheme of arrangement. This reserve shall not be considered as a reserve created by the Company and shall be utilised as per the approved scheme of arrangement.

Revaluation Reserve

Certain part of the land having historical cost of ₹ 1.16 lacs of the company was revalued by an external valuer as on 01.04.2010 and has been converted into stock in trade at its fair market value as on that date of ₹ 3,109.64 lacs. The upward revaluation surplus has been credited to revaluation reserve

C Long Term Liabilities :

As at 31st March	2012		2011	
(a) Security Deposits				
- from related parties		2,851.07		-
- from others		177.45		75.74
		3,028.52		75.74

Notes

FORMING PART OF THE BALANCE SHEET

D Provisions :

(₹ in Lacs)

As at 31st March	Long Term		Short Term	
	2012	2011	2012	2011
(a) Provision for employee benefits				
Provision for gratuity	-	-	275.22	195.89
Provision for Leave benefits	98.25	134.60	73.71	102.53
	98.25	134.60	348.93	298.42
Amount disclosed under the head				
Short term provisions (Note H)			(348.93)	(298.42)
	98.25	134.60	-	-

E Short-Term Borrowings :

As at 31st March	2012	2011
From Banks		
i) Working Capital facilities (Secured)	4,032.77	6,799.54
Secured against first hypothecation on Stocks and Book Debts ranking pari passu - @ varying Coupon repayable on demand		
ii) Others from related parties (Unsecured)	6,300.00	-
Inter Corporate Deposits Repayable on Demand @ coupon of 11%		
	10,332.77	6,799.54

F Trade Payable :

As at 31st March	2012	2011
Due to Micro, Small and Medium Enterprises	-	-
Other Trade Payables	2,568.02	4,794.28
	2,568.02	4,794.28

G Other Current Liabilities :

As at 31st March	2012	2011
(a) Interest accrued but not due on borrowings	528.95	-
(b) Unpaid / Unclaimed Dividend	112.33	121.15
(c) Other payables / liabilities		
- Statutory dues	464.23	257.72
- Others	157.31	300.27
- Advance from customers - Real Estate	1,517.72	-
	2,139.26	557.99
	2,780.54	679.14

H Short-Term Provisions :

As at 31st March	2012	2011
(a) Provision for employee benefits. (Note D)	348.93	298.42
(b) Others		
Provision for Income Tax	3,416.86	3,416.86
Less : Income Tax paid	(3,140.91)	(3,101.25)
	275.95	315.61
	624.88	614.03

Notes

FORMING PART OF THE BALANCE SHEET

I Tangible Assets :

(₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01.04.2011	Addition	Deductions	As on 31.03.2012	As on 01.04.2011	Deductions	During the Year	As on 31.03.2012	As on 31.03.2012	Net Value Added on Revaluation 31.03.2012	Revalued Net Cost As on 31.03.2012	Revalued Net Cost As on 31.03.2011
Free Hold Land	176.89	-	-	176.89	-	-	-	-	176.89	12,301.00	12,477.89	12,477.89
Buildings	1,601.06	187.13	-	1,788.19	472.50	-	37.70	510.20	1,277.99	98.07	1,376.06	1,226.63
Employees Quarters	61.08	-	-	61.08	54.38	-	0.60	54.98	6.10		6.10	6.70
Plant & Equipments	30,313.77	167.23	11.53	30,469.47	18,813.76	10.63	1,027.30	19,830.43	10,639.04	(5,268.14)	5,370.90	6,231.87
Furniture & Fixtures	305.48	0.24	-	305.72	190.30	-	10.56	200.86	104.87	(0.67)	104.20	114.51
Vehicles	40.64	-	18.89	21.75	29.21	17.05	0.95	13.11	8.64	(0.91)	7.73	10.52
Office Equipments	254.76	28.74	-	283.50	110.06	-	16.09	126.15	157.35	(5.19)	152.16	139.51
TOTAL	32,753.68	383.34	30.42	33,106.60	19,670.21	27.68	1,093.20	20,735.73	12,370.88	7,124.16	19,495.04	20,207.63
Previous Year *	31,717.76	1,037.08	1.16	32,753.68	18,663.44	-	1,006.77	19,670.21	13,083.47	7,124.16	20,207.63	

*As per Scheme of Arrangement

Notes :

- Sales proceeds are deducted from gross cost where cost is unascertainable
- Buildings : include ₹ 2,500/- (₹ 2,500/-) being cost of bonds of Morning Star Co-Op. Housing Society Ltd.
- No Depreciation has been claimed on assets to the extent of Cenvat claimed
- Also refer note B
- Certain office premises which were earlier used for Company own operations, have now been given on lease, as the Company does not have immediate usage of these premises in view of demerger and down size operations of its plant. These office premises continue to be included in the fixed assets of the Company

J Non-Current Investments (At Cost) :

As at 31st March	Nos.	Face Value ₹	2012	2011
Equity Shares (Fully paid up) :				
Quoted :				
Trade Investment :				
Jyoti Ltd.	84,900	10	1.43	1.43
Panasonic Battery India Ltd.	72,824	10	14.12	14.12
Krebs Biochemicals Ltd	100	10	0.15	0.15
Purak Vinimay Ltd.	109,000	10	10.90	10.90
Less:- Provision for diminution in value of Investment			(10.90)	(10.90)
In Associate Companies				
Paushak Ltd.	610,615	10	280.08	280.08
Alembic Pharmaceuticals Limited	55,000,000	2	1,100.00	1,100.00
Xechem International Inc., USA	9,142,857		289.73	289.73
Less : Provision for diminution in value of investment			(289.73)	(289.73)
(Aggregate Market Value of Quoted Investments ₹ 28,087.68 Lacs Previous Year ₹ 572.69 Lacs)			1,395.78	1,395.78

Non-Current Investments (At Cost) : - Contd.

(₹ in Lacs)

As at 31st March	Nos.	Face Value ₹	2012	2011
Equity Shares (Fully paid up) :				
UnQuoted :				
Trade Investment :				
In Associate Companies				
Shreno Ltd.	254,171	100	200.26	200.26
Alembic Export Ltd	22,500	10	2.25	2.25
Sierra Invesments Ltd.	100	10	0.01	0.01
In Others				
8% Optionally Convertible Note of XE Chem International Inc. U.S.A.			462.35	462.35
Less : Provision for diminution in value of investment			(462.35)	(462.35)
			202.52	202.52
Equity Shares (Fully paid up) :				
UnQuoted :				
Non - Trade Investment :				
Alembic Employees Co-op. Supply Society Ltd.	100	10	0.01	0.01
Algen Ltd	4,007	10	0.40	0.40
Less:- Provision for diminution in value of Investment			(0.40)	(0.40)
Co- Operative Bank of Baroda Ltd.	100	25	0.03	0.03
Gujarat Export Corporation Ltd.	12,210	10	1.14	1.14
Pran Agro Services Pvt. Ltd.	18	10	-	-
(₹ 170/- Previous Year. ₹ 170/-)				
Pragati Sahakari Bank Ltd.	500	10	0.05	0.05
Swaminarayan Co-op Bank Ltd.	2,505	25	0.63	0.63
Baroda Industrial Development Corporation Ltd.	6	1,000	0.06	0.06
Ganesh Co-op. Housing Society Ltd.	2	50	-	-
(₹ 100/- Previous Year. ₹ 100/-)				
Gujarat Urban Housing Company	10	100	0.01	0.01
Morning Star Co-op. Housing Society Ltd.	1	50	-	-
(₹ 50/- Previous Year. ₹ 50/-)				
			1.93	1.93
Preference shares (Fully paid up) :				
UnQuoted :				
Trade Investment :				
5% Non Cumulative Redeemable Preference Share of Pran Agro Services Pvt. Ltd.	500	100	0.50	0.50
In Associate Companies				
9% Preference Share of Sierra Investment Limited	300,000	100	240.60	-
9% Preference Share of Nirayu Pvt. Ltd.	500,000	100	501.25	-
			742.35	0.50
Bonds				
12% Industrial Finance Corporation of India (Redemed on 13.01.2012 - 2250 bonds realised)	27	1,000	0.27	23.03
			0.27	23.03
			2,342.85	1,623.76

Notes

FORMING PART OF THE BALANCE SHEET

K Deferred Tax Assets/(Liabilities) :

(₹ in Lacs)

As at 31st March	2012		2011	
Deferred Tax Assets				
Provision for diminution in value of investments	247.68		247.68	
Provision for doubtful debts	102.36		70.97	
Deferred Revenue Expenses	146.49		109.62	
Others	376.51		327.03	
		873.03		755.30
Deferred Tax Liabilities				
Depreciation		(675.06)		(699.06)
		197.97		56.24

L Long-Term Loans and Advances (Unsecured, considered good) :

As at 31st March	2012		2011	
(a) Security Deposits		69.43		195.51
(b) Prepaid Insurance		1.56		-
		70.99		195.51

M Inventories (Refer Note Y (e) of Accounting Policies for Basis of Valuation) :

As at 31st March	2012		2011	
(a) Raw materials				
Bulk Drugs & intermediates	224.95		625.31	
Solvents & Catalyst	379.47		550.37	
Chemicals & other Excipients	566.37	1,170.79	565.50	1,741.18
(b) Packing materials		39.17		37.16
(c) Work-in-process		87.73		71.47
(d) Finished goods				
Bulk Drugs & intermediates	3,294.49	3,294.49	865.80	865.80
(e) Stores and spares		326.19		292.90
(f) Stock in Trade : Real Estate				
Construction Project Work In Progress	4,357.39		3,217.89	
Stock of Steel and Cement	149.06	4,506.45	-	3,217.89
		9,424.82		6,226.40

N Trade Receivables (Unsecured) :

As at 31st March	2012		2011	
(a) Over Six months from the due date				
Considered good	-		77.92	
Considered doubtful	315.48		218.75	
Less : Provision for doubtful debts	315.48	-	218.75	77.92
(b) Others Considered good;		1,604.11		4,636.86
		1,604.11		4,714.78

Notes

FORMING PART OF THE BALANCE SHEET

☉ Cash and Bank Balances :

(₹ in Lacs)

As at 31st March	2012	2011
Cash and cash equivalents		
(a) Balances with banks	23.79	0.11
(b) Cash on hand	1.72	5.00
Other Bank Balances		
(a) Unpaid Dividend Account	112.27	121.10
(b) FBT Bank Deposits	176.50	176.50
	314.28	302.71

Ⓟ Short-Term Loans and Advances : (Unsecured, considered good)

As at 31st March	2012	2011
(a) Loans and advances to related parties		
Inter Corporate Deposits	4,540.00	-
(b) Others		
1) Advance against Expenses - Employees	16.85	0.72
2) Advance recoverable in cash or in kind	1,100.34	696.24
	5,657.19	696.96

Revenue from Operations :

(₹ in Lacs)

For the Year Ended 31st March	2012		2011	
a Sale of products				
Domestic	11,455.87		19,442.89	
Exports	902.04		2,141.23	
		12,357.91		21,584.12
Export Incentives		38.31		107.05
b Other Operating Revenues				
Job work Income	248.58		-	
Insurance Claims	1.54		12.58	
Others	82.47		102.06	
		332.59		114.64
		12,728.81		21,805.81
Sale of Products - Broad head wise				
Bulk Drugs & intermediates		12,357.91		21,584.12
		12,357.91		21,584.12

Other Income :

For the Year Ended 31st March	2012		2011	
Dividend	564.82		14.59	
Rent	390.85		247.74	
Exchange Difference (net)	30.51		-	
Others	49.35		-	
		1,035.53		262.33
		1,035.53		262.33

Cost of Material Consumed :

For the Year Ended 31st March	2012		2011	
Inventory at the beginning of the year		1,778.34		1,559.75
Add : Purchases		6,564.70		12,095.05
Add : Process Charges		222.38		501.16
Add : Cost of Raw Material Sold		418.58		302.23
		8,984.00		14,458.19
Less : Inventory at the end of the year		1,209.96		1,778.34
		7,774.04		12,679.85
Details of Material Consumed				
Bulk Drugs & intermediates		1,038.75		3,224.59
Solvents & Catalyst		1,577.44		844.48
Chemicals & other Excipients		4,483.75		8,171.66
Others		674.10		439.13
		7,774.04		12,679.85

Changes in inventories of Finished Goods, Work in process :

For the Year Ended 31st March	2012		2011	
Inventory at the end of the year				
Work in Process	87.73		71.47	
Finished Goods	3,294.49		865.80	
		3,382.22		937.27
Inventory at the beginning of the year				
Work in Process	71.47		221.51	
Finished Goods	865.80		1,084.31	
		937.27		1,305.82
		(2,444.95)		368.55

Notes

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

U Employee Benefits Expenses :

(₹ in Lacs)

For the Year Ended 31st March	2012		2011	
Salaries and Wages		2,212.65		2,784.13
Contribution / Provisions for Provident and other funds		235.67		86.59
Staff welfare expense		102.56		97.70
		2,550.88		2,968.42

V Other Expenses :

For the Year Ended 31st March	2012		2011	
Consumption of Stores, spares, Laboratory Material and Analytical Expense		742.44		685.48
Power and Fuel		2,114.24		1,900.55
Manufacturing and Labour Charges		28.80		35.20
Repairs and Maintenance				
Machinery	663.88		453.16	
Buildings	69.11		40.05	
Others	36.98	769.97	41.39	534.60
Freight and Forwarding Charges		51.65		45.40
Marketing and Publicity Expense and Selling Commission		40.91		144.29
Excise Duty		151.24		(20.94)
Rent		33.99		35.85
Rates and Taxes		239.56		117.24
Insurance		39.69		46.80
Travelling Expense		36.54		83.05
Communication Expenses		40.06		63.30
Legal & Professional Fees		26.27		71.53
Payment to Auditor		5.57		5.70
Exchange Difference (net)		-		6.42
Bad Debts written off	93.27		-	
Less : Bad Debts Provision Utilised	(93.27)		-	
Miscellaneous Expenses		22.43		51.31
		4,343.36		3,805.78

W Finance Costs :

For the Year Ended 31st March	2012		2011	
Interest Expense	552.67		335.34	
Less : Interest Income	32.28	520.39	95.46	239.88
		520.39		239.88

X Exceptional Item :

For the Year Ended 31st March	2012		2011	
Voluntary Retirement to workers		247.63		422.32
		247.63		422.32

Y I. SIGNIFICANT ACCOUNTING POLICIES :

(₹ in Lacs)

a) Basis of Accounting

The accounts are prepared as per historical cost convention and on accrual basis and are in conformity with mandatory Accounting Standards and relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of Financial Statements in conformity with generally accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, Income and Expenditures and disclosure of Contingent Liabilities at the date of the Financial Statements. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

c) Fixed Assets

Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price net of Cenvat, Service Tax and Value Added Tax and any attributable cost of bringing the assets to its working condition for its intended use.

Certain fixed assets of the Company have been revalued and have been restated at a net book value including the net increase / decrease in the original net value of the assets as per the approved Scheme of Arrangement

Borrowing Cost directly attributable to acquisition / construction of fixed asset which necessarily take a substantial period of time to get ready for their intended use are capitalised.

d) Depreciation / Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except for certain assets that have been revalued and restated. Depreciation on these assets has been provided on the net restated book value prospectively over the remaining original specified life.

e) Investments

Investments are classified into Current and Long Term Investments. Current Investments are valued at lower of cost and fair market value. Long Term Investments are stated at cost less provision, if any, for decline other than temporary in their value.

f) Inventories:

All Inventories are valued at lower of cost and net realisable value.

Raw Materials, Stores and Spares & packing material are valued at lower of cost determined on weighted average basis and net realisable value.

Work in process is valued at lower of cost and net realisable value.

Finished Goods is valued at lower of cost including excise payable thereon and net realisable value.

Slow moving, Raw Materials, Stores & Spares are valued at estimated net realizable value.

Project work in progress is valued at cost which is determined based on fair value of land on conversion and direct construction and development expenses and attributable indirect expenses.

g) Sales and Income from Operations.

Sale of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on the despatch of goods. Sales are inclusive of excise duty, but net of sales return, Service Tax & Value Added Tax & CST.

Export sales are recognised on the date of bill of lading / Airway bill.

Income from operations includes revenue earned, as per the terms agreed with the customers.

Revenue from Real Estate Projects is recognised based on sold areas as per the percentage completion method. The stage of completion is determined as per the proportion of the cost of construction and development actually incurred till reporting date and the total estimated cost of construction and development of the project. The total estimated cost of the project are estimated based on the technical and other estimates of salable areas, costs, etc. The revenue from the Real Estate project will be recognised when 40% of the stage of completion is reached and

Y I. SIGNIFICANT ACCOUNTING POLICIES : (Contd.) (₹ in Lacs)

the outcome of the project can reliably be estimated.

h) Foreign Exchange Transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are converted at year end exchange rates.

The difference in conversion of monetary assets & liabilities and realized gains & losses on foreign exchange transaction are recognized in the Profit and Loss Account.

i) Employee benefits

The gratuity liability is funded through the scheme administered by the Life Insurance Corporation of India (LIC), and the amounts paid / provided under the scheme are charged to Profit and Loss account.

Superannuation payable as per superannuation scheme is provided by payment to superannuation trust fund, administered by the ICICI Prudential Life Insurance Co.Ltd.

Accumulated leave liability as at the year end is provided as per actuarial valuation.

j) Taxes on Income

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law).

Deferred Tax asset & liabilities are recognised as per accounting standard -22 on accounting for Taxes on Income, issued pursuant to the Companies (Accounting Standards) Rules, 2006 by the Central Government.

k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements.

l) Measurement of EBITDA

The Company has elected to present earning before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of the profit and loss.

Y 2. Other Explanatory Notes and Information

(₹ in Lacs)

As at 31st March,		2012	2011	
i	Estimated amount of contracts remaining to be executed on capital accounts	489.87	69.06	
ii	Contingent liabilities not provided for.			
	i. Wage revision and reinstatement of employees and other demands	Unascertained	Unascertained	
	ii. Letter of credit, Guarantees and counter guarantees	554.44	329.98	
	iii. Liabilities Disputed in appeals			
	- Excise duty	426.05	385.25	
	- Sales Tax	242.21	242.21	
	iv. Claims against the company not acknowledged as debt	-	3.00	
	v. Income tax	711.23	669.20	
	vi. Non fulfilment of export obligation against advance licence	108.28	104.26	
iii	There was lack of Government support for levying anti-dumping duty despite efforts of the Company. Hence, the Company has suspended the production of "Penicillin-G" as import from China have resulted in unviable prices. The Company is in process of exploring othe alternative options to utilize its manufacturing capacity.			
iv	The remuneration paid to Managerial / Whole Time Director is in excess of the remuneration prescribed under schedule XIII to the Companies Act, 1956 .The Company is in process of making an application for the necessary approval from the Central Government for the excess paid remuneration in the prescribed limits.			
v	Defined benefit plans / compensated absences - As per actuarial valuation	31.03.2012	31.03.2011	31.03.2010
		Gratuity Funded	Gratuity Funded	Gratuity Funded
	Expense recognised in the Statement of Profit & Loss Account			
	Current Service Cost	35.54	37.76	156.55
	Interest Cost	61.51	54.67	110.23
	Employer Contributions	-	-	-
	Expected return on plan assets	(44.44)	(66.38)	(88.58)
	Net Acturial (Gains) / Losses	26.71	231.57	24.72
	Past Service Cost	-	-	-
	Settlement Cost	-	-	-
	Total expense	79.32	257.62	202.92
	Net Asset / (Liability) recognised			
	Present value of Defined Benefit Obligation as at March 31, 2012	734.32	768.89	1,462.01
	Fair value of plan assets as at March 31, 2012	459.11	573.00	993.35
	Funded status [Surplus / (Deficit)]	(275.21)	(195.89)	(468.66)
	Net asset / (liability) as at March 31, 2012	(275.21)	(195.89)	(468.66)
	Change in Obligation			
	Present value of Defined Benefit Obligation at beginning of the year	768.89	662.64	1,336.07
	Current Service Cost	35.54	37.76	156.55
	Interest Cost	61.51	54.67	110.23
	Settlement Cost	-	-	-
	Past Service Cost	-	-	-
	Employer Contributions	-	-	-
	Acturial (Gains) / Losses	26.71	256.22	31.41
	Benefits Payments	(158.33)	(242.40)	(172.25)
	Present value of Defined Benefit Obligation at the end of the year	734.32	768.89	1,462.01

Y 2. Other Explanatory Notes and Information

(₹ in Lacs)

	31.03.2012	31.03.2011	31.03.2010
	Gratuity Funded	Gratuity Funded	Gratuity Funded
Change in Assets			
Plan assets at the beginning of the year	573.00	993.35	1,070.33
Funds to be transfer as per the Scheme of Arrangement	-	(769.00)	-
Assets acquired in amalgamation in previous year	-	-	-
Settlements	-	-	-
Expected return on plan assets	44.44	66.38	88.58
Contributions by Employer	-	500.00	-
Actual benefits paid	(158.33)	(242.40)	(172.25)
Acturial (Gains) / Losses	-	24.67	6.70
Plan assets at the end of the year	459.11	573.00	993.35
Acturial Assumptions:			
Discount Rate	8.50%	8.00%	8.25%
Expected rate of return on plan assets	9.00%	9.00%	9.00%
Mortality pre retirement	*LIC Rates	*LIC Rates	*LIC Rates
Mortality post retirement	NA	NA	NA
Turnover rate	5% to 1%	5% to 1%	5% to 1%
Medical premium inflation	NA	NA	NA
Rate of escalation in salary (p.a.)	4.75%	4.75%	4.75%
* LIC (1994-96) Published table of rates.			
	31.03.2012	31.03.2011	31.03.2010
	Leave Encashment	Leave Encashment	Leave Encashment
Expense recognised in the Statement of Profit & Loss Account			
Current Service Cost	24.39	25.30	104.77
Interest Cost	14.16	11.22	42.55
Employer Contributions	-	-	-
Expected return on plan assets	-	-	-
Net Acturial (Gains) / Losses	17.77	35.74	80.39
Past Service Cost	-	-	-
Settlement Cost	-	-	-
Total expense	56.32	72.26	227.71
Net Asset / (Liability) recognised in the Balance Sheet			
Present value of Defined Benefit Obligation as at March 31, 2012	129.58	177.02	575.72
Fair value of plan assets as at March 31, 2012	-	-	-
Funded status [Surplus / (Deficit)]	(129.58)	(177.02)	(575.72)
Net asset / (liability) as at March 31, 2012	(129.58)	(177.02)	575.72

Y 2. Other Explanatory Notes and Information

(₹ in Lacs)

	31.03.2012	31.03.2011	31.03.2010
	Leave Encashment	Leave Encashment	Leave Encashment
Change in Obligation			
Present value of Defined Benefit Obligation at beginning of the year	177.02	140.21	515.76
Current Service Cost	24.39	25.30	104.77
Interest Cost	14.16	11.22	42.55
Settlement Cost	-	-	-
Past Service Cost	-	-	-
Employer Contributions	-	-	-
Actuarial (Gains) / Losses	17.77	35.74	80.39
Benefits Payments	(103.76)	(35.45)	(167.75)
Present value of Defined Benefit Obligation at the end of the year	129.58	177.02	575.72
vi.	The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are as follows:		
	1. Amount receivable in foreign currency on account of the following		
	- Export of Goods and Services	USD	1.56
	Advance to Suppliers	USD	0.02
		EUR	1.05
		GBP	0.02
		JPY	14.80
	2. Amount payable in foreign currency on account of the following		
	- Purchase of Goods and Services	USD	4.98
		EUR	0.21
	Advance from Customers	USD	0.14
		EUR	0.01
vii.	As per information / documents available with the Company, there are no small scale undertaking. Hence information as per requirement of section 22 of Micro, Small & Medium Enterprises Development Act, 2006, not given.		
viii.	Segment Reporting		
	Primary Segment		
	The Company has identified "Pharmaceuticals" and "Real Estate" as the primary reportable segment.		
	The Company has started a real estate project for residential use. The project is in initial stage and no revenue / profit is recognised in the current quarter / period and therefore, the Company has reported only pharmaceutical segment in accordance with the Accounting Standard on Segment Reporting (AS-17).		
	In view of the inter-woven/inter-mixed nature of business and manufacturing facility, other secondary segmental information is not ascertainable.		

Y 2. Other Explanatory Notes and Information

(₹ in Lacs)

ix.	Disclosures in respect of Related Parties pursuant to Accounting standard - AS 18 - issued by the Institute of Chartered Accountants of India are as follows.			
	List of Related Parties with whom the Company has entered into transactions during the year.			
	(a) Controlling Companies: There is no controlling Company			
	(b) Subsidiary and Fellow Subsidiary: There is no Subsidiary Company			
	(c) Associate Companies:			
	1	Alembic Pharmaceuticals Ltd.	6	Paushak Ltd.
	2	Sierra Healthcare Ltd.	7	Alembic Export Ltd.
	3	Nirayu Pvt. Ltd.	8	Viramyia Packlight Ltd.
	4	Quick Flight Ltd.	9	Whitefield Chemtech Pvt. Ltd.
	5	Shreno Ltd.	10	Sierra Investments Ltd.
	(d) Key Management personnel			
	1	Shri C .R. Amin	Chairman	
	2	Smt M.C. Amin	Whole-time Director	
	3	Shri Ashok Tulankar	Executive Director (w.e.f. 30.08.2011 to 30.09.2011)	
	(e) Relatives of Key Management Personnel :			
	1	Shri Pranav Amin	5	Ms. Jyoti Patel
	2	Shri Shaunak Amin	6	Ms. Ninochaka Kothari
	3	Shri Udit Amin	7	Ms. Shreya Mukherjee
	4	Ms. Yera Amin		
	During the year, the following transactions were carried out with related parties and relative of Key Management Personnel in the ordinary course of the business.			
			Associates	
			Key Management Personnel	
			2012	2011
			2012	2011
	For the year ended on 31st March,			
	i)	Purchase of Goods/DEPB		
		- Individually more than 10%	334.13	31.55
		- Others	35.30	3.39
	ii)	Sale of Goods/DEPB		
		- Individually more than 10%	6,001.14	6,318.89
		- Others	12.58	6.94
	iii)	Purchase of Fixed Assets		
		- Individually more than 10%	20.56	74.12
		- Others	-	-
	iv)	Sale of Fixed Assets		
		- Individually more than 10%	7.12	273.32
		- Others	-	-
	v)	Rendering of services		
		- Individually more than 10%	579.63	-
		- Others	-	-
	vi)	Receiving of services		
		- Individually more than 10%	894.94	814.71
		- Others	1.21	0.20
	vii)	Rent Paid		
		- Individually more than 10%	32.35	52.35
		- Others	3.53	-
	viii)	Rent Received		
		- Individually more than 10%	68.34	6.68
		- Others	17.08	1.09
	ix)	Interest Paid		
		- Individually more than 10%	528.95	-
		- Others	-	-

Y 2. Other Explanatory Notes and Information

(₹ in Lacs)

x	Listing Agreement clause 32 disclosure		
	Disclosures as required under clause 32 of listing agreement have not been given as there are no such transactions with any such party / Employee.		
xi	Earning Per Share (EPS)		
	Year ended on 31st March,	2012	2011
	a) Profit / (Loss) after tax but before Non -Recurring Items available for equity shareholders.	(972.13)	(867.87)
	b) Profit / (Loss) after Tax available for equity shareholders	(1,219.76)	(1,290.19)
	c) Weighted Average number of equity shares	133,515,914	133,515,914
	d) Basic and Diluted Earnings per share before Non-Recurring Items. (Face value per share ₹2/- each)	(0.73)	(0.65)
	e) Basic and Diluted Earnings per share after Non-Recurring Items. (Face value per share ₹2/- each)	(0.91)	(0.97)
xii	Auditors Fees and Expenses include remuneration to:		
	Year ended on 31st March,	2012	2011
	(a) Statutory Auditors:-		
	As Auditors	3.50	3.50
	In Other Capacity:-		
	(i) Other Services	-	2.00
	(ii) Reimbursement of expenses	0.32	-
	(b) Cost Auditors :-		
	(i) As Cost Auditors	0.25	0.10
	(ii) Other Services	-	-
	(c) Tax Auditor :		
	(i) Tax Audit Fee	1.50	0.10
	(ii) Other Services	-	-
		5.57	5.70
xiii	Income / Expenditure in Foreign Currency		
	Year ended on 31st March,	2012	2011
	- Export (FOB basis)	857.89	2,124.06
		857.89	2,124.06
xiv	Expenditure in Foreign Currency		
	Year ended on 31st March,	2012	2011
	- Raw Materials (CIF basis)	594.66	1,237.13
	- Packing Material ,Components and Spare parts (CIF basis)	62.70	31.88
	- Capital Goods (CIF basis)	-	1.94
	- Professional and Consultancy Fees	15.61	4.56
	- Others	29.07	85.02
		702.04	1,360.53
xv	Break up of Imported /Indigenous Material		
	Year ended on 31st March,	2012	2011
	(a) Value of imported raw materials, spares parts and components consumed	1,390.88	3,250.52
	(b) Value of indigenous raw materials, spare parts and components consumed	7,036.09	9,973.82
	(c) Percentage of above to total consumption:		
	(i) Imported raw materials, spare parts and components consumed	17%	25%
	(ii) Indigenous raw materials, spare parts and components consumed	83%	75%

Y 2. Other Explanatory Notes and Information

(₹ in Lacs)

xvi	During the year ended 31st March, 2012 the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year. In view of this reclassification certain figures of current year are not strictly comparable with those of the previous year.
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As per our report of even date

For K. S. AIYAR & CO.
Chartered Accountants**Chirayu R. Amin**
Chairman**Malika Amin**
Whole-time Director**R. M. Kapadia**
Director**Milin Mehta**
Director**RAGHUVIR M. AIYAR**
Partner
Membership No. 38128
Firm Registration No.100186W
Mumbai : 5th May, 2012**Ashok Tulankar**
Director**Chirag K. Shukla**
Company Secretary

Vadodara : 2nd May, 2012

A T T E N D A N C E S L I P

To be handed over at the entrance of the Meeting Hall

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL	No. of Shares Held
LF No.	DPID	CLIENT ID

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 on Monday, the 13th August, 2012 at 12.30 p.m.

NAME OF THE MEMBER / JOINT MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):

- Notes:
1. Shareholder / Proxy-holder must bring the Attendance Slip to the meeting and hand it over duly signed at the entrance of the meeting hall.
 2. Joint Shareholders may obtain additional Attendance Slip/s by prior intimation to Office.
 3. Please strike off whichever is not applicable.

SIGNATURE OF THE MEMBER/
JOINT MEMBER(S) / PROXY



P R O X Y F O R M

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL	No. of Shares Held
LF No.	DPID	CLIENT ID

I/We _____
of _____
being Member (s) of ALEMBIC LIMITED hereby appoint _____ of _____
of failing him _____ of _____ as my / our proxy
to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Monday, the 13th August, 2012 and at any adjournment thereof.

Signed this _____ Day of _____ 2012.

- Notes:
1. Proxy form must reach the Company's Registered office not less than 48 hours before the Meeting.
 2. The form should be signed across the stamp as per specimen signature registered with the Company
 3. Please strike off whichever is not applicable.

I Rupee
Revenue
Stamp

ALCHEMY
REAL ESTATE
ALEMBIC GROUP

Samsāra

LUXURY
APARTMENTS

Everything you seek is within..

NIZAMPURA CHHANI ROAD

532 RESIDENCES | 2/3/4 BHK APARTMENTS | 2 ACRES OF GARDENS

Bookings Open

Site Office: B/h Space Studio, Nr. Keya Motors, Besides Chhani Canal, Chhani, Vadodara

Sales Office: FB Colony, Near Bhailal Amin Hospital, Alembic Road, Vadodara | M.: +91 96876 39701/702/703

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info@alchemyindia.com • www.alchemyindia.com

To,



www.alembiclimited.com