



Board of Directors

Mr. Chirayu R. Amin
Chairman & Managing Director

Mrs. Malika C. Amin
Whole-time Director

Dr. Babubhai R. Patel

Mr. Pranav N. Parikh

Mr. K.G. Ramanathan

Mr. Paresh Saraiya

Mr. Rajkumar Baheti
*Director, President -
Finance & Company Secretary*

Mr. Pranav Amin
*Director &
Chief Business Development Officer*

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

ABN-AMRO Bank N.V.
AXIS Bank Limited
Bank of Baroda
HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank
State Bank of India

Regd. Office

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

Manufacturing Facilities

Alembic Road, Vadodara - 390 003

Panelav, Tal. Halol,
Dist. Panchmahal - 389 350. Gujarat

Plot No. 21, 22, EPIP - Phase I
Jharmajri, Baddi, Tehsil - Nalagarh
Dist. Solan, Himachal Pradesh

Village Karakhadi, Taluka Padra
District Vadodara

Registrar & Transfer Agents

Link Intime India Private Limited
1st Floor, 308, Jaldhara Complex,
Opp. Manisha Society,
Off Old Padra Road, Vasna Road,
Vadodara - 390 007.

Tel.: (0265) 2250241, 3249857

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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.

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CHAIRMAN'S MESSAGE

Dear Shareholders,

The financial storm that swept across one side of our world impacted businesses across the globe. The pharmaceutical sector, though a relative out-performer in comparison to the overall economy, saw buoyant forecasts of global pharma sales being moderated. Growth of the Indian pharma market too was a shade rationalised.

It was also a checkered year for Alembic. While some of the strategies adopted and paths charted in previous years started yielding handsome results, others needed course correction. An impressive 44% growth in our International Business was dampened by a 7.3% de-growth in our domestic formulations business.

We recorded a total of Rs. 1,133.7 Crores in revenues, a 10.4% growth over previous year's revenue of Rs. 1,027 Crores. A result we are not too delighted about, but are aware that it is a short term consequence for the long term benefit that will accrue from the restructuring exercise undertaken in our domestic formulations business.

Also responsible for this poor performance were uncharacteristic forex losses due to the unprecedented international currency imbalances which manifested in the aftermath of the global financial crisis. Forex losses were a bane of many an Indian company and Alembic too was saddled with its fair share.

A strong proponent of transparency and good corporate governance, Alembic decided to adhere to fair value accounting and report on a mark-to-market basis even though the National Advisory Committee on Accounting Standard (NACAS), postponed the implementation of Accounting Standard II (AS II) to 2011 allowing organisations to report as per historic costs.



R E F L E C T I O N S



We have fully provided for mark-to-market exchange losses on long term foreign currency loans and on forward sale of US Dollars. We have also made provisions for diminution in investment to the tune of Rs. 7.52 Crores with respect to a US company namely Xechem Corporation.

The forex losses and the initial negative impact of restructuring are both extraneous events and we at Alembic have implemented corrective action on both fronts to keep them such.

In the coming fiscal 2009-2010 the benefits of the restructuring will begin to kick in. We are on course to capitalise on the significant opportunity that exists for our newly focused product portfolio in the domestic formulations market, drive more costs out of the business and secure sustained profitability.

New products provide additional momentum to growth and during this fiscal Alembic launched 34 new products across various therapeutic segments.

Acute therapy products market contributes over 75% to the Indian pharma market by revenue. However there has been a perceptible increase in revenues from the chronic ailments segment and it is growing at almost double the rate of the acute segment. Amongst the largest therapeutic segments, anti-diabetic and CV drugs have demonstrated the most aggressive growth. The 24 lifestyle therapeutic brands which we included last year in the cardiovascular, diabetological and gynaecological segments have handsomely enhanced their contributions to the total sales. Diabetology, cardiology and gynaecology chalked up a 64%, 43% and 48% growth in percentage contribution to this revenue stream, respectively. Chronic therapy will continue to be a key growth segment for Alembic's domestic formulations business in the coming years.

Our International Business posted significant gains in every market in which we participate. Powered by our collaborative approach, sales in regulated markets escalated 71%. Partnerships with international generics players provided us deeper access to markets and helped sharpen our competitive position in regulated markets. As regulated markets look to increase generics usage in their healthcare system as a means to counter massive healthcare budget deficits, Alembic is advantageously poised to grow its footprint in these markets.

R&D is where we seed and nurture new growth platforms and this year too we continued to invest in it.

Alembic is fast evolving towards a business model that is focused on deep-rooting our domestic presence and simultaneously leveraging high-value mature regulated markets along with high growth emerging markets.

Our record of delivering consistent results to our shareholders for over a century speaks of our ability to adapt, execute and optimise the many opportunities that our business mix provides.

Alembic today is a well balanced, tightly managed, globally competitive organisation and will continue to profitably serve all stakeholders including patients, healthcare professionals, employees, business associates and shareholders.

Yours Sincerely,

Chirayu R. Amin

Vadodara: 8th May, 2009

FORMULATIONS REVIEW

I N T R O S P E C T I O N



While the previous fiscal was characterised by significant growth, the current year saw the Company undertake a strategic restructuring exercise. This was primarily aimed to streamline our products into tighter well-focussed segments and thereby sharpen the effectiveness of the sales force.

But there has been a hiatus between goals and outcomes. The execution was not as smooth as envisaged. The domestic formulations business de grew by 7.3%. Profitability was impacted due to the cost of restructuring and compounded by low sales. While we recruited aggressively to man our restructured divisions, we faced high level of attrition thereby increasing the cost of net incremental recruitment at field.

We also realised that we had higher inventory in the trade pipeline than what could be absorbed in the normal course. We reiterated stringent discipline in the distribution practices and by the end of the year, almost completed the correction in the trade pipeline.

In its hundred years of business history Alembic has successfully navigated many such blips to emerge stronger and more resilient.

Back On Course

Our vision remains focused to achieve long-term sustainable growth. The restructuring will ensure that product potential is fully realised and products of merit are not overlooked or under-resourced. It facilitates effective portfolio management and is geared to refine portfolio execution and thereby enhance revenue generation in the future notwithstanding lower sales in the interim.

The domestic formulations business now has a more streamlined operating structure. It has been reorganised into different groups and comprises of 15 marketing divisions. An enhancement in the field force strength from 1,950 to 2,700 and the ERP-integration of the sales and distribution process will augment the effectiveness of the restructuring.

This transformational exercise has been designed to deliver on three counts – sustained business gains,

boost operational efficiencies and strengthen customer focus. The key benefits will include:

Rapid increase in market share
Robust secondary sales
Intensified customer coverage
Focused customer centric activities
Enhanced frequency of customer / doctor meetings
Effective monitoring of brand marketing programs
Day-to-day focus on conversion and consolidation targets

Future Ready

In the last couple of years, Alembic has undertaken two strategic decisions – Product Portfolio Restructuring and People Portfolio Restructuring, to be geared to harness the large growth opportunities being formulated due to the changing socio-economic environment of India.

Galloping urbanisation of India has altered lifestyles and led to a rise in related diseases. By 2020, these diseases are likely to be responsible for nearly 50% of drug sales in India. Thus, the chronic lifestyle diseases market offers considerable growth potential.

The Product Portfolio Restructuring involved our inorganic growth in the lifestyle therapeutic segment wherein during 2006-07 we acquired the entire domestic non-oncology formulation business of Dabur Pharma Ltd. comprising of 24 active brands.

The contribution of chronic therapies to our total domestic formulations sales has been steadily improving.

Contributions by Therapeutic Segments

(Rs. in Lacs)

Therapeutic Segment	Value 2008-09	% Contribution	Value 2006-07*	% Contribution
Anti-Infectives	19,579	46.8	23,733	64.3
Respiratory	5,043	12.1	4,693	12.7
Gynaecologicals	4,844	11.6	1,577	4.3
Gastroenterology	3,671	8.8	2,464	6.7
Cardiology	2,785	6.7	214	0.6
Orthopaedics	1,898	4.5	1,919	5.2
Others	1,133	2.7	884	2.4
Diabetology	1,117	2.7	209	0.6
Nutritional	1,064	2.5	1,203	3.3
Critical Care	458	1.1	-	-
Anti BPH	202	0.5	-	-
Focussed Business - Total	41,797	100.0	36,900	100.0

* Pre acquisition business

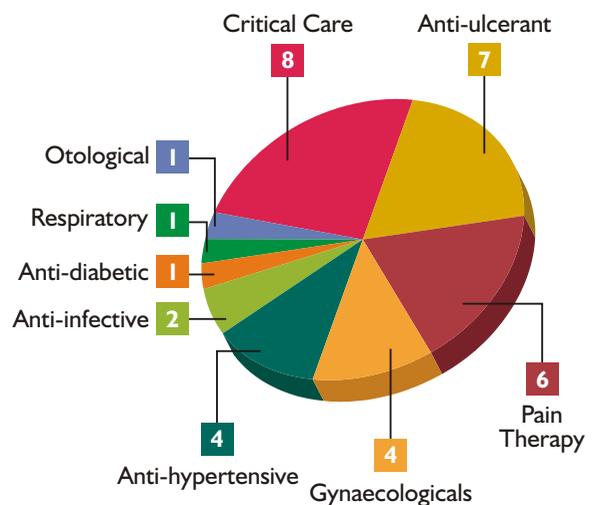
Growth Ignitions

New products are one of the major drivers of growth and their market performance a vital indicator of the organisation's future performance. We at Alembic continue to build on our distinguished record of introducing 'performing' products across key therapeutic segments.

This fiscal Alembic infused the market with the release of 34 new products, which injected new vigour into this revenue stream as they contributed 3.54% of the total domestic branded formulations sales. The 25 new products which were launched in the previous year contributed 6.34% to the total domestic branded formulations sales this year.

Spanning a period of three years, the contribution of new products to the total domestic branded formulations sales has been 8.6%.

Number of products introduced in each therapeutic category in FY 08-09



Brand Domination

As brand building continued so did the returns from brand building. We saw consistent performers reaffirming their position and new entrants rub shoulders with the top brands in India.

Azithral consolidated its No. 1 position in its category and recorded a 30% growth. It also catapulted 12 places from its last year rank of 39 to become the 27th top selling brand in the country.* Strox, with MAT sales of Rs. 19.3 Crores, made its debut in the top “300” product list of ORG, taking our total tally of products in this list to six. Strox in its first year after acquisition became fourth largest Ciprofloxacin brand.

* Source: ORG (MAT), March '09.



Our Top 10 Brands

1	Azithral No.1 brand in its category Value: 77.28 cr Market Share: 27.7%	27 in ORG Top 300	2	Althrocin No.1 brand in its category Value: 71.57 cr Market Share: 79.8%	31 in ORG Top 300
3	Roxid India's largest prescribed antibiotic Value: 52.93 cr Market Share: 71.8%	59 in ORG Top 300	4	Wikoryl Third Largest Cold Brand Value: 26.13 cr Market Share: 7.9%	195 in ORG Top 300
5	Rekool Value: 24.12 cr Market Share: 6.6%		6	Ulgel Value: 20.47 cr Market Share: 7.2%	
7	Strox Value: 19.29 cr Market Share: 6.7%	289 in ORG Top 300	8	Zeet Value: 19.28 cr Market Share: 1.7%	290 in ORG Top 300
9	Sharkoferrol Value: 16.35 cr Market Share: 57.8%		10	New Livfit Value: 10.57 cr Market Share: 4.1%	

(Source: ORG, March '09)

Brands Outpacing the Market

Brand	Brand Growth (%)	Market Growth (%)
Megaclav	222	33
Strox	111	0
Sharkoferrol	31	11
Azithral	30	19
New Livfit	29	13
Cycloset	22	21
Zeet	11	6

Nine of our brands outpaced the market growth rate

(Source: ORG, March '09)

Therapeutic Category Performance

Therapeutic Segment	Rank	Market Share (%)
Macrolides	1	37.0
Respiratory	4	4.9
Anti-Infectives	7	4.9
Gynaecologicals	16	1.7
Gastroenterology	22	1.6
Diabetology	25	1.0
Pain	25	1.2
Cardiology	26	0.9

(Source: ORG, March '09)



Prescription Penetration

Alembic with a prescription share of 1.6% ranks as the 14th most prescribed company by Indian doctors. The expansion of prescriber base has led to a steady progress in market share in ORG during the year, which increased from 1.72% in April to 1.87% in March 2009.

The highest growth in prescription of 40% was recorded amongst Gastroenterologists. Closely followed by a 30% growth from Orthopaedic Surgeons and a 21% growth in prescriptions from Consulting Physicians. Chest Physicians and ENT Specialists too demonstrated a growing disposition towards Alembic products and prescriptions in these two categories chalked up a 5% and 2% growth respectively.

VETERINARY DIVISION

Unfettered by the adverse macro-economic conditions, Alembic's Veterinary Division grew at 12%.

Our strength emanates from our distinctive range of products that gives the veterinary doctor a comprehensive armament against diseases. Our resilience stems from the fact that most of our products have need based usage for treatment & productivity.

The division chalked up two successful launches during the year. M-Ceft, a single shot mastitis treatment, which was launched during the year touched a sale figure of Rs 1.97 Crores within just nine months. SURRAL the second brand to be launched in the third quarter of this year was also a success.

Both these new launches are unique and two more industry firsts from Alembic.

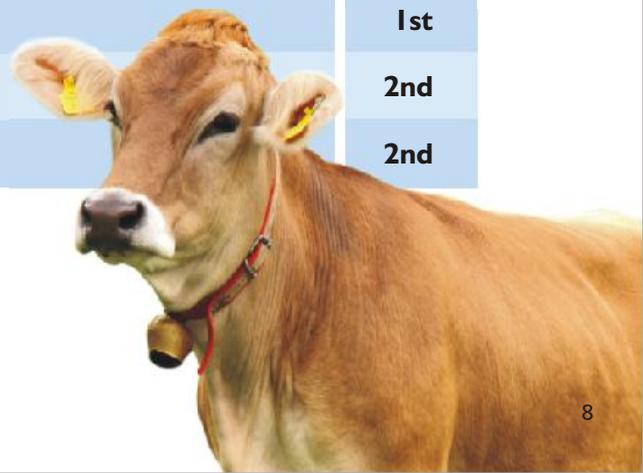
Indian livestock industry managed to retain its growth both in dairy and poultry because its produce such as meat, milk, egg etc. has a very low per capita consumption in the country

Key products

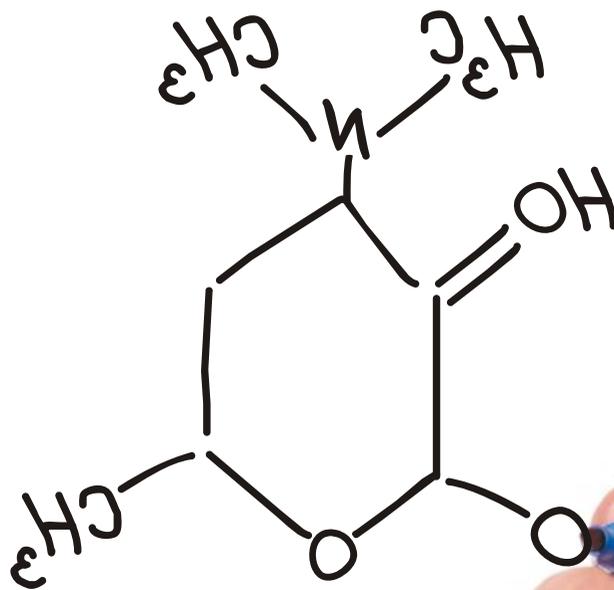
- Enrox Inj.
- Poron
- Zeet Inj.
- Rumen-FS Bolus
- Cotrimol Bolus
- Mectin Inj.
- Ascal - FS
- Althrocin
- Metrofural Bolus
- Vetcort Inj.
- Tikout
- Alvimix
- Minthal Bolus
- Diclovet
- Bivinal Forte Inj.
- Minal Forte

Leading Brands

Brand	Category	Rank
MOXEL	Amoxicillin and Cloxacillin injection	1st
Xceft	3rd generation Cephalosporin group of injectable antibiotics	1st
FPP-20lac	Fortified Procaine Penicillin	1st
FPP-40lac	Fortified Procaine Penicillin	1st
Sharkoferrol Vet.	Haematinic Supplement	1st
Ketop	Injectable NSAID	2nd
Bistrepen V	Streptopenicillin	2nd



P R O G R E S S I O N

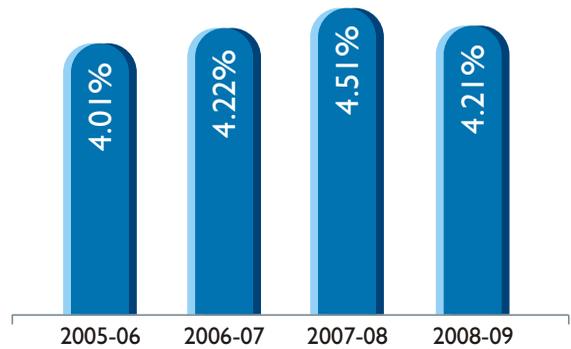


Alembic was born out of forward-thinking strategies that nurture innovation. Research and Development has always been an integral part of Alembic's strategy to retain and sharpen its domestic and global competitive edge. This year too we continued to augment the innovation bandwidth and reinforce our product pipeline to fuel sustained business growth in the short, medium and long term by aligning our research projects to future market demands.

The total investment in R&D this year was Rs. 47.7 Crores, which was 4.21% of consolidated net sales. Consistent investment has seen our R&D capabilities grow from strength to strength. Today, we have acquired the proficiency to develop a wide range of pharmaceuticals across the value chain - from complex APIs to value-added difficult-to-develop formulations. We have gained significant expertise in developing processes for macrolides and ketolides and Alembic is one of two organisations in India which produce phosgene based chemicals.

Alembic Research Centre, our 1,45,000 sq.ft. state-of-the-art research centre, which houses 250+ scientists is the nucleus of our research endeavours. It has institutionalised a culture that fosters innovation and helps shape inventions into innovative commercial products.

R&D spend as % of Sales



In order to tap unique opportunities in niche technological areas such as chiral chemistry, critical late patent expiry molecules and potential blockbuster molecules we have set up a dedicated team to develop novel chemistry and create intellectual wealth in three focussed areas.

- 1 new reagents for chirality generation
- 2 new salts with higher efficacy
- 3 critical late patent expiry molecules

Our multidisciplinary portfolio sports the expertise and experience to provide end-to-end R&D services. It includes

- API Research
- Formulations Research
- Analytical Research
- Intellectual Property
- Bioequivalence



Generic Research

Patent expirations of blockbusters are opening up significant markets in the developed world. According to an IMS report, in 2006 alone, an estimated \$18 billion branded products lost patent protection while in 2007 an additional \$21 billion branded drugs went off-patent. In spite of this large new market opportunity, sale of generics in the top eight global markets - the U.S., Japan, France, Germany, Italy, the U.K., Spain, and Canada - grew only 2.1% in the 12 months ending June 2008. The staid growth is the result of increasing penetration and competition in the generics segment. While sales volume continues to rise, prices continue to fall. Thus costs are becoming the key to success.

In alignment with this global thrust on cost rationalisation, the Alembic Research Centre has undertaken focused cost reduction projects for molecules which are going off-patent in regulated markets and thus face significant price erosion.

DMFs

Non-infringing processes have been developed for several APIs targeted for the regulated markets. 11 DMFs were filed during this fiscal. This takes the total tally of DMF filed to 32.

ANDAs

We have filed 8 ANDAs in regulated markets during the current year, including NDDS products taking the total to 19 ANDAs and have got approvals for four ANDAs during the year. In the coming year we have set ourselves a target of 20 ANDAs. Alembic is poised to enter the niche ophthalmic segment in the regulated markets and aims to file 5 ANDAs during the financial year 2009-2010.



Scale-ups

New products were developed at the lab scale and on the synthetic front. Scale-up and commercial production of Rivastigmine, Bupropion HCl, Pentosan, Losartan, Hydrochlorothiazide, Clonidine, Tadalafil, O-desmethyl Venlafaxine, Memantine, and Quetiapine was completed during the year.

Our R&D continues to develop and help launch high specialty products in the domestic market across different therapeutic segments. On the anvil is the introduction of an ophthalmic range in the domestic market.



NDDS

The pharmaceutical industry world over sees a big opportunity in the use of novel drug delivery technologies as they make their products easier to administer, more patient friendly and more effective.

We have identified NDDS to be an important building block for our research initiatives and are actively pursuing programs in the following core NDDS technologies:

- Osmo Micro Sealed Gastro Retentive Drug Delivery
- Pelletisation Drug Delivery
- Taste Masking
- Pulmonary Drug Delivery System

Alembic's current focus on drug delivery research is in the area of oral-controlled release-systems.



Intellectual Property

This year Alembic accelerated its patent filing process by filing 54 patent applications with respect to the API business taking the total tally of patents filed in API across the globe to 287. The number of patents filed during this fiscal with respect to the formulations business was 11 taking the total filing in formulations to 202.

Bioequivalence

ARC's bioequivalence facility offers bioavailability and bioequivalence studies to national and international clients. The centre continues to conduct pilot and pivotal studies for various regulatory submissions like MCC South Africa, TPD Canada, EU & US FDA. The centre is currently working on bioequivalence projects for some of its major products aimed at the regulated market.

The key strengths of our 12,500 sq. ft. Bioequivalence Centre include the ability to conduct various study designs such as single blind, double blind, two-way cross over, three-way cross over, parallel design on various classes of drugs - anti-diabetics, antidepressants, antibiotics, NSAIDs, antiepileptic, muscle relaxant, cardiac drugs etc.

Alembic has actively initiated an in-house Ph.D and various other knowledge-enhancement programs for the intellectual development of its scientific talents.

INTERNATIONAL DIVISION

A C C E L E R A T I O N





As global populations grow and age, the worldwide demand for medicines is soaring and the global pharmaceutical market is forecasted to touch \$929 billion by 2012. While the long term outlook remains positive, a caveat in the short term came in the form of the current global economic meltdown.

Even in this downturn impacted year, Alembic's International Business shifted gears to post a stellar performance. Business grew by 44%, posting Rs. 455 Crores to revenues.

In the year 06-07 Alembic had reconstituted this division to focus completely on International Business with an aim to double its contribution in three years, from the then current 20%. By contributing to 40% of the total revenues and recording a CAGR of over 70%, the division has crossed the target in just two years.

Another feather in its cap was the inroads it made into the regulated markets. Sales of API to regulated markets surged by 111% boosting the overall API sales growth to an impressive 54%.

Regulated Markets

With more than \$70-80 billion worth sales drugs going off patent in the next five years, the generic market provides a significant opportunity. We moved swiftly to capitalise on the growing generic opportunities in the regulated markets by forging strategic alliances with international generic companies. Under these partnerships, we typically

share the investment and returns with our marketing partners and thereby de-risk our ANDA program by reducing the upfront investment at the development stage. We also leverage the marketing and sales capabilities of our partners to achieve a deeper product penetration in each market.

This revenue generating value chain also opens up new channels through which we can market our contract manufacturing/ research services.

We share a stable partnership with a large MNC and it is expected to deliver a sustained revenue stream.

Our strategies have commenced paying dividends as total sales to markets such as USA, Canada and Europe leaped by 71% from Rs. 189 Crores during the last fiscal to an impressive Rs. 323 Crores this year, contributing a healthy 29% to the Company's revenues. Generic sales in regulated markets increased by 3% during the year and clocked Rs. 72 Crores as against Rs. 70 Crores in the previous fiscal.

This year we also received our first ANDA approval for Lithium Carbonate and the formulations plant at Panelav received the formal US FDA approval. Till the time of writing this report we have received five ANDA approval and we expect the formulation sales to grow significantly in the year 2009-10.

Going forward, we realise that the products we manufacture will face competitive pricing pressures and we need to step up our cost reduction program to maintain margins. However Chinese prices of Penicillin G continue to be an area of concern and prices are below our variable cost. We have urged the Government to protect the interests of the Indian Industry.



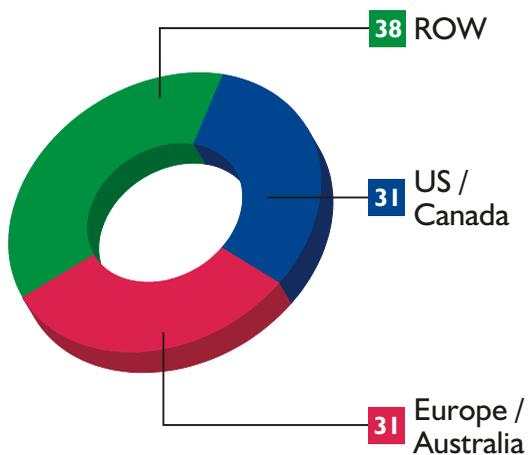
Our International Footprint

Contributions from diverse markets help de-risk this revenue stream and enhance its robustness.



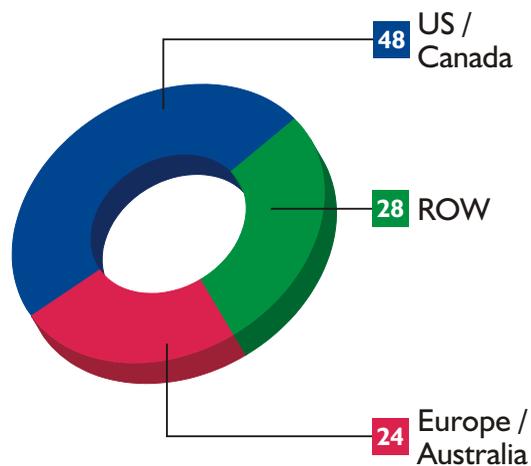
Formulations Export

Percentage contribution by market



API Export

Percentage contribution by market



FINANCIAL HIGHLIGHTS 2008-2009

(Rs. in Lacs)

Sales	Year ended 31-03-2009	Year ended 31-03-2008	Growth / (De-Growth) %
Formulation			
Domestic	55,419	59,774	(7.3)
Exports	4,765	4,666	2.1
Regulatory	7,200	6,986	3.1
API			
Domestic	12,411	11,247	10.4
Exports	7,444	6,034	23.4
Regulatory	25,095	11,916	110.6
Export Incentives and R&D Income	1,033	2,038	(49.3)
Grand Total	1,13,367	1,02,661	10.4

(Rs. in Lacs)

Earnings	Year ended 31-03-2009	Year Ended 31-03-2008	Growth / (De-Growth) %
Operating Profit	13,038	15,606	(16.5)
PBT	913	11,360	(92.0)
PAT	1,082	11,219	(90.4)

10.4% increase in total revenue

44% growth in International Business

71% growth in sales to regulated markets

54% growth in API sales

8 ANDAs and 11 DMFs filed, aggregating to 19 ANDAs and 32 DMFs

34 new domestic formulations products launched

6 of our domestic brands featured amongst the ORG 'Top 300' brands

14th most prescribed Company by Indian doctors

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 102nd Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2009.

Financial Results

Standalone Basis

(Rs. in Lacs)

For the year ended 31st March	2009	2008
Profit for the year before Interest, Depreciation, Foreign exchange gain or loss, Non-recurring Income or expenses and Tax	12,656	15,606
Adjusting therefrom:		
Interest (net)	(4,006)	(3,305)
Depreciation	(3,831)	(3,277)
Foreign Exchange gain or loss	(3,507)	81
Non-recurring Income or expenses i.e. diminution in investments and profit on sale of land	(752)	2,255
Provision for deferred tax liabilities or assets	3	(47)
Provision for current taxes	(270)	(148)
Excess provision of Income Tax no longer required	436	54
Profit after Tax	729	11,219
Adding thereto:		
Balance brought forward from last year	7,972	4,183
Amount available for appropriation	8,701	15,402
Appropriating therefrom:		
Provision for Dividend - Equity Shares	549	2,077
Provision for Corporate Dividend tax	93	353
General Reserve	73	5,000
Debenture Redemption Reserve	750	--
Balance carried forward to next year's accounts	7,236	7,972
	8,701	15,402

2 Dividend

Your Directors recommend Dividend on Equity Shares at Rs. 0.40 per share (i.e. 20%) of face value of Rs. 2/- per share for the year ended on 31st March, 2009 as against Rs. 1.50 per share (i.e. 75%) for the year ended 31st March, 2008.

3 Management 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 Rs. 1,120 Crores for the year ended 31st March, 2009 as compared to Rs. 1,027 Crores for the previous year, which shows a growth of 9% over previous year.

The Profit before Interest, Depreciation, Foreign Exchange Gain & Losses, Non-recurring Income and Expenses and Taxes was Rs. 126.56 Crores for the year under review as compared to Rs. 156.06 Crores for the previous year.

During the year, the interest and financing cost was Rs. 40.06 Crores as compared to Rs. 33.05 Crores in previous year due to higher working capital. The Company had to incur a loss of Rs. 35.07 Crores on account of foreign exchange fluctuations against a gain of Rs. 0.81 Crores in the previous year. The Company has adopted a prudent policy of providing the mark-to-market losses and the Company does not expect any further loss on this account in the coming year.



Export API sales registers a growth of **73.4%**

(i) Domestic Formulations Sales:

Sales of Domestic formulations for the year ended 31st March, 2009 is Rs. 554.19 Crores as compared to Rs. 597.74 Crores for the previous year ended on 31st March, 2008, and reported a de-growth of 7.3%.

(ii) Export Formulations:

The sales of export formulations was Rs. 119.65 Crores for the year ended 31st March, 2009 as compared to Rs. 116.52 Crores in the previous year ended 31st March, 2008, registering a growth of 2.7% over previous year. The above sales include sales to Regulatory Market for Rs. 72.00 Crores for the year ended 31st March, 2009 as compared to Rs. 69.86 Crores in previous year ended on 31st March, 2008.

(iii) Domestic API Sales:

The domestic sales of API was Rs. 124.11 Crores for the year ended on 31st March, 2009 as compared to Rs. 112.47 Crores for the previous year ended on 31st March, 2008, and reported a growth of 10.3%.

(iv) Export API:

The export sales of API was Rs. 311.29 Crores for the year ended on 31st March, 2009 as compared to Rs. 179.50 Crores for the previous year and reported a growth of 73.4%. The above sales include sales to Regulatory Market for Rs. 236.85 Crores for the year ended 31st March, 2009 as compared to Rs. 119.16 Crores in previous year ended on 31st March, 2008.

5 Listing of Shares

The equity shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

6 Fixed Deposits

The fixed deposits including from shareholders as on 31st March, 2009 amounted to Rs. 34.01 Crores. Unclaimed deposits of Rs. 10 Lacs from 65 depositors have been transferred to current liabilities, out of this, no deposits have since been repaid or renewed at the option of depositors and no instruction have been received so far and if not claimed in future, it shall be deposited in the 'Investors Education & Protection Fund' in due course, as per the provisions of the Companies Act, 1956.

7 Investments in Incozen Therapeutics Pvt. Ltd.

During the year under review, the Company invested Rs. 3 Crores towards 50% equity capital in Incozen Therapeutics Private Limited. The said Company is engaged in conducting research and development activities in the area of 'Drug Discovery and Clinical Development', Developing New Chemical Entities, Contract Research independently and/or through global collaboration. Your Company will get benefits of such activities in coming years.

8 Formation of Alembic Global Holding SA

Alembic Limited formed a wholly owned subsidiary viz. Alembic Global Holding SA in Neuchatel, Switzerland with objective of purchase, sale, packaging, manufacturing, research and development of pharmaceutical products, intermediates and raw materials as well as acquisition and management of intellectual property. During the year Company posted net sales of Rs. 14.10 Crores and generated profit of Rs. 3.53 Crores.

\$6,40,000 as Equity and lent \$3 Million as optionally convertible loan. Xechem had a patent and it was working on commercialisation of NISCOSAN™, a product used in the management of the symptoms of Sickle Cell Disease (SCD).

The project did not progress as per initial plans and hence the Company terminated the loan agreement & MOU and demanded refund of loan. The Company was able to subsequently obtain a refund of \$2 Million loan.

Xechem has filed for bankruptcy proceedings in USA on 9th November, 2008. As on that date, the Company's exposure to Xechem was as under:

01.	Equity USD 6,40,000	Rs. 2.90 Crores
02.	Loan (convertible) USD 1 Million	Rs.4.62 Crores
	Total Amount	Rs. 7.52 Crores

As a prudent measure, provision has been made in books of accounts for the above amount.

9 Investments in Rhizen Pharmaceuticals SA

Alembic Global Holding SA invested in equity of Rhizen Pharmaceuticals SA in Switzerland. The objective of Rhizen is:

- Drug discovery by selecting proven biological pathways with or without clinical proof, with or without collaboration.
- Clinical development of NCEs (Medical Phase) independently or through collaboration.
- Out licensing / collaborative development of the above.

10 Provision against Investments in Xechem

The Company had made a strategic investment in Xechem International Inc., USA, in December 2003, pursuant to which it had invested

11 Buy back of Equity Shares

The Board of Directors in its meeting held on 14th November, 2008 had approved to purchase the Company's fully paid-up equity shares (Buy back of Equity Shares) of the face value of Rs. 2/- each for an aggregate amount not exceeding Rs. 33,00,00,000 (Rupees Thirty Three Crores Only) constituting 9.69% of the aggregate paid-up equity share capital and free reserves of the Company as on March 31, 2008 and upto the maximum price of Rs. 55/- (Rupees Fifty Five only) per share from the existing owners of Equity Shares other than the Promoters, Persons who are in control of the Company and Promoter Group through the methodology of "Open market purchases through stock exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) in accordance with the provisions of Sections 77A, 77B and other applicable provisions of the Companies Act, 1956 read with Article 8A of the Articles of Association of the Company and the Buy-Back Regulations.

Alembic Global Holding SA posted net sales of Rs. 14.10 Crores

After completion of regulatory formalities, the Company commenced the buy back from 8th December, 2008.

As on 31st March, 2009, the Company has bought back 12,62,844 equity shares at an average price of Rs. 31.46 for total consideration of Rs. 396.76 Lacs which is about 12.02% of the total buy-back size of Rs. 3,300 Lacs. The Company has extinguished 12,62,719 shares on or before 31st March, 2009. The rest 125 shares were extinguished on 15th April, 2009.

12 Directors

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

Brief resumes of Dr. B.R. Patel and Mr. Pranav Parikh are given in the Corporate Governance Report.

13 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 of this report.

14 Particulars of Employees

The information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this report as Annexure C. However, as permitted by Section 219(1)(b)(iv) of the Companies Act, 1956, this Annual Report is being sent to all shareholders excluding this Annexure. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary of the Company.

15 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.alembic-india.com. All Board members and senior management personnel of the Company have affirmed the requirements of the said code of conduct.

16 Audit Committee

The Audit Committee consists of Mr. Paresh Saraiya, Dr. B.R. Patel and Mr P.N. Parikh. Mr. Paresh Saraiya is Chairman of the Audit Committee. The Committee reviewed the Internal Control System, Scope of Internal Audit and compliance of various regulations. The Committee also reviewed the Annual Financial Statements at length and approved the same before they were placed before the Board of Directors.

17 Auditors

M/s K.S. Aiyar & Co., 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.

The Company has appointed M/s Sharp & Tannan, Chartered Accountants, as its Internal Auditors to carry out the Internal Audit of the various operational areas of the Company.

18 Cost Auditors

The Central Government has directed that an audit of Cost Accounts maintained by the Company relating to Bulk Drugs and Formulations for the year ended on 31st March, 2009 be conducted by Auditors with qualification prescribed in Section 233B(1) of the Companies Act, 1956. Accordingly, the Board appointed Mr. H.R. Kapadia as Cost Auditor for the year ended on 31st March, 2009.

19 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 to attract and retain potential talents. Employee relations in your Company continue to be cordial and harmonious.



20 Directors' Responsibility Statement

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

- i) That accounting policies as listed in the 'Schedule T' of the financial statements have been selected and consistently applied and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2009 and of the profit of the Company for the accounting year ended on that date;
- ii) That proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provision of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iii) That the annual accounts have been prepared on a 'going concern' basis.

On behalf of the Board of Directors,

Chirayu R. Amin
Chairman & Managing Director

Vadodara: 8th May, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year 2008-09 was a challenging year for the world including India. The Indian Economy which was growing over 9% since last three years, on account of slow down across all the sectors, could grow by 6.5% which in fact is the lowest since 2004-05.

The Indian economy is expected to emerge as the fastest growing economy by 2013 and become the 3rd largest economy by 2050 (Source: BRICs Report, Goldman Sachs). The GDP growth will be driven by both exports and domestic consumption.

The current spending on healthcare [public and private] is estimated to be 6% of GDP and expected to increase to 10% of GDP by 2016. The market continues to be dominated by acute therapies; however chronic segments such as Cardiovascular, Diabetes, Central Nervous System and specialty segments like Oncology are growing faster than the market.

India is also emerging as a low-cost, high quality option for outsourcing of research, manufacturing and other services. This offers a great opportunity for the Indian pharmaceutical industry and Indian Pharma Companies. The country is on its way to be among the top global suppliers for formulations and bulk drugs, and a hub for Contract Research and Manufacturing (CRAM), Contract Research Organisations (CRO) and R&D activities.

The Global Pharmaceutical Industry is witnessing a growing importance of generics. With USD 10 billion worth of drugs going off patent each year, generics represent a major outsourcing opportunity for pharmaceutical producers in India. The global pharmaceutical outsourcing market is rapidly growing. This represents an opportunity for supply of APIs / intermediates, development outsourcing (pre-clinical / clinical trials) and customised chemistry services.

The pharmaceutical market in India is expected to grow around 12% and to be valued around USD 20 billion by 2015. During 2008-09, the Company achieved a consolidated sales of Rs. 1,133.67 Crores, registering a top line growth of 10.40%.

Domestic Formulations Business

The domestic formulations business has always been a very important segment of Alembic's

business. Over the years, Alembic has built up a few very good brands and is known as the leading Company in Macrolides as well as other acute therapies.

The Company is now strengthening its presence across other specialty therapies such as Diabetology, Cardiology and Gynaecology.

The year saw de-growth in the domestic formulations business due to an extensive restructuring exercise, undertaken at the beginning of this financial year. The Company formed additional marketing divisions and now operates through 15 divisions. The field force strength has also increased to 2700 in March, 2009 from 1950 in March, 2008.

The prima facie aim of restructuring exercise was to reemphasize "customer-centric behaviour and CRM focus" to attain a superior competitive index at customer conversion and consolidation in the market dynamics. This will help Alembic to translate its business into a higher market growth trajectory.

Creation of new divisions should help the business to achieve following:

- **Rapid increase of market share**
- **Intense focus on customer validation / coverage**
- **Focused customer-centric activities**
- **Continuous and effective monitoring of brand marketing program**
- **Frequent meets with customers / doctors**
- **Build robust secondary sales**
- **Focus on conversion and consolidation targets on day-to-day basis**

For domestic formulations business, the gestation period for deriving benefits of significant investments made in resources and growth initiatives has been prolonged. However, the current trend witnessed has been positive.

During 2008-09, the Company registered a top line growth of **10.40%**

International Business

Alembic's contract manufacturing business for MNC is well on track and this is one of the main contributors to the higher growth in sales of API to the regulated markets. In regulated market, API sales jumped by 111% to achieve Rs. 251 Crores vis-à-vis Rs. 119 Crores in the previous year.

The Penicillin prices remained subdued during the year. The average realisation was around USD 7-8 except in the first quarter during which prices were firm. We continue to invest in new technology and processes to ensure that Alembic remains one of the most competitive manufacturers of API across the world.

Alembic's strategy in international generics business is to partner with international generic companies and leverage on their marketing and sales capabilities. Alembic typically shares the investment and return with the marketing partners. This helps de-risk its ANDA program and reduces upfront investment in the development stage.

The Company filed 8 ANDAs and 11 DMFs during the year aggregating to 19 ANDAs and 32 DMFs till date. Company also received approval for 4 ANDAs during the year.

The Company has received USFDA approval for its formulation facilities during the year.

Finance

The Company has registered a consolidated total income of Rs. 1,121.21 Crores for the year under review as compared to Rs. 1,014.20 Crores for the previous year ended on 31st March, 2008. The consolidated profit, before providing for Interest, Depreciation, Foreign Exchange Gain and Losses, Non-recurring Income, Expenses and Taxes, was Rs. 130.38 Crores for the year under review as compared to Rs. 156.06 Crores for the previous year. The Company has made a consolidated Profit after Tax of Rs. 10.82 Crores for the year under review, as compared to Rs. 112.19 Crores for the previous year.

The Company has registered a stand-alone total income of Rs. 1,107.10 Crores for the year under review as compared to Rs. 1,014.20 Crores for the previous year ended on 31st March, 2008. The stand-alone profit, before providing for Interest, Depreciation, Foreign Exchange Gain

and Losses, Non-recurring Income, Expenses and Taxes, was Rs. 126.56 Crores for the year under review as compared to Rs. 156.06 Crores for the previous year. The Company has made a stand-alone Profit after Tax of Rs. 7.29 Crores for the year under review, as compared to Rs. 112.19 Crores for the previous year.

Outlook

It has been witnessed by domestic pharmaceutical industry that with increase in GDP and per capita income more customers are able to afford organised healthcare. This is very important and advantageous for a Company like Alembic which has the strength in the acute therapy segments since this would be the first line of defense. Alembic has also started consolidation process for its product line in lifestyle disease segment and is registering growth. It is also looking at various other high growth and niche areas in the domestic segment. Alembic has had a history of having a very good equity with its customers and has successfully built up multiple large brands.

With India becoming a hub for manufacturing and research operations, Alembic looks to get significant growth from this area as well. Our manufacturing facilities have passed successful inspections from regulatory bodies across the world and USFDA status being confirmed to both API and Solid Dosage facilities stands as a testimony to that. Our research labs are well equipped to develop new products and formulations at a competitive cost. Low cost of products and strong intellectual property are going to be the two most important drivers in the international generics markets. Alembic has strived to show excellence in both these areas in development as well as manufacturing. It is a focused approach on these two which will give Alembic's future plans a fillip.

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 to monitor statutory and operational issues. The Company has appointed M/s Sharp & Tannan, Chartered Accountants, as Internal Auditors.

In regulated market, API sales jumped by 111%

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

Moreover, the Company has obtained ISO 9001 and ISO 14001 certification and adheres to the Standard Operating Practices in its manufacturing and operating activities.

Human Resource Intervention in 2008-09

The Company continues to take various initiatives to reinforce the “people oriented culture” that the Company has built over the years.

The Company continued the performance management process with a view to maximise human resources strategically. This process is an organised way to achieve shared understanding of goals, standards, resources as well as aligning and transforming people energies towards the end objective. The concept of variable pay has been reinforced and has been made more aggressive based on performance.

“IPR Knowledge Enhancement” initiative was launched to focus on enhancing IPR competency across the organisation. Our research centre has been approved as an institution to guide post-graduate students to pursue Ph.D. program from M.S. University, Vadodara.

The Company has continued to attract the best talent in all areas of competence.

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. 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 programs were carried out to improve competencies of Alembic's employees as well as 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 premises and factories.
- e) Reduced level of sound pollution by providing acoustic enclosures on certain set of machinery and DG/Compressor sets.

Contribution to Society

Alembic is committed to enhance the quality of life of the community in and around its area of operations. During the year under review, the Company undertook a number of development projects with a focus on Health, Education and Vocational Training. The Company 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.



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

A) Conservation of Energy

The Company is committed to preservation of environment and conservation of natural resources. During the financial year 2008-09, following measures were taken.

(a) Energy Conservation measures during the year under review

- 1) Replacing the existing 1000 TR Vapour Absorption Machine for chilled water with high efficiency Lower Specific Steam Consumption Machine.
- 2) Installing Agitated Nutch Filter with special impeller for lower energy consumption in Penicillin Manufacturing Facility.
- 3) Saving electrical energy by reducing air pressure requirement from 2.5 bar to 2.1 bar in Penicillin Manufacturing fermentation facility.
- 4) Automatic timer operated ball trap provided common in air battery system resulting in compressed air saving drastically.
- 5) Savings of electrical power by reducing cooling tower pump operation at solvent recovery dept.
- 6) Optimising utilisation of Agitator and process pumps for saving energy.
- 7) Optimal operation of captive cogeneration plant which consists of 3 X 4.2 MW gas turbine and associated Heat Recovery Steam Generation unit.
- 8) 5 MW wind farm run throughout the year with expected level of efficiency.
- 9) Reduction in sp. power consumption by replacing the RO membrane in water plant.
- 10) Reduction in outlet pressure of gas fired boiler by 1.0 kg / cm² to reduce the gas consumption, without effecting process requirement.

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

- 1) Upgradation of -5 brine chilling compressor system for saving energy.
- 2) Switching over efficient thermax machine to induced cooling tower from existing natural cooling tower resulting in pumping power and improvement in performance.
- 3) Installation of APFC to maintain power factor across the plant.
- 4) Upgradation of PLC for Gas Booster Compressor to avoid frequent tripping & interruption in power generation.
- 5) Thermography of electrical distribution network to improve the power system reliability.

(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.

B) Technology Absorption

Efforts made in technology absorption:

Form B enclosed.

C) Foreign Exchange Earning and Outgo

1. The Export sales were Rs. 427.26 Crores (FOB) during the year under review. The Company has undertaken aggressive marketing strategies to increase share of export business.
2. Total Foreign exchanges used and earned :

Please refer para 19 (E) of Schedule T "Notes Forming Part of Accounts".

FORM: A

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

A) Power and Fuel Consumption

For the year ended 31st March	2008-09	2007-08
I. Electricity		
(a) Purchased Units (KwH)	2,48,59,399	1,50,91,712
Total Amount (Rs.)	17,87,24,887	9,89,67,420
Rate (Rs. / Unit)	7.19	6.56
(b) Own Generation:		
(i) Through diesel generator:		
Units (KwH)	16,61,589	17,43,574
Units per litre of diesel oil	3.37	3.13
Cost (Rs. / Unit)	9.70	9.21
(ii) Through Gas / Steam Turbine / Generator		
Units (KwH)	6,29,31,230	6,54,70,195
Units per LTR / M ³ / M.T. / LTR of Fuel		
Oil / Gas / Steam / HSD	2.766	2.794
Fuel Cost (Rs. / Unit)	2.199	1.895
2. Furnace Oil Qty. (K. Ltrs.)	2,047.81	1,778
Total Amount (Rs.)	5,24,68,180	3,68,25,655
Average Rate (Rs. / Kg)	25,622	20,717
3. Other / Internal generation		
(a) Natural Gas		
Qty. (Cubic Meter)	1,55,26,671	1,48,12,858
Amount (Rs.)	10,23,00,681	7,96,47,498
Rate / Unit (Rs. / M ³)	6.59	5.38
(b) Steam (Purchase)		
Qty. (M.T.)	50,823	50,143
Amount (Rs.)	4,81,49,836	4,71,34,673
Rate / Unit (Rs. / M.T.)	947.40	940.01
4. Wind Farm Generation		
Units (KwH)	1,02,60,630	1,02,24,792

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

A) Research and Development (R&D)

1. R&D's focus areas

- Development of Generic Drugs
- Contract Manufacturing for MNCs
- Collaboration with National Universities and Institutes
- Formulation Development
- Microbial Research
- BE Studies

2. Benefits derived as a result of R&D

- Our R&D wing has developed non-infringing processes for several APIs meant for the regulated markets leading to filing of 8 ANDAs and 11 DMFs this financial year.
- Our endeavour to expand our product pipeline and the tenacity of purpose has established itself making us a strongly research-driven Organisation.
- Till date 287 patents for Active Pharmaceutical Ingredients (APIs) and Intermediates as well as 202 patents for formulations have been filed.
- Company has increased client base in USA and Europe. In the Customised Synthesis Business, we have become Approved Supplier for couple of Pharma MNCs and regularly supplying Intermediates and Advanced Intermediates on campaign basis from Grams to 100s of Kilos.
- Technology of new products have been developed at the lab scale and also on the synthetic front; scale-up and commercial production of Rivastigmine, Bupropion HCL, Losartan, Hydrochlorothiazide, Clonidine, Pentosan, Tadalafil, O-desmethyl venlafaxine, Memantine, Quetiapine have been completed during the year.

3. Future plan of action

- The no. of DMFs filed will increase in the following years which will result in filing of more ANDAs than eight ANDAs already filed this year.
- We believe our persistent internal development as well as expanding external collaboration will result in ensuring us a much stronger global presence in the years to come.

c) Contract Manufacturing with Multi National Companies (MNCs) will continue and future contract for other molecules would be explored.

d) Fermentation being the core area of the organisation, new molecules representing cardiovascular, and nutraceutical segments are the focus of the future. For the existing products, lovastatin and erythromycin, continuous improvement in terms of better producing strains, cost-effectiveness and quality of the product are priority areas to remain in the fiercely competitive price market. Opportunities are also being explored in the area of Contract manufacturing for certain spare fermentation facilities to add to our business revenues.

4. Expenditure on R&D

(Rs. in Lacs)

a)	Capital	739
b)	Recurring	4,030
c)	Total	4,769
d)	Total R&D expenditure as a percentage of total turnover	4.21%

Technology Absorption, Adaptation and Innovation

- 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.

- 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.

- Information regarding technology imported during last five years.

Nil.

Report on Corporate Governance

1 Company's Philosophy

Corporate governance is about commitment to values and ethical business conduct. It is about how an organisation 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 public understanding of the structure, activities and policies of the organisation and enhances the trust and confidence of the stakeholders.

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

Alembic, while striving to achieve financial targets, seeks to follow the business principles and ethics in all its dealings and believes in customer orientation, teamwork, commitment, growth and trust as its corporate values. The Board of Directors strives to represent the shareholders' interest to ensure optimal returns. At the same time, it is also responsible to all the other stakeholders including customers, employees, suppliers and to the communities where it operates.

Alembic, aims to deliver customer satisfaction by developing and maintaining mutually beneficial and long lasting relationship with customers, offering value in terms of price and quality and responding to customers' needs through continuous innovation.

Alembic, endeavours to make its management team fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. The Board has also institutionalised best management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and total compliance with all statutory / regulatory requirements not only in the letter of the law but also in its spirit.

2 Board of Directors

- **Composition of the Board**

It is well recognised that there should be optimum combination of Executive and Non-Executive Directors. As on 31st March, 2009, the Company's Board meets this requirement as it is consisting of 4 Non-Executive Directors (50% of the Board Strength), and 4 Independent Directors (50% of the Board Strength).

- **Number of Board Meetings held and the dates of the Board Meetings**

Five (5) Board Meetings were held during the year ended 31st March, 2009. The dates on which the said Meetings were held are as follows:

25th April, 2008 28th July, 2008 20th October, 2008 14th November, 2008 28th January, 2009

Report on Corporate Governance

2 Board of Directors - Contd.

<ul style="list-style-type: none"> Number of other Public Limited Companies in which the Director is a Director / Committee Member and attendance of the Director at the Board Meetings and the last AGM 					
Name of Director	Category	No. of other Directorships held (Excluding Directorships in Foreign & Private Companies)	No. of Board Committees of which Member / Chairman#	No. of Board Meetings attended	Attendance at the last AGM
Mr. C.R. Amin Chairman & Managing Director	Promoter Executive	9	1 (as Chairman)	5	Yes
Mrs. M.C. Amin	Promoter Executive	5	2 (as Member)	5	Yes
Dr. B.R. Patel	NED (I)*	Nil	1 (as Chairman) 1 (as Member)	4	Yes
Mr. P.N. Parikh	NED (I)*	1	1 (as Member)	2	No
Mr. K.G. Ramanathan	NED (I)*	Nil	Nil	3	No
Mr. Paresh Saraiya	NED (I)*	3	1 (as Chairman) 1 (as Member)	5	Yes
Mr. R.K. Baheti Director, President - Finance & Company Secretary	Executive	3	Nil	5	Yes
Mr. Pranav Amin	Promoter Executive	1	1 (as Member)	4	Yes

* NED (I) means Non-Executive-Independent Director
The Committees include the Committees of Alembic Limited

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.

- 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 website of the Company (www.alembic-india.com).
- CEO / CFO Certificate**
As required under Clause 49 (V) of the Listing Agreement with the Stock Exchanges, the Managing Director and Director-Finance of the Company have certified to the Board the financial statements for the year ended 31st March, 2009.

3 Audit Committee

<ul style="list-style-type: none"> Composition & Terms of Reference Presently, the Audit Committee comprises of 3 Directors viz. Mr. Paresh Saraiya, Mr. P. N. Parikh and Dr. B. R. Patel. Mr. Paresh Saraiya is appointed as Chairman of the Audit Committee. 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, President- Finance and General Manager-Finance of the Company are invited to attend the Meetings of Audit Committee. The Joint Company Secretary acts as Secretary of the Committee. Mr. Paresh Saraiya was present at the last Annual General Meeting held on 28th July, 2008.

Report on Corporate Governance

3 Audit Committee - Contd.

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

There were Four (4) meetings of the Audit Committee during the year held on 25th April, 2008, 28th July, 2008, 20th October, 2008 and 28th January, 2009.

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

Name of Director	Category of Director	No. of Meetings Attended
Mr. Paresh Saraiya	Non-Executive - Independent	4
Dr. B.R. Patel	Non-Executive - Independent	3
Mr. P.N. Parikh	Non-Executive - Independent	2

4 Remuneration Committee

The Company has formed Remuneration Committee of Directors consisting of Mr. K.G. Ramanathan, Dr. B.R. Patel, Mr. Pranav Parikh and Mr. Paresh Saraiya to fix and finalize the remuneration of Managing Director, Whole-time Director, Director & President - Finance and Company Secretary and Director & Business Development Officer. Mr. K.G. Ramanathan is Chairman of the Remuneration Committee.

The remuneration committee has approved the remuneration payable to the managerial personnel, subject to approval of the Central Government.

- **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:

(Rs. in Lacs)

Name of Director	Salary & Perquisites
Mr. Chirayu Amin (Managing Director)	232.66
Mrs. Malika Amin (Whole-time Director)	172.75
Mr. R.K. Baheti (Director, President - Finance & Company Secretary)	147.14
Mr. Pranav Amin (Director & Chief Business Development Officer)	33.15
Total	585.70

Notes:

- The agreement with the Executive Directors is for a period of 5 years.

Mr. C.R. Amin, Chairman & Managing Director:	Board approved in its meeting held on 25-04-2008 renewal w.e.f. 01-05-2008
Mrs. M.C. Amin, Whole-time Director:	Board approved in its meeting held on 25-04-2008 renewal w.e.f. 02-07-2008
Mr. R.K. Baheti, Director, President- Finance & Company Secretary:	Reappointed for a further period of 5 years w.e.f. 25-01-2008
Mr. Pranav Amin, Director & Chief Business Development Officer:	Appointed for a period of 5 years w.e.f. 31-01-2007.
- There is no separate provision for payment of severance fees.
- The Company does not have any Stock Options Scheme.

Report on Corporate Governance

4 Remuneration Committee - Contd.

b. Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending Board Meetings at Rs. 20,000/- per Meeting and at Rs. 5,000/- for Committee Meetings.

Name of Director	Sitting Fees for Board Meetings (Rs.)	Sitting Fees for Committee Meetings (Rs.)	Total Fees Paid (Rs.)
Dr. B.R. Patel	80,000	60,000	1,40,000
Mr. P.N. Parikh	40,000	10,000	50,000
Mr. K.G. Ramanathan	60,000	–	60,000
Mr. Paresh Saraiya	1,00,000	85,000	1,85,000

4A. Buy-back Committee

The Company has formed Buy-back Committee for buy back program comprising of Mr. C.R. Amin, Mr. Paresh Saraiya, Mr. R.K. Baheti and Mr. Pranav Amin. Mr. C.R. Amin is Chairman of the Buy-back Committee.

Meetings and Attendance during the year

There were Five (5) Meetings of the Buy-back Committee during the year held on 21st November, 2008, 3rd December, 2008, 8th December, 2008, 31st December, 2008 and 28th January, 2009.

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

Name of Director	Category of Director	No. of Meetings Attended
Mr. C.R. Amin	Promoter-Executive	5
Mr. Paresh Saraiya	Non-Executive-Independent	3
Mr. R.K. Baheti	Executive	5
Mr. Pranav Amin	Promoter-Executive	4

5 Shareholders' / Investors' Committee

Shareholders' / Investors' Committee comprises of 3 Directors viz. Dr. B.R. Patel, Mr. Paresh Saraiya and Mr. Pranav Amin, which looks into Shareholder and Investor related matters. Dr. B.R. Patel, a Non-Executive and Independent Director, is Chairman of the Shareholders' / Investors' Committee.

• Meetings and 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. Paresh Saraiya	Non-Executive - Independent	10
Mr. Pranav Amin	Executive Director	9

Mr. R.K. Baheti, Director, President - Finance & Company Secretary, is the Compliance Officer of the Company. The meetings of Shareholders' / Investors' Committee held every month, in which transfers, transmission, issuance of certificates etc. are approved. Mr. Sanjay Bhatt, Joint Company Secretary of the Company is also authorised by the Board to approve the transfers at an interval of fifteen days.

Report on Corporate Governance

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 130 complaints from shareholders. All the complaints have been resolved and as on 31st March, 2009 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
2005-06	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara-390 003.	30th August, 2006	3.30 p.m.	1
2006-07	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara-390 003.	30th August, 2007	4.00 p.m.	5
2007-08	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara-390 003.	28th July, 2008	4.00 p.m.	--

During this period no special resolution was passed through postal ballot.

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

Dr. B.R. Patel and Mr. Pranav Parikh, Directors of the Company will retire by rotation at the ensuing Annual General Meeting who are eligible for re-appointment.

Dr. B.R. Patel is an eminent Physician & Cardiologist with experience of over 48 years. His qualifications are M. B., MRCP Edin (Cardiology). He has been a Director of the Company for the past 33 years and his presence on the Board has helped immensely because of his vast and varied experience in the field of medicine. He is member of the Audit Committee and Chairman of Shareholders' / Investors' Committees of the Company. He is not holding Directorships in any other Company.

Mr. P.N. Parikh is a Commerce Graduate and has done one year Business Administration Program at Harvard University, USA. He is an industrialist in Mumbai and holds Directorship in other Companies viz. Technova Imaging Systems Ltd. and Lemuir Group. He has vast experience as an industrialist and has been an active participant in various industrial fora and organisations. He has been on the Board of the Company for the last eight years and his presence on the Board has helped the Company immensely.

Shareholding of Non-Executive Directors:

Dr. B.R. Patel holds 14,385 equity shares of the Company. No other Non-Executive Director holds any shares in the Company.

Report on Corporate Governance

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 As 18 are disclosed in Note No. 14 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.
- Newspapers normally published in : The Economic Times (English), Business Standard (English) Lok Satta (Gujarati), The Economic Times (Gujarati)
- Website where displayed : www.alembic-india.com
- Whether Shareholder information forms part of Annual Report. : Yes

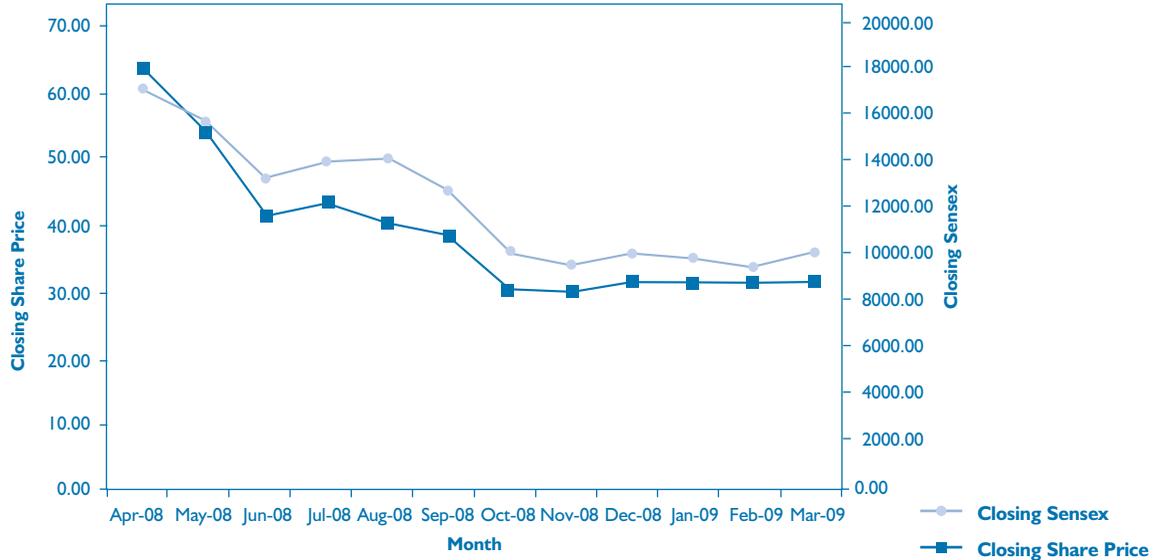
Report on Corporate Governance

10 Shareholders' Information

1.	Annual General Meeting Date and Time Venue	28th July, 2009 at 4.00 p.m. "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003.		
2.	Financial Calendar Quarter ending June 30, 2009 Quarter ending Sept. 30, 2009 Quarter ending Dec. 31, 2009 Quarter ending March 31, 2010 Annual General Meeting for the year ended 31-03-2010	Adoption of Results for the quarter: July, 2009 October, 2009 January, 2010 April-May, 2010 August-September, 2010		
3.	Date of Book Closure	21st July, 2009 to 28th July, 2009 (both days inclusive)		
4.	Dividend Payment Date	3rd August, 2009		
5.	Registered Office	Alembic Road, Vadodara - 390 003. Phone: (91-265) 2280550, Fax: (91-265) 2282506 Email: alembic@alembic.co.in Web: www.alembic-india.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. (Security Code: AlembicLtd)		
7.	Stock Market Data	(In Rupees)		
Month	Bombay Stock Exchange		National Stock Exchange	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr., 2008	66.00	53.15	67.20	53.55
May, 2008	65.80	55.20	74.00	55.10
June, 2008	57.85	43.00	59.90	45.00
July, 2008	49.00	41.50	49.50	37.70
Aug., 2008	48.55	41.70	48.50	38.50
Sep., 2008	48.80	35.00	48.75	36.15
Oct., 2008	39.90	24.75	39.70	21.00
Nov., 2008	40.45	28.00	40.30	25.00
Dec., 2008	33.50	28.40	33.90	28.00
Jan., 2009	35.80	29.65	35.50	29.50
Feb., 2009	32.45	30.50	32.40	30.00
Mar., 2009	33.65	29.85	32.95	29.60
As on 31st March, 2009, the last day of the financial year 2008-09, the closing price of the shares of the Company on BSE & NSE were Rs. 31.35 and Rs. 31.30 respectively.				

Report on Corporate Governance

10 Shareholders' Information - Contd.



8. Registrar and Share transfer Agents

Link Intime India Private Limited
1st Floor, 308, Jaldhara Complex, Opp. Manisha Society,
Off Old Padra Road, Vasna Road, Vadodara -390 007
Tel.: (0265) 2250241, 3249857 Fax: (0265) 2250246
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 Joint Company Secretary generally at an interval of fifteen days.

The total number of shares transferred in the physical form during the year were 3,16,385 (Previous year 2,77,500).

Distribution of Shareholding

The Distribution of Shareholdings as on 31st March, 2009 is given as under:

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Total Shares
Up to 5,000	48,890	96.48	1,53,56,174	11.19
5,001 - 10,000	1,004	1.98	35,69,040	2.60
10,001 - 20,000	437	0.86	30,79,576	2.25
20,001 - 30,000	123	0.25	15,34,197	1.12
30,001 - 40,000	56	0.11	9,73,915	0.71
40,001 - 50,000	40	0.08	9,25,084	0.67
50,001 - 1,00,000	50	0.10	18,07,192	1.32
1,00,001 & above	73	0.14	10,99,47,008	80.14
Total:	50,673	100.00	13,71,92,186	100.00

Report on Corporate Governance

10 Shareholders' Information - Contd.

Shareholding pattern as on 31st March, 2009 :

Sr. No.	Category	No. of Shares Held	% of Voting Strength
1.	Promoters & Associates	8,47,53,005	61.78
2.	Mutual Funds & UTI	80,73,808	5.90
3.	Banks, Financial Institutions & Insurance Companies	15,96,880	1.17
4.	Foreign Institutional Investors	1,10,17,892	8.04
5.	Private Corporate Bodies	22,22,278	1.62
6.	Indian Public	2,90,63,390	21.15
7.	NRIs / OCBs	4,64,933	0.34
	Total:	13,71,92,186	100.00

10.	Dematerialisation of Shares and Liquidity	At the end of the year 13,07,02,834 shares (95.27%) 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.	Plants Location	<ol style="list-style-type: none"> 1. Alembic Road, Vadodara - 390 003, Gujarat. 2. Panelav, Tal. Halol, Dist. Panchmahal - 389 350, Gujarat. 3. Plot No. 21, 22, EPIP Phase I, Jharmajri, Baddi, Tehsil - Nalagarh, Dist. Solan, Himachal Pradesh. 4. Village Karakhadi, Tal. Padra, Dist. Vadodara, Gujarat.
13.	Investor Correspondence	<ol style="list-style-type: none"> 1. Alembic Limited, Alembic Road, Vadodara - 390 003. 2. Link Intime India Private Limited 1st Floor, 308, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vasna Road, Vadodara - 390 007. Tel.: (0265) 2250241, 3249857 Fax: (0265) 2250246. 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, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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 the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

RAGHUVIR M. AIYAR
Partner
Membership No.38128

Mumbai: 8th May, 2009

Auditors' Report

To the members of Alembic Limited

We have audited the attached Balance Sheet of Alembic Limited as at 31st March, 2009, 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 (Auditors Report) Order, 2003 as amended by Companies (Auditors 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 accounts 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 accounts;
- (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, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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. 18, the managerial remuneration paid to the managerial persons is in excess of the limits laid down under Section 198 and schedule XIII of the Companies Act, 1956 by Rs. 396.30 Lacs and is subject to the approval of Central Government.
- (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, 2009;
 - (b) in case of the Profit and Loss Account, of the Profit 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

RAGHUVIR M. AIYAR
Partner
Membership No.38128

Mumbai: 8th May, 2009

Annexure to the Auditors' 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 1968 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 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 five Companies covered in the register maintained under Section 301 of the Companies Act, 1956 wherein the balance recoverable as at the year end is Rs. 43,30,00,000 (Maximum balance during the year Rs. 1,20,49,00,000).
 - (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 two Companies covered in the register maintained under Section 301 of the Companies Act, 1956 wherein the balance payable as at the year end is Rs. Nil. (Maximum balance during the year Rs. 8,50,00,000).
 - (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company, secured or unsecured, from 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.
 - (g) In respect of the above loans taken, payment/renewal of the principal amount is as stipulated and payment of interest is regular.
- (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 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. 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 accounts 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 (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, Employees 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.

Annexure to the Auditors' Report

Statute & Nature of dues	Amount not deposited Rs.	Forum where dispute is pending	Period
Sales Tax Act Sales Tax, Interest and Penalty	80,16,782	Additional Commissioner	2000-2001
	13,12,295	High Court	1999-2000
	15,48,517	Joint Commissioner (Appeals)	2002-2003
	1,63,84,603	CTO (FAC)	2003-2004
	44,830	Additional Commissioner	2004-2005
Central Sales Tax	2,46,931	Deputy Commissioner II	2003-2004
	1,50,355	Joint Commissioner (Appeals)	2005-2006
	19,53,095	Deputy Commissioner II	2005-2006
The Central Excise Act Excise Duty, Interest & Penalty	59,77,921	Supreme Court	1995-1996
	21,10,720	Supreme Court	1996-1997
	35,21,786	Supreme Court	2003-2004
	1,20,99,486	High Court	2004-2005
	50,03,165	High Court	2004-2005
	4,79,80,965	Customs, Excise and Service Tax Appellate Tribunal	1995-1996
			1998-1999
			1999-2000
			2001-2002
			2005
			2007
			2008

- (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 not incurred the cash losses during the financial year covered by our audit and 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 a 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 (Auditors 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 (auditors 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) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (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 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

RAGHUVIR M. AIYAR
Partner
Membership No.38128

Balance Sheet

(Rs. in Lacs)

As at 31st March	Schedules	2009		2008	
I. SOURCES OF FUNDS:					
I. Shareholders' Funds:					
a. Capital	A	2,743.93		2,769.19	
b. Reserves and Surplus	B	29,955.13	32,699.06	31,367.35	34,136.54
2. Loan Funds:					
a. Secured Loans	C	21,576.34		27,754.69	
b. Unsecured Loans	D	25,905.13	47,481.47	14,592.12	42,346.81
3. Deferred Tax Liability					
			641.07		-
			80,821.60		76,483.35
II. APPLICATION OF FUNDS:					
I. Fixed Assets:					
a. Gross Block	E	68,177.92		60,549.89	
b. Less: Depreciation		27,699.97		23,887.79	
c. Net Block			40,477.95		36,662.10
d. Capital Work in Progress			716.29		2,195.56
2. Investments					
	F		844.62		1,405.80
3. Deferred Tax Asset					
			-		482.76
4. Current Assets, Loans and Advances:					
a. Inventories	G	23,838.89		20,281.20	
b. Sundry Debtors	H	19,890.25		23,053.94	
c. Cash and Bank Balances	I	1,568.50		1,865.64	
d. Loans and Advances	J	12,680.11	57,977.75	8,637.80	53,838.58
Less: Current Liabilities and Provisions:					
a. Liabilities	K	17,771.48		15,218.57	
b. Provisions		1,423.53	19,195.01	2,882.88	18,101.45
Net Current Assets					
			38,782.74		35,737.13
			80,821.60		76,483.35
Notes Forming Part of Accounts					
	T				
The schedules referred to above form an integral part of Balance Sheet					

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.**
Chartered Accountants**CHIRAYU R. AMIN**
Chairman & Managing Director**DR. B.R. PATEL**
Director**PRANAV N. PARIKH**
Director**PARESH SARAIYA**
Director**RAGHUVIR M. AIYAR**
Partner
Membership No.38128**K.G. RAMANATHAN**
Director**PRANAV AMIN**
Director**R.K. BAHETI**
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Profit and Loss Account

(Rs. in Lacs)

For the Year ended 31st March	Schedules	2009		2008	
INCOME:					
Sales and Income from Operation	L	1,11,957.12		1,02,661.46	
Less: Excise Duty		1,760.56	1,10,196.56	2,336.53	1,00,324.93
Other Income	M		514.04		1,094.88
			1,10,710.60		1,01,419.81
EXPENDITURE:					
Material Consumption	N		43,313.23		33,011.83
Purchase of Finished Goods			13,861.45		17,228.03
Excise Duty			788.04		880.64
Manufacturing Expenses	O		9,025.50		7,112.02
Employees Expenses	P		13,169.20		9,761.85
Research & Development Expenses	Q		4,030.00		4,338.85
Marketing & Distribution Expenses	R		8,712.03		7,971.47
Others	S		8,228.59		7,401.10
			1,01,128.04		87,705.79
ADD/(LESS): Decrease/(Increase) in Stock of Finished Goods and Work in Process	N		(3,072.69)		(1,892.18)
			98,055.35		85,813.61
OPERATING PROFIT			12,655.25		15,606.20
Interest (Net)			4,006.13		3,305.43
Depreciation			3,830.56		3,276.72
Foreign Exchange Difference (Net)			3,507.17		(81.03)
PROFIT BEFORE NON-RECURRING ITEMS AND TAXES			1,311.39		9,105.08
Add : Profit on Sale of Land			-		2,255.26
Less : Provision for Diminution in Investment (See Note No.5)			752.08		-
Intangible Assets Written off			-	17,682.46	
Less : Transfer from General Reserve			-	10,258.00	
Less : Transfer from Share Premium Account			-	2,916.76	
Less : Deferred Tax Asset			-	4,507.70	
PROFIT BEFORE TAXES			559.31		11,360.34
Less/(Add) : Provision for Deferred Tax			(3.11)		46.92
Less/(Add) : Provision for Current Tax			50.00		-
Less/(Add) : Provision for Fringe Benefit Tax & Wealth Tax			220.00		148.50
Less/(Add) : Excess provision of Income Tax no longer required (Net)			(435.83)		(54.33)
PROFIT AFTER TAX			728.25		11,219.25
ADD/LESS:					
Balance brought forward from last year			7,972.76		4,183.29
BALANCE AVAILABLE FOR APPROPRIATION			8,701.01		15,402.54
APPROPRIATIONS:					
Debt Redemption Reserve			750.00		-
Dividend - Equity Shares			548.77		2,076.82
Corporate Dividend Tax - Equity Shares			93.26		352.96
General Reserve			72.83		5,000.00
SURPLUS CARRIED TO BALANCE SHEET			7,236.15		7,972.76
			8,701.01		15,402.54
Earning per Share (Basic & Diluted) (In Rs.)					
- Before Non-Recurring Items			1.07		6.47
- After Non-Recurring Items			0.53		8.10
Notes Forming Part of Accounts	T				
The schedules referred to above form an integral part of Profit and Loss Account					

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.**
Chartered Accountants**CHIRAYU R. AMIN**
Chairman & Managing Director**DR. B.R. PATEL**
Director**PRANAV N. PARIKH**
Director**PARESH SARAIYA**
Director**RAGHUVIR M. AIYAR**
Partner
Membership No.38128**K.G. RAMANATHAN**
Director**PRANAV AMIN**
Director**R.K. BAHETI**
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Schedules

FORMING PART OF THE BALANCE SHEET

A Share Capital

(Rs. in Lacs)

As at 31st March	2009	2008
AUTHORISED:		
22,50,00,000 Equity Shares of Rs.2/- each (Previous Year 22,50,00,000 Equity Shares of Rs.2/- each)	4,500.00	4,500.00
5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each)	500.00	500.00
	5,000.00	5,000.00
ISSUED, SUBSCRIBED:		
13,84,64,270 Equity Shares of Rs.2/- each (Previous Year 13,84,64,270 Equity Shares of Rs.2/- each)	2,769.29	2,769.29
	2,769.29	2,769.29
PAID UP:		
13,71,92,061 Fully paid up Equity Shares of Rs.2/- each (Previous Year 13,84,54,905 Equity Shares of Rs.2/- each)	2,743.84	2,769.10
Add: 9,365 Forfeited Equity Shares of Rs.2/- each (Previous Year 9,365 Equity Shares of Rs.2/- each) (Amount originally paid up)	0.09	0.09
	2,743.93	2,769.19
Of the above:		
1. 6,39,300	Equity Shares of Rs.2/- each (Previous Year 6,39,300 Equity Shares of Rs.2/- each) have been allotted as fully paid up pursuant to contract without payment being received in cash.	
2. 9,20,36,620	Equity Shares of Rs.2/- each (Previous Year 9,20,36,620 Equity Shares of Rs.2/- each) have been allotted as fully paid up Bonus Shares by Capitalisation of Rs.7,00,000/- from Share Premium Account, Rs.16,83,50,000/- from Capital Redemption Reserve and Rs.1,50,23,240/- from General Reserve.	
3. 33,45,450 & 7,24,240	Equity shares of Rs.2/- each (Previous Year 33,45,450 & 7,24,240 of Rs.2/- each) fully paid, were allotted to the Shareholders of erstwhile Neomer Ltd. & Darshak Ltd., respectively, pursuant to the scheme of amalgamation / merger without payment being received in cash.	
4.	<p>In terms of decision of the Board of Directors dated 14th November, 2008 the Company offered to buy back its equity shares of face value of Rs.2/- each, upto a maximum amount of Rs. 3,300 Lacs at a maximum price of Rs. 55/- per share through the methodology of "Open market purchases through stock exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). After completion of regulatory formalities, the Company commenced the buy back on 8th December, 2008.</p> <p>As on 31st March, 2009 the Company has bought back 12,62,844 equity shares at an average price of Rs. 31.46 for a total consideration of Rs. 396.76 Lacs which is about 12.02% of the total buy – back size of Rs. 3,300 Lacs. The Company has extinguished 12,62,719 shares on or before 31st March, 2009, rest 125 shares were extinguished on 15th April, 2009.</p>	

Schedules

FORMING PART OF THE BALANCE SHEET

B Reserves and Surplus

(Rs. in Lacs)

As at 31st March	2009		2008	
CAPITAL RESERVE:				
As per last Balance Sheet	65.00		35.00	
Add: Capital Subsidy Received during the year	-	65.00	30.00	65.00
CAPITAL REDEMPTION RESERVE :				
As per last Balance Sheet	-		-	
Add: Transfer from General Reserve for Buy back	25.26	25.26	-	-
DEBENTURE REDEMPTION RESERVE :				
As per last Balance Sheet	-		-	
Add: Transferred from Profit and Loss Account	750.00	750.00	-	-
SHARE PREMIUM ACCOUNT:				
As per last Balance Sheet	4,057.47		6,974.23	
Less: Transfer to Profit & Loss Account	-	4,057.47	2,916.76	4,057.47
GENERAL RESERVE:				
As per last Balance Sheet	19,272.12	-	24,530.12	
Less : Transfer to Profit & Loss Account	-		10,258.00	
Less : Utilised for Equity Shares Buy Back	396.76		-	
Less : Reversal of Deferred Tax Asset on account of Intangible assets pursuant to the order of Hon'ble Gujarat High Court	1,126.94		-	
Add : Transferred from Profit & Loss Account	72.83	17,821.25	5,000.00	19,272.12
PROFIT AND LOSS ACCOUNT:				
Surplus as per Profit & Loss Account		7,236.15		7,972.76
		29,955.13		31,367.35

C Secured Loans

As at 31st March	2009		2008	
A. From Financial Institutions, Banks and NBFC:				
1. 10.80% Non Convertible Debentures (Against first hypothecation charge on all movable plant & machinery ranking pari-passu with other lenders.) (Redeemable in three equal instalments commencing from June 2010)		7,500.00		7,500.00
2. Foreign Currency Loans: External Commercial Borrowing (Against first hypothecation charge on all movable plant and machinery ranking pari-passu with other lenders.) {Due within one year Rs. 2,182.16 Lacs (P.Y. Rs. 1,824.18 Lacs)}		7,053.11		6,704.17
3. Rupee Loans: (Against first hypothecation charge on all movable plant and machinery ranking pari-passu with other lenders.)		-		2,000.00
		14,553.11		16,204.17
B. From Banks for Working Capital: (Against first hypothecation charge on stocks and book-debts ranking pari-passu with other lenders.)		7,023.23		11,550.52
		21,576.34		27,754.69

Schedules

FORMING PART OF THE BALANCE SHEET

D Unsecured Loans

(Rs. in Lacs)

As at 31st March	2009		2008	
Fixed Deposits From:				
Public	3,345.03		2,037.85	
Shareholders	45.85	3,390.88	50.05	2,087.90
{Due within one year Rs. 1,012.50 Lacs (P.Y. Rs. 211.15 Lacs)}				
Short Term Loans From:				
Banks	14,000.00		12,067.12	
{Due within one year Rs. 2,700 Lacs (P.Y. Rs. 10,000 Lacs)}				
Associates	–		420.00	
Others	14.25	14,014.25	17.10	12,504.22
Commercial Paper {Maximum outstanding during the year Rs. 150 Crores. (P.Y. Rs. 90 Crores)}		8,500.00		–
		25,905.13		14,592.12

E Fixed Assets

Assets	Gross Block				Depreciation Block				Net Block	
	As on 01/04/2008 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	As on 31/03/2009 Rs.	As on 01/04/2008 Rs.	Deductions/ Adjustments Rs.	Total Depreciation for the year ended 31/03/2009 Rs.	As on 31/03/2009 Rs.	As on 31/03/2008 Rs.	
Freehold Land	251.45	–	0.02	251.43	–	–	–	–	251.43	251.45
Leasehold Land	542.19	1,092.59	–	1,634.78	7.90	–	5.78	13.68	1,621.10	534.29
Buildings	7,940.71	1,345.92	0.13	9,286.50	1,093.02	0.04	264.13	1,357.10	7,929.40	6,847.69
Employees Quarters	89.38	–	–	89.38	57.51	–	1.19	58.70	30.68	31.87
Plant and Machinery	44,499.16	4,359.26	13.73	48,844.69	19,224.58	11.58	3,035.00	22,248.00	26,596.69	25,274.58
R & D Equipment	5,477.65	739.39	–	6,217.04	2,849.15	–	413.09	3,262.24	2,954.80	2,628.50
Furniture & Fixtures	743.12	31.30	–	774.42	301.41	–	37.89	339.30	435.12	441.71
Office Machinery	517.15	38.47	–	555.62	129.71	–	28.67	158.38	397.24	387.44
Vehicles	489.08	42.87	7.89	524.06	224.51	6.74	44.81	262.57	261.49	264.57
Total	60,549.89	7,649.80	21.77	68,177.92	23,887.79	18.36	3,830.56	27,699.97	40,477.95	36,662.10
	(51,407.36)	(27,215.87)	(18,073.34)	(60,549.89)	(20,862.91)	(251.84)	(3,276.72)	(23,887.79)	(36,662.10)	

Notes:

- Sales proceeds are deducted from gross cost where cost is unascertainable.
- Buildings : Include Rs. 2,500/- (Rs. 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.

* Figures in brackets are in respect of the previous year.

Schedules

FORMING PART OF THE BALANCE SHEET

F Investments (at cost)

(Rs. in Lacs)

As at 31st March	Nos.	Face Value Rs.	2009		2008	
LONG TERM INVESTMENTS						
I. In Shares, Debentures and Bonds:						
1. Quoted:						
a. Bonds						
12% Industrial Finance Corporation of India (Maturity date 13-01-2012) (Face Value Rs.12,77,500/-)	1,277	1,000	13.03		13.03	
6.75% Tax-free US-64 Bonds (35,900 Bonds surrendered during the year)	-	100	-	13.03	35.90	48.93
b. Equity Shares (Fully paid up):						
Jyoti Ltd.	84,900	10	1.43		1.43	
Panasonic Battery India Ltd.	72,824	10	14.12		14.12	
Paushak Ltd. (24,012 shares acquired during the year)	5,99,098	10	275.52		266.26	
Purak Vinimay Ltd.	1,09,000	10	10.90		10.90	
Less: Provision for diminution in value of Investment			(10.90)		(10.90)	
Krebs Biochemicals Ltd.	100	10	0.15		0.15	
Xechem International Inc., USA	91,42,857		289.73		289.73	
Less: Provision for diminution in value of Investment			(289.73)			
{Aggregate Market Value of Quoted Investments Rs. 303.74 Lacs (Previous Year Rs. 446.90 Lacs)}				291.22		571.69
2. Unquoted:						
a. Equity Shares (Fully paid up):						
Shreno Ltd.	2,54,171	100	200.26		200.26	
Alembic Export Ltd.	22,500	10	2.25		2.25	
Incozen Therapeutics Pvt. Ltd. (10,00,000 shares acquired during the year)	10,00,000	10	300.00		-	
Sierra Investments Ltd.	100	10	0.01	502.52	0.01	202.52
b. Preference shares (Fully paid up):						
5% Non Cumulative Redeemable Preference Share of Pran Agro Services Pvt. Ltd.	500	100	0.50			0.50
c. In Subsidiary Company :						
Alembic Global Holding SA (1,00,000 shares of CHF 1/- each acquired during the year)	1,00,000			33.62		-
d. Others:						
Equity Shares (Fully paid up):						
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)	

Schedules

FORMING PART OF THE BALANCE SHEET

F Investments (at cost) - Contd.

(Rs. in Lacs)

As at 31st March	Nos.	Face Value Rs.	2009		2008	
Co- Operative Bank of Baroda Ltd.	100	25	0.03		0.03	
Gujarat Export Corporation Ltd. (370 shares acquired during the year)	407	100	1.14		0.03	
Pran Agro Services Pvt. Ltd. {Rs. 170/- (Previous Year Rs. 170/-)}	17	10	-		-	
Pragati Sahakari Bank Ltd.	500	10	0.05		0.05	
Swaminarayan Co-op. Bank Ltd.	2,505	25	0.63		0.63	
Shivalik Solid Waste Management Ltd. (18,000 shares acquired during the year)	18,000	10	1.80		-	
				3.66		0.75
II. In Properties :						
Baroda Industrial Development Corporation Ltd.	6	1,000	0.06		0.06	
Ganesh Co-op. Housing Society Ltd. {(Rs. 100/- (Previous Year Rs. 100/-)}	2	50	-		-	
Gujarat Urban Housing Company	10	100	0.01		0.01	
Morning Star Co-op. Housing Society Ltd. {(Rs.50/- (Previous Year Rs. 50/-)}	1	50	-	0.07	-	0.07
III. Others :						
8% Optionally Convertible Note of Xechem International Inc. U.S.A.			462.35			462.35
Less : Provision for diminution in value of Investment			(462.35)	-		
CURRENT INVESTMENTS						
In Shares, Debentures and Bonds:						
Quoted:						
Equity Shares (Fully paid up):						
Housing Development Finance Corporation Ltd. (26,000 shares sold during the year & 21,000 shares acquired during the year)	-	10	-		135.49	
Less : Provision for diminution in value of Investment {Aggregate Market Value of Quoted Investments NIL (Previous Year Rs. 118.99 Lacs)}			-		(16.50)	118.99
				844.62		1,405.80
Details of Purchase and Sales of Units During the Year :						
Particulars		No. of Units			No. of Units	
Reliance Mutual Fund		-			98,21,891.77	
Tata Mutual Fund		-			2,29,58,033.10	
DBS Chola Mutual Fund		-			5,59,18,068.02	

Schedules

FORMING PART OF THE BALANCE SHEET

G Inventories

(Refer to Note No. 1(e) pertaining to Accounting Policy) (As certified & valued by Management)

(Rs. in Lacs)

As at 31st March	2009		2008	
Stores & Spares	565.24		340.30	
Packing Material	1,082.57		975.97	
Raw Materials	9,455.90	11,103.71	9,302.44	10,618.71
Stock in Trade:				
Finished goods	11,966.03		8,440.06	
Material in process	769.15	12,735.18	1,222.43	9,662.49
		23,838.89		20,281.20

H Sundry Debtors (Unsecured considered good)

As at 31st March	2009		2008	
Over Six Months (Net)		1,659.26		1,639.92
Others		18,230.99		21,414.02
		19,890.25		23,053.94

I Cash and Bank Balances

As at 31st March	2009		2008	
Cash on hand		39.02		17.42
Bank Balances:				
With Scheduled Banks				
In Current Accounts	1,403.29		1,760.99	
In Unpaid Dividend Accounts	114.58		85.37	
In Deposit Accounts	2.35	1,520.22	2.35	1,848.71
With Other Banks				
Pragati Sahakari Bank Ltd.				
In Current Accounts {Maximum balance during the year Rs. 15.65 Lacs (Previous Year Rs. 29.04 Lacs)}		9.26		(0.49)
		1,568.50		1,865.64

Schedules

FORMING PART OF THE BALANCE SHEET

J Loans and Advances (Unsecured, considered good unless otherwise specified)

(Rs. in Lacs)

As at 31st March	2009		2008	
Advances recoverable in cash or in kind or for value to be received		5,332.74		5,567.50
Advances to Subsidiary		1,322.53		-
Staff Members and Corporates		3,333.23		782.81
Tender and Other Deposits		1,515.20		1,481.71
Income Tax / Wealth Tax / FBT Paid	3,940.24		3,091.76	
Less: Provision of Income Tax / Wealth Tax / FBT	2,763.83	1,176.41	2,285.98	805.78
		12,680.11		8,637.80

K Current Liabilities and Provisions

As at 31st March	2009		2008	
A. CURRENT LIABILITIES				
Creditors: Dues to Micro and Small Enterprises		3.46		88.83
Other Creditors		15,871.31		13,599.51
Trade Deposits & Advances		1,150.91		1,172.70
Investor Education and Protection Fund shall be credited by:				
Unclaimed Dividend		114.59		85.40
Unclaimed Matured Deposits		9.80		23.18
Unclaimed Interest on Matured Deposits		3.79		7.43
Interest accrued but not due		617.62		241.52
		17,771.48		15,218.57
B. PROVISIONS				
Provision for Gratuity		265.74		-
Provision for Leave Encashment		515.76		453.10
Proposed Dividend		548.77		2,076.82
Corporate Dividend Tax		93.26		352.96
		1,423.53		2,882.88

Schedules

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

L Sales and Income from Operations

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
Sales: Domestic	67,831.36		71,075.75	
Export	43,241.00	1,11,072.36	31,148.00	1,02,223.75
Export Incentives		884.76		437.71
		1,11,957.12		1,02,661.46

M Other Income

For the Year ended 31st March	2009		2008	
a. Dividend:				
Others	3.21	3.21	9.01	9.01
b. Other Income:				
Rent	91.80		72.58	
Insurance Claims	92.35		34.19	
Profit on sale of Fixed Assets (Net)	21.78		51.08	
Profit on sale of Investment (Net)	1.41		492.40	
Excess provision no longer required	7.37		2.35	
Bad Debts Written off now Realised	-		0.63	
Miscellaneous Income	296.12	510.83	432.64	1,085.87
		514.04		1,094.88

N Raw Material & Packing Material Consumption

For the Year ended 31st March	2009		2008	
Opening Stock		10,278.41		4,291.13
Add: Purchases		43,575.79		39,053.01
		53,854.20		43,344.14
Less: Closing Stock		10,538.47		10,278.41
		43,315.73		33,065.73
Less: Insurance claim received		2.50		53.90
		43,313.23		33,011.83
(Increase) / Decrease in Stock of Finished Goods and Material in Process:				
Opening Stock:				
Material in Process	1,222.43		636.47	
Finished Goods	8,440.06	9,662.49	7,133.84	7,770.31
Less: Closing Stock:				
Material in Process	769.15		1,222.43	
Finished Goods	11,966.03	12,735.18	8,440.06	9,662.49
		(3,072.69)		(1892.18)

Schedules

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

⊙ Manufacturing Expenses

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
Power and Fuel		3,807.64		2,804.88
Repairs and Maintenance of Machinery		747.54		652.23
Manufacturing and Labour Charges		1,964.22		1,553.08
Stores & Spares Consumption		1,540.95		1,506.90
Laboratory, Analytical and Technology Expenses		965.15		594.93
		9,025.50		7,112.02

Ⓟ Employees' Cost

For the Year ended 31st March	2009		2008	
Salaries, Wages, Bonus & Gratuity		11,998.94		8,910.71
Contribution to Provident, Gratuity, E.S.I. and other Funds		910.44		645.56
Welfare Expenses		259.82		205.58
		13,169.20		9,761.85

⊙ Research & Development Expenses

For the Year ended 31st March	2009		2008	
Material Consumption		834.08		568.99
Employees' Cost				
Salaries, Wages, Bonus & Gratuity	1,500.85		1,274.13	
Contribution to Provident, Gratuity, E.S.I. and other Funds	66.62	1,567.47	61.04	1,335.17
Utilities - Power		204.26		71.86
Utilities - Others		85.79		82.56
Bio-Study Expense		417.66		1,332.81
Others		920.74		947.46
		4,030.00		4,338.85

Schedules

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

R Marketing & Selling Expenses

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
Marketing Expenses & Selling Commission		2,527.84		2,307.12
Publicity and Medical Literature		4,299.67		3,920.79
Freight and Forwarding Charges		1,884.52		1,743.56
		8,712.03		7,971.47

S Other Expenses

For the Year ended 31st March	2009		2008	
Rent		243.38		99.69
Bank Charges and Brokerage		215.11		150.90
Rates and Taxes		263.75		372.27
Insurance		234.87		215.48
Communication Expenses		989.31		631.73
Professional Fees		931.84		789.75
Donations		4.52		37.34
Travelling		3,520.91		2,300.19
Repairs and Maintenance:				
Building and Roads	56.92		66.03	
Others	3,17.25	374.17	377.06	443.09
Auditors Fees and Expenses		35.25		30.42
Managerial Remuneration		585.70		901.55
Director Sitting Fees		4.35		3.45
Miscellaneous Expenses		480.43		423.84
Provision for Diminution in Investment		-		16.50
Provision for Doubtful Debts		345.00		984.90
		8,228.59		7,401.10

T Notes Forming Part of Accounts

I. Significant Accounting Policies:

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. 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 and any attributable cost of bringing the assets to its working condition for its intended use, but excluding Cenvat / Service tax / Value Added Tax credit availed.

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.

C. Depreciation / Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.

Leasehold Land is amortized over the period of Lease.

Depreciation on Research and Development Equipment.

Acquired upto 31.03.2003 @ 100%

Acquired from 01.04.2003 on Straight Line Method at the rate prescribed in Schedule XIV of the Companies Act, 1956.

D. 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.

Investment in Subsidiary Company are stated at cost of acquisition.

E. 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 realisable value.

F. 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 & VAT

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, from development of products and assignment of patent rights of Alembic IP.

G. R & D Expenses

All revenue expenses related to R&D including expenses in relation to development of product / processes and expenses incurred in relation to compliances with International Regulatory Authorities in obtaining of Abbreviated New Drug Applications (ANDA) are charged to the Profit & Loss Account in the year in which it is incurred.

H. Foreign Exchange Transactions

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

T Notes to Accounts - Contd.

The difference in translation of monetary assets & liabilities and realised gains & losses on foreign exchange transaction are recognised in the Profit and Loss Account.

In respect of transactions covered by forward contracts, the difference between the contract rate and the rate on the date of the transactions is charged to Profit and Loss Account over the contract period.

I. Employee Benefits

The gratuity liability is funded through the scheme administered by the Life Insurance Corporation of India, 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. Deferred Tax

Deferred Tax asset & liabilities are recognised as per Accounting Standard 22 on accounting for Taxes on Income, issued by Institute of Chartered Accountant of India.

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.

(Rs. in Lacs)

As at 31st March	2009	2008
2. Estimated amount of contracts remaining to be executed on capital accounts	798.83	723.24
3. 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	1,582.81	2,463.03
iii. Liabilities disputed in appeals:		
Excise Duty	956.31	1,041.37
Sales Tax	452.81	439.91
iv. Claims against the Company not acknowledged as debt	94.35	-
v. Disputed liability in respect of Ministry of Industry, Department of Chemicals and Petrochemicals in respect of price of Rifampicin allowed in formulations and landed cost of import	34.93	34.93
vi. Income Tax	20.24	201.97
vii. Non Fulfillment of export obligation against advance license	66.05	-
viii. Bills Discounting / Factoring	-	1,995.55

T Notes to Accounts - Contd.

4. During the previous year the Company has recognised as income an amount of Rs. 8.10 Crores (US\$ 2 Million) received against transfer of IP rights of a product developed by the Company. The Company is yet to receive the said approval by USFDA. Based on Company's interaction with its attorney's, the Company is reasonably confident of getting the said approval.
5. Alembic Limited had made a strategic investment in December, 2003 in Xechem International Inc. USA, pursuant to which Alembic invested \$ 640,000 as Equity & Lent \$ 3 Million as optionally convertible loan. Xechem had a patent and it was working on commercialisation of NISCOSAN™, a product used in the management of the symptoms of Sickle Cell Disease (SDS).

The Project did not progress as per initial plans and hence Alembic terminated loan agreement and MOU, demanded refund of loan. Alembic Limited was able to subsequently get refund of \$ 2 Million loan.

Xechem has filed for bankruptcy proceedings in USA on 9th November 2008. As on date Alembic exposure to Xechem (at cost) is as under :

1 Equity US\$ 640,000	Rs. 2.90 Crores
2 Loan (convertible) US\$ 1 Million	Rs. 4.62 Crores
	Rs. 7.52 Crores

As a prudent practice, provision has been made in books of accounts in FY09 for the above amount.

6. **Defined benefit plans / compensated absences - As per actuarial valuation on March 31, 2009** (Rs. in Lacs)

	Gratuity Funded	Leave Encashment
Expense recognised in the Statement of Profit & Loss Account for the year ended March 31, 2009		
Current Service Cost	150.00	95.74
Interest Cost	77.18	31.72
Employer Contributions	-	-
Expected return on Plan Assets	(99.47)	-
Net Actuarial (Gains) / Losses	175.55	72.02
Past Services Cost	-	-
Settlement Cost	-	-
Total Expenses	303.27	199.48
Net Asset / (Liability) recognised in the Balance Sheet as at March 31, 2009		
Present value of Defined Benefit Obligation as at March 31, 2009	1,336.07	515.76
Fair value of plan assets as at March 31, 2009	1,070.33	-
Funded status [Surplus / (Deficit)]	(265.74)	(515.76)
Net Asset / (Liability) as at March 31, 2009	(265.74)	(515.76)
Change in Obligation during the Year ended 31st March, 2009		
Present value of Defined Benefit Obligation at beginning of the year	1,102.59	453.10
Current Service Cost	150.00	95.74
Interest Cost	77.18	31.72
Settlement Cost	-	-
Past Service Cost	-	-
Employer Contributions	-	-
Actuarial (Gains) / Losses	177.45	72.02

T Notes to Accounts - Contd.

(Rs. in Lacs)

	Gratuity Funded	Leave Encashment
Benefits Payments	(171.15)	(136.83)
Present value of Defined Benefit Obligation at the end of the year	1,336.07	515.76
Change in Assets during the Year ended March 31, 2009		
Plan assets at the beginning of the year	1,140.12	-
Assets acquired in amalgamation in previous year	-	-
Settlements	-	-
Expected return on plan assets	99.47	-
Contributions by Employer	-	-
Actual benefits paid	(171.15)	-
Actuarial (Gains) / Losses	1.90	-
Plan assets at the end of the year	1,070.33	-
Actuarial Assumptions		
Discount Rate	7% (P.Y. 8 %)	-
Expected rate of return on plan assets	9% (P.Y. 9.3%)	-
Mortality pre retirement	*LIC Rates	-
Mortality post retirement	NA	-
Turnover rate	3% to 1% (P.Y. 5% to 1%)	-
Medical premium inflation	NA	-
Rate of escalation in salary (p.a.)	4% (P.Y. 5%)	-
* LIC (1994-96) Published table of rates.		
7. Sundry Debtors are shown net of provision for doubtful debts Rs. 2,426.08 Lacs (Previous year Rs. 2,533.38 Lacs)		
8. Interest	2009	2008
Interest paid:		
Interest and Discounting Charges	855.15	293.89
Interest on Fixed Loans	3,325.72	2,694.92
Interest on Debentures	810.00	621.89
Less: Interest received {T.D.S. Rs. 139.89 Lacs P.Y Rs. 63.27 Lacs}	984.74	305.26
(Net)	4,006.13	3,305.44
9. a) The Company enters into Currency Swaps to hedge against fluctuation in changes in exchange rate and interest rates as on 31st March 2009.		
No. of Contracts	3	
Notional Principal (2 contracts)	USD 2.88 Million	
Notional Principal (1 contract)	JPY 53.07 Million	
b) The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are as follows:		

T Notes to Accounts - Contd.

(Rs. in Lacs)

1. Amount receivable in foreign currency on account of the following :		
- Export of Goods and Services	USD 16.96	Million
	GBP 0.34	Million
	EUR 0.91	Million
- Advance to Suppliers	USD 0.02	Million
	EUR 0.02	Million
- Investments Receivables	NIL	
2. Amount payable in foreign currency on account of the following :		
- Purchase of Goods and Services	USD 2.62	Million
	EUR 0.05	Million
	JPY 0.93	Million
- Advance from Customers	USD 0.53	Million
	EUR 0.005	Million
	GBP 0.0001	Million
- Loans payable	USD 11.07	Million
- Interest payable on Loans	USD 0.30	Million
10. Staff loans and advances include loan to officers of the Company Rs. Nil (Previous Year Rs. 10.00 Lacs) Maximum amount due at any time during the year Rs. 10.00 Lacs (Previous Year Rs. 10.00 Lacs)		
11. Based on information / documents available with the Company, Sundry Creditors include:		
a) Amounts due to small scale undertakings (Total Amount)		3.46
b) Amount overdue on account of principal and / or interest		3.10
c) Amount outstanding together with interest for more than 30 days		2.14
As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable:		
(a) (I) The principal amount remaining unpaid to any supplier at the end of accounting year		3.46
(ii) The interest due on above		-
Total of (i) and (ii) above		3.46
(b) Amount of interest paid by the buyer in terms of Section 18 of the Act		-
(c) The amounts of payment made to the supplier beyond the due date		-
(d) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.		-
12. Break up of deferred tax assets / liabilities are as under:		
As at 31st March	2009	2008
Deferred Tax Assets:		
Provision for Diminution in value of Investment	259.47	9.45
Provision for Doubtful debts	824.62	861.09
Deferred Revenue Expenses	106.36	178.10
Intangible Asset	3,380.99	4,507.70
Others	340.64	228.22
	4,912.08	5,784.56
Deferred Tax Liabilities:		
Depreciation	5,553.15	5,301.80
	5,553.15	5,301.80
Total	641.07	(482.76)

T Notes to Accounts - Contd.**13. Segment Reporting**

Primary Segment

The Company has identified "Pharmaceuticals" as the only primary reportable segment.

In view of the inter-woven / inter-mixed nature of business and manufacturing facility, other secondary segmental information is not ascertainable.

14. Disclosures in respect of Related Parties in accordance with Accounting Standard 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 one subsidiary Company called Alembic Global Holding SA.

(c) Associate Companies:

1. Purak Vinimay Ltd.	2. Sierra Investment Ltd.	3. Paushak Ltd.
4. Aavaran Ltd.	5. Light Publications Ltd.	6. Alembic Exports Ltd.
7. Nirayu Pvt. Ltd.	8. Viramya Packlight Ltd.	9. Whitefield Chemtech Pvt. Ltd.
10. Shreno Ltd.	11. Incozen Therapeutics Pvt. Ltd.	12. Quick Flight Ltd.
13. Rizen Pharmaceuticals	14. Sierra Health Care	

(d) Key Management Personnel:

1. Shri C.R. Amin	Chairman and Managing Director
2. Smt M.C. Amin	Whole-time Director
3. Shri R.K. Baheti	Director, President-Finance & Company Secretary
4. Shri Pranav Amin	Director, Chief Business Development Officer- International Operations

(e) Relatives of Key Management Personnel:

1. Shri S.C. Amin	6. Ms. Shreya Mukherjee
2. Shri U.C. Amin	7. Ms. Yera Amin
3. Ms. Jyoti Patel	8. Mrs. Barkha P. Amin
4. Ms. Ninochaka Kothari	9. Ms. Samira P. Amin
5. Shri Anup Kothari	10. Shri Babubhai Patel

During the year, the following transactions were carried out with related parties and relatives of Key Management Personnel in the ordinary course of the business:

(Rs. in Lacs)

For the year ended 31st March	Associates		Key Management Personnel	
	2009	2008	2009	2008
i) Purchase of Goods				
-Individually more than 10%	415.89	494.79	-	-
-Others	-	-	-	-
ii) Sale of Goods				
-Individually more than 10%	16.67	52.38	-	-
-Others	-	-	-	-
iii) Purchase of Fixed Assets				
-Individually more than 10%	835.97	1,464.95	-	-
-Others	-	3.36	-	-

T Notes to Accounts - Contd.

(Rs. in Lacs)

For the year ended 31st March	Associates		Key Management Personnel	
	2009	2008	2009	2008
iv) Sale of Fixed Assets				
-Individually more than 10%	-	48.76	-	-
-Others	-	-	-	-
v) Rendering of Services				
-Individually more than 10%	586.89	459.18	-	-
-Others	0.06	0.31	-	-
vi) Receiving of Services				
-Individually more than 10%	743.67	1,330.27	-	-
-Others	31.07	-	-	-
vii) Rent Paid				
-Individually more than 10%	31.10	15.00	-	-
-Others	-	0.31	-	-
viii) Rent Received				
-Individually more than 10%	4.07	1.36	-	-
-Others	0.27	0.07	-	-
ix) Interest Paid				
-Individually more than 10%	11.87	33.09	-	-
-Others	-	0.12	-	-
x) Interest Received				
-Individually more than 10%	409.41	150.81	-	-
-Others	97.75	-	-	-
xi) Dividend Paid				
-Individually more than 10%	1,044.90	638.99	124.57	83.04
-Others	2.87	1.91	-	-
xii) Loans Given				
-Individually more than 10%	12,649.00	4,219.00	-	10.00
-Others	70.00	450.00	-	-
xiii) Loans Received				
-Individually more than 10%	430.00	1,099.00	-	-
-Others	-	420.00	-	-
xiv) Managerial Remuneration				
-Salary	-	-	497.70	182.75
-Perquisite	-	-	47.22	15.62
-Superannuation	-	-	40.78	14.95
-Commission	-	-	-	688.23

T Notes to Accounts - Contd.

(Rs. in Lacs)

For the year ended 31st March	Associates		Key Management Personnel	
	2009	2008	2009	2008
xv) Invest in Share capital				
-Individually more than 10%	300.00	-	-	-
-Others	-	-	-	-
xvi) Purchase of Undertaking				
-Individually more than 10%	-	1,750.00	-	-
xvii) Outstanding Balance as at 31st March,				
-Advances	95.93	117.13	-	-
-Creditors	39.36	29.07	-	-
-Loans Given	3,220.00	595.00	-	10.00
-Deposit Given	1,110.00	1,110.00	-	-
-Loan Received	-	420.00	-	-
-Investment	788.94	468.78	-	-
For the year ended 31st March			Relatives of Key Managerial Personnel	
			2009	2008
i. Dividend Paid			76.68	51.12
ii. Salary Paid			62.20	50.12
15. Disclosure of operating lease under AS 19 "Leases"				
(a) Where the Company is a Lessee:				
The Company has taken various residential / godown/ office premises under operating lease or leave and licence agreements. Company has given refundable interest free security deposits in accordance with the agreed terms. Lease Payments are recognised in the Profit & Loss account.				
			Rs. in Lacs	
Payable not later than one year			44.43	
(b) Where the Company is a Lessor:				
The Company has let out its owned property during the year on operating lease. The future receivable rent information is as follows :				
			Rs. in Lacs	
Receivable not later than one year			56.32	
Receivable not later than one year to five years			182.11	
Receivable later than five years			83.40	
16. Earning Per Share (EPS):			For the year ended 31st March	
			2009	2008
a. Profit After Tax but before Non-Recurring Items available for equity shareholders			1,480.33	8,963.99
b. Profit After Tax available for equity shareholders			728.25	11,219.25
c. Weighted Average number of equity shares			13,83,39,838	13,84,54,905
d. Basic and Diluted Earnings per share before Non-Recurring Items. (Face value per share Rs. 2/- each)			1.07	6.47
e. Basic and Diluted Earnings per share after Non-Recurring Items. (Face value per share Rs. 2/- each)			0.53	8.10

T Notes to Accounts - Contd.

(Rs. in Lacs)

17. Auditor's Fees and Expenses include remuneration to:		
For the year ended 31st March	2009	2008
a. Statutory Auditors:		
As Auditors	15.00	12.00
In Other Capacity:		
(i) Other Services	16.00	14.66
(ii) Reimbursement of Expenses	0.96	0.44
b. Cost Auditors:		
(i) As Cost Auditors	1.25	1.10
(ii) Other Services	0.39	0.57
c. Tax Auditor:		
Tax Audit Fee	1.65	1.65
	35.25	30.42
18. Managerial Remuneration:		
	2009	2008
Salary and Allowances	497.70	182.75
Contribution to Provident and other Funds	47.22	15.62
Contribution to Superannuation Fund	40.78	14.95
Commission	-	688.23

T Notes to Accounts - Contd.

(Rs. in Lacs)

Computation of Net Profit under Section 198 read with Section 309 of the Companies Act, 1956.				
	2009		2008	
Net Profit for the year as per Profit and Loss Account		728.25		11,219.26
Add:				
Provision for Income Tax	270.00		148.50	
Provision for Deferred Tax	–		46.92	
Short provision of Income Tax	76.54		101.71	
Depreciation	3,830.56		3,276.72	
Managerial Remuneration	585.70		901.55	
Diminution in value of Investments	752.08		16.50	
Subsidy Received	–		30.00	
Directors' Sitting Fees	4.35	5,519.23	3.45	4,525.35
		6,247.48		15,744.61
Less:				
Deferred Tax	3.11			
Excess provision of Income Tax w/back	512.37			
Excess provision of Income Tax no longer required	7.37		156.04	
Depreciation as per Section 350 of the Companies Act, 1956	3,830.56		3,276.72	
Profit on Sale of Investments	–		492.40	
Profit on Sale of Assets	–	4,353.41	2,255.25	6,180.41
Net Profit *		1,894.07		9,564.20
10% of the Net Profit i.e. maximum remuneration payable to Managerial Personnel		189.40		956.42

* The remuneration paid to Managerial Personnel is in excess of the remuneration based on computation of net profit under Section 198 read with Section 309 of the Companies Act, 1956 by Rs. 396.30 Lacs. The Company is in process of seeking an approval from Central Government for the excess remuneration paid.

19. Additional information required under Schedule VI to the Companies Act, 1956 (As certified by Director).

(A) Material Consumption:

For the year ended 31st March		2009		2008	
Name of Materials	Unit	Quantity	Amount Rs.	Quantity	Amount Rs.
a. Basic					
Antibiotics	B.U.	86,833		82,794	
	Kg.	806,704	19,371.18	5,09,632	13,318.65
Chemical and Other Drugs	Kg.	33,344,756		2,69,87,929	
	Ltrs.	5,375,232	18,361.38	40,57,819	13,319.61
b. Packing Material		–	4,345.00	–	4,016.00
c. Others (Which in value individually account for less than 10% of the total Value of Raw Materials Consumed)		–	1,235.67	–	2,357.57
Total			43,313.23		33,011.83

Schedules

FORMING PART OF THE ACCOUNTS

T Notes to Accounts - Contd.

(Rs. in Lacs)

(B) Installed capacities, Actual production, Opening Stock and Closing Stock of Finished Products produced & purchased.							
Class of Goods	Unit	Annual installed Capacity	*Actual production during the Year	Opening Stock Qty.	Opening Stock Value	Closing Stock Qty.	Closing Stock Value
Bulk Drugs and Chemical and Intermediates	MMU/	#	2,857.969	69.954	3,346.47	101.770	5,716.24
	M.T.	(#)	(2,080.914)	(124.789)	(2,957.92)	(69.954)	(3,346.47)
Formulations:							
a. Tablets and Capsules	Million	4,653.000	2,411.449	290.719	2,062.91	251.073	2,405.01
	Nos.	(4,653.000)	(2,030.443)	(252.106)	(1,633.67)	(290.719)	(2,062.91)
b. Injectables	Million	***	75.473	17.848	1,010.56	13.502	1,119.36
	Nos.	***	(92.949)	(6.272)	(518.36)	(17.848)	(1,010.56)
c. Oral Preparation and Ointments	M.T.	10,182.616	8,289.300	1,285.935	1,378.18	1,424.792	1,730.07
		(10,182.616)	(9,320.530)	(567.184)	(605.26)	(1,285.935)	(1,378.18)
d. Others		-	-	-	1,864.36	-	1,764.50
		-	-	-	(2,055.10)	-	(1,864.36)
Others:							
Electric Power Generation							
- Wind Mill		5.00					
- Co-Generation Plant @		12.60					
	M.W.	17.60	**	-	-	-	-
		(17.60)	(**)	-	-	-	-
Total				1,664.456	9,662.48	1,791.137	12,735.18
				(950.351)	(7,770.31)	(1,664.456)	(9,662.48)
<p>* Including production on loan licence basis, captive consumption, samples and purchases of finished products.</p> <p>** Entire generation of electricity is for captive consumption only.</p> <p># Installed Capacity: The Installed capacity is flexible as the plant is versatile ,enabling the Company to produce in different capacity and therefore, it varies depending upon the product programme.</p> <p>@ The Company has filed necessary Memorandum with Secretariate of Industrial Approval for generating electricity.</p> <p>*** Entire production is on loan license basis.</p>							

T Notes to Accounts - Contd.

(Rs. in Lacs)

(C) Purchase of Finished Goods :					
For the year ended 31st March		2009		2008	
Class of Goods	Unit	Quantity	Amount Rs.	Quantity	Amount Rs.
Pharmaceutical Preparations	Million Nos./M.T.	5,012.536	13,861.45	6,264.348	17,228.03
(D) Turnover:					
	Unit	Quantity	Amount Rs.	Quantity	Amount Rs.
Bulk Drugs, Chemicals and Intermediates	MMU/ M.T.	–	–	–	–
Formulations:					
Tablets and Capsules	Million Nos.	2,325.595	41,268.34	1,960.760	43,595.13
Injectables	Million Nos.	59.313	8,539.27	71.530	9,962.88
Oral Preparation and Ointments	M.T.	8,114.195	17,724.74	7,486.905	18,658.48
Total (Gross Rs.)			1,11,072.36		1,02,223.75
(E) Income/ Expenditure in Foreign Currency:					
For the year ended 31st March		2009	2008		
Income:					
Export (FOB basis)		42,725.53	29,398.28		
Expenditure:					
Raw Materials (CIF basis)		17,631.94	13,144.74		
Packing Material ,Components and Spare parts (CIF basis)		325.36	210.76		
Capital Goods (CIF basis)		176.67	549.86		
Know How		4.48	81.48		
Professional and Consultancy Fees		202.10	354.56		
Interest		548.54	472.47		
Foreign Travelling		143.31	150.88		
Commission on Export		757.70	477.02		
Subscription, Publicity and other matters		621.64	636.26		
Salary		518.48	348.91		
Rent		44.04	32.28		

T Notes to Accounts - Contd.

(Rs. in Lacs)

(F) Breakup of Imported/Indigenous Material:		
For the year ended 31st March	2009	2008
a. Value of imported raw materials, spares parts and components consumed	16,963.35	9,249.28
b. Value of indigenous raw materials, spare parts and components consumed	27,890.83	25,269.45
c. Percentage of above to total consumption:		
(i) Imported raw materials, spare parts and components consumed	38%	27%
(ii) Indigenous raw materials, spare parts and components consumed	62%	73%
20. Figure shown in brackets are corresponding figure of previous year.		
21. Previous Year's figures have been regrouped/re-arranged wherever necessary.		

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.**
Chartered Accountants**CHIRAYU R. AMIN**
Chairman & Managing Director**DR. B.R. PATEL**
Director**PRANAV N. PARIKH**
Director**PARESH SARAIYA**
Director**RAGHUVIR M. AIYAR**
Partner
Membership No.38128**K.G. RAMANATHAN**
Director**PRANAV AMIN**
Director**R.K. BAHETI**
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Cash Flow

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and non-recurring items:		1,311.39		9,105.08
Add:				
1. Depreciation	3,830.56		3,276.72	
2. Interest Paid	4,990.87		3,610.70	
3. Year End Foreign Exchange Conversion (Net)	3,507.17		-	
4. Provision for Diminution in value of Investments	-	12,328.60	16.50	6,903.92
Less:				
1. Interest Received	984.74		305.27	
2. Dividend Received	3.21		9.01	
3. Profit on Sale of Fixed Assets (Net)	21.78		51.08	
4. Year End Foreign Exchange Conversion (Net)	-		81.03	
5. Profit on Sale of Investments (Net)	1.41	1,011.14	492.40	938.79
Operating profit before change in working capital		1,2628.85		15,070.21
Changes in Working Capital				
Add/(Less):				
1. Inventories	(3,557.69)		(7972.02)	
2. Trade payable	1,693.25		4,612.31	
3. Trade receivables (Net)	5,174.68		(6,461.33)	
4. Loans and Advances	(3,345.13)	(34.89)	(1,149.17)	(10,970.21)
Cash generated from operation		12,593.96		4,100.00
Add/(Less):				
1. Advance Tax Paid Refundable		-		(675.00)
2. Income Tax		(313.25)		(326.62)
Cash flow before Non-Recurring Items		12,280.71		3,098.38
Add:				
1. Profit on sale of land		-		2,255.26
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)		12,280.71		5,353.64
B. CASH FLOW FROM INVESTING ACTIVITIES:				
1. Sale of Fixed Assets	25.19		190.12	
2. Sale of Investments (Net)	-		1,151.15	
3. Interest Received	766.64		426.31	
4. Dividend Received	3.21	795.04	9.01	1,776.59
Less:				
1. Purchase of Fixed Assets	6,170.53		6,658.34	
2. Purchase of Intangible Assets	-		17,631.65	
3. Purchase of Investments (Net)	189.49	6,360.02	-	24,289.99
NET CASH UTILISED IN INVESTING ACTIVITIES (B)		(5,564.98)		(22,513.40)

Cash Flow

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES

Contd.

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
C. CASH FLOW FROM FINANCIAL ACTIVITIES:				
Inflow:				
1. Proceeds from Borrowings (Net)	402.89		8,927.78	
2. Capital Subsidy Received	–	402.89	30.00	8,957.78
Outflow:				
Less:				
1. Proceeds of Shares Buy Back	396.76		–	
2. Interest Paid	4,618.41		3,502.40	
3. Dividend Paid	2,047.63		1,365.35	
4. Corporate Dividend Tax Paid	352.96	7,415.76	235.30	5,103.05
NET CASH GENERATED IN FINANCIAL ACTIVITIES (C)		(7,012.87)		3,854.73
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(297.14)		(13,305.03)
Cash and Cash Equivalents as at 31/3/2008		1,865.64		15,170.67
Cash and Cash Equivalents as at 31/3/2009		1,568.50		1,865.64

As per our report of even date

For **K.S. AIYAR & CO.**
Chartered Accountants**CHIRAYU R. AMIN**
Chairman & Managing Director**DR. B.R. PATEL**
Director**PRANAV N. PARIKH**
Director**PARESH SARAIYA**
Director

For and on behalf of the Board of Directors

RAGHUVIR M. AIYAR
Partner
Membership No.38128**K.G. RAMANATHAN**
Director**PRANAV AMIN**
Director**R.K. BAHETI**
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Balance Sheet Abstract

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's Business Profile

(Rs. in Lacs)

For the Year ended 31st March	2009	2008
1. Registration Details:		
Registration No. 04-0033		
State code No. 4		
Balance Sheet date 31-03-2009		
2. Capital raised during the year:		
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement		
a) Equity Shares	Nil	Nil
b) Preference Shares	Nil	Nil
Preference Shares Application Money	Nil	Nil
Equity Shares issued without payment being received in cash	Nil	Nil
3. Position of mobilisation and deployment of funds:		
Total Liability	1,00,016.61	94,584.80
Total Assets	1,00,016.61	94,584.80
Paid up Capital	2,743.93	2,769.19
Reserve & Surplus	29,955.13	31,367.35
Deferred Tax Liability	641.07	-
Secured Loans	21,576.34	27,754.69
Unsecured Loans	25,905.13	14,592.12
Net Fixed Assets	40,477.95	36,662.10
Capital Work in Progress	716.29	2,195.56
Deferred Tax Asset	-	482.76
Investments	844.62	1,405.80
Net current Assets	38,782.74	35,737.13
Accumulated Losses	Nil	Nil
4. Performance of Company:		
Turnover and Export Incentives	1,10,196.56	1,00,324.93
Total Expenditure	1,09,399.21	92,314.73
Profit Before Tax	559.31	11,360.34
Profit After Tax	728.25	11,219.25
Earning Per Share	0.53	8.10
Dividend Rate %	20%	75%

Balance Sheet Abstract

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance Sheet Abstract - Contd.

(Rs. in Lacs)

For the Year ended 31st March			2009	2008
5. Generic names of three principal products of Company:				
Item Code No.	(ITC Code)	Product Description		
300420	03	Erythromycin Formulations		
300410	00	Penicillin & Combination Formulations		
300420	03	Roxithromycin Formulations		

As per our report of even date

For **K.S. AIYAR & CO.**
Chartered Accountants

CHIRAYU R. AMIN
Chairman & Managing Director

DR. B.R. PATEL
Director

PRANAV N. PARIKH
Director

PARESH SARAIYA
Director

RAGHUVIR M. AIYAR
Partner
Membership No.38128

K.G. RAMANATHAN
Director

PRANAV AMIN
Director

R.K. BAHETI
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Statement Pursuant to Section 212 of the Companies Act, 1956

(Rs. in Lacs)

NAME OF THE SUBSIDIARY	ALEMBIC GLOBAL HOLDING SA
1. Accounting year of the Subsidiary ended on	31.12.2008
2. Share of the Subsidiary held by the Company on above date.	
(a) Number	1,00,000
(b) Extent of Holding	100%
3. Net aggregate amount of profit of the subsidiary for above accounting period, of the subsidiary so far as they concern the members of Company:	
(a) Dealt with in account of the Company for the year ended on 31.03.2009.	-
(b) Not dealt with in account of the Company for the year ended on 31.03.2009.	353.45
4. Net aggregate amount of profit of the subsidiary for previous financial year of the subsidiary since it becomes a Subsidiary so far as they concern the members of Company:	
(a) Dealt with in account of the Company for the year ended on 31.03.2008	-
(b) Not dealt with in account of the Company for the year ended on 31.03.2008	-

For and on behalf of the Board of Directors

CHIRAYU R. AMIN
Chairman & Managing Director

DR. B.R. PATEL
Director

PRANAV N. PARIKH
Director

PARESH SARAIYA
Director

K.G. RAMANATHAN
Director

PRANAV AMIN
Director

R.K. BAHETI
Director, President - Finance
& Company Secretary

Vadodara: 8th May, 2009

INFORMATION ON THE FINANCIALS OF
THE SUBSIDIARY COMPANY

FOR THE YEAR ENDED ON MARCH 31, 2009

(Rs. in Lacs)

NAME OF THE SUBSIDIARY COMPANY	ALEMBIC GLOBAL HOLDING SA
Capital	44.55
Reserves	353.45
Total Liabilities	2,404.25
Total Assets	2,779.97
Investment (other than in subsidiaries)	22.28
Turnover (Net)	1,410.11
Profit/(Loss) before Tax	353.45
Provision for Tax	-
Profit /(Loss) after Tax	353.45
Proposed Dividend	-

Note:

The Company's application for exemption under Section 212 (8) of the Companies Act, 1956 relating to its subsidiary company viz. Alembic Global Holding SA is under consideration with Central Government. Any Shareholder interested in obtaining particulars of Subsidiary may obtain by writing to the Company Secretary of the Company.

Auditors' Report

To the members of Alembic Limited

We have examined the attached Consolidated Balance Sheet of Alembic Limited (the Company) and its Subsidiary as at 31st March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted Auditing Standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate unaudited financial statements of the Subsidiary Company included in the consolidated financial statements.

The financial statements of its Subsidiary reflecting total assets of Rs. 2,802.25 Lacs, Company's share in Revenue of Rs. 1,410.11 Lacs, in Profit of Rs. 353.45 Lacs and Cash inflows of Rs. 9.47 Lacs in these financial statements were unaudited.

On the basis of the information and explanation given to us and on the consideration of the separate audit report of the Company and unaudited financial statement of aforesaid Subsidiary, we are of the opinion that:

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company as at 31st March, 2009;
- (b) The Consolidated Profit and Loss account gives a true and fair view of the consolidated results of operations of the Company for the year then ended; and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the Company for the year then ended.

For **K.S. AIYAR & CO.**
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
Membership No.38128

Mumbai: 8th May, 2009

Balance Sheet

(Rs. in Lacs)

As at 31st March	Schedules	2009		2008	
I. SOURCES OF FUNDS:					
I. Shareholders' Funds:					
a. Capital	A	2,743.93		2,769.19	
b. Reserves and Surplus	B	30,308.58	33,052.51	31,367.35	34,136.54
2. Foreign Currency Translation Reserve			48.19		-
3. Loan Funds:					
a. Secured Loans	C	21,576.34		27,754.69	
b. Unsecured Loans	D	25,905.13	47,481.47	14,592.12	42,346.81
4. Deferred Tax Liability			641.07		-
			81,223.24		76,483.35
II. APPLICATION OF FUNDS:					
I. Fixed Assets:					
a. Gross Block	E	68,179.48		60,549.89	
b. Less: Depreciation		27,700.28		23,887.79	
c. Net Block			40,479.20		36,662.10
d. Capital Work in Progress			716.29		2,195.56
2. Investments	F		833.28		1,405.80
3. Deferred Tax Assets			-		482.76
4. Current Assets, Loans and Advances:					
a. Inventories	G	23,838.89		20,281.20	
b. Sundry Debtors	H	21,300.35		23,053.94	
c. Cash and Bank Balances	I	1,577.97		1,865.64	
d. Loans and Advances	J	12,716.73	59,433.94	8,637.80	53,838.58
Less: Current Liabilities and Provisions:	K				
a. Liabilities		18,815.94		15,218.57	
b. Provisions		1,423.53	20,239.47	2,882.88	18,101.45
Net Current Assets			39,194.47		35,737.13
			81,223.24		76,483.35
Notes Forming Part of Accounts	T				
The schedules referred to above form an integral part of Balance Sheet					

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.**
Chartered Accountants**CHIRAYU R. AMIN**
Chairman & Managing Director**DR. B.R. PATEL**
Director**PRANAV N. PARIKH**
Director**PARESH SARAIYA**
Director**RAGHUVIR M. AIYAR**
Partner
Membership No.38128**K.G. RAMANATHAN**
Director**PRANAV AMIN**
Director**R.K. BAHETI**
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Profit and Loss Account

(Rs. in Lacs)

For the Year ended 31st March	Schedules	2009		2008	
INCOME:					
Sales and Income from Operation	L	1,13,367.23		1,02,661.46	
Less: Excise Duty		1,760.56	1,11,606.67	2,336.53	1,00,324.93
Other Income	M		514.04		1,094.88
			1,12,120.71		1,01,419.81
EXPENDITURE:					
Material Consumption	N		43,313.23		33,011.83
Purchase of Finished Goods			14,876.23		17,228.03
Excise Duty			788.04		880.64
Manufacturing Expenses	O		9,025.50		7,112.02
Employee's Expenses	P		13,169.20		9,761.85
Research & Development Expenses	Q		4,030.00		4,338.85
Marketing & Distribution Expenses	R		8,712.03		7,971.47
Others	S		8,241.15		7,401.10
			1,02,155.38		87,705.79
ADD/(LESS): Decrease/(Increase) in stock of Finished Goods and Work in Process	N		(3,072.69)		(1,892.18)
			99,082.69		85,813.61
OPERATING PROFIT			13,038.02		15,606.20
Interest (Net)			4,006.13		3,305.43
Depreciation			3,830.87		3,276.72
Foreign Exchange Difference (Net)			3,536.18		(81.03)
PROFIT BEFORE NON-RECURRING ITEMS AND TAXES			1,644.84		9,105.08
Add : Profit on sale of Land			-		2,255.26
Less : Provision for Diminution in Investment			752.08		-
Intangible Assets Written off			-	17,682.46	
Less : Transfer from General Reserve			-	10,258.00	
Less : Transfer from Share Premium Account			-	2,916.76	
Less : Deferred Tax Asset			-	4,507.70	
PROFIT BEFORE TAXES			912.76		11,360.34
Less/(Add) : Provision for Deferred Tax			(3.11)		46.92
Less/(Add) : Provision for Current Tax			50.00		-
Less/(Add) : Provision for Fringe Benefit Tax & Wealth Tax			220.00		148.50
Less/(Add) : Excess provision of Income Tax no longer required (Net)			(435.83)		(54.33)
PROFIT AFTER TAX			1,081.70		11,219.25
ADD/LESS					
Balance brought forward from last year			7,972.76		4,183.29
BALANCE AVAILABLE FOR APPROPRIATION			9,054.46		15,402.54
APPROPRIATIONS:					
Debenture Redemption Reserve			750.00		-
Dividend - Equity Shares			548.77		2,076.82
Corporate Dividend Tax - Equity Shares			93.26		352.96
General Reserve			72.83		5,000.00
SURPLUS CARRIED TO BALANCE SHEET			7,589.60		7,972.76
			9,054.46		15,402.54
Earning per Share (Basic & Diluted) (In Rs.)					
- Before Non-Recurring Items			1.33		6.47
- After Non-Recurring Items			0.78		8.10
Notes Forming Part of Accounts	T				
The schedules referred to above form an integral part of Profit and Loss Account					

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.** **CHIRAYU R. AMIN**
Chartered Accountants Chairman & Managing Director

DR. B.R. PATEL
Director

PRANAV N. PARIKH
Director

PARESH SARAIYA
Director

RAGHUVIR M. AIYAR
Partner
Membership No.38128

K.G. RAMANATHAN
Director

PRANAV AMIN
Director

R.K. BAHETI
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

A Share Capital

(Rs. in Lacs)

As at 31st March	2009	2008
AUTHORISED:		
22,50,00,000 Equity Shares of Rs.2/- each (Previous Year 22,50,00,000 Equity Shares of Rs.2/- each)	4,500.00	4,500.00
5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each)	500.00	500.00
	5,000.00	5,000.00
ISSUED, SUBSCRIBED:		
13,84,64,270 Equity Shares of Rs.2/- each (Previous Year 13,84,64,270 Equity Shares of Rs.2/- each)	2,769.29	2,769.29
	2,769.29	2,769.29
PAID UP:		
13,71,92,061 Fully paid up Equity Shares of Rs.2/- each (Previous Year 13,84,54,905 Equity Shares of Rs.2/- each)	2,743.84	2,769.10
Add: 9,365 Forfeited Equity Shares of Rs.2/- each (Previous Year 9,365 Equity Shares of Rs.2/- each) (Amount originally paid up)	0.09	0.09
	2,743.93	2,769.19
Of the above:		
1. 6,39,300	Equity Shares of Rs.2/- each (Previous Year 6,39,300 Equity Shares of Rs.2/- each) have been allotted as fully paid up pursuant to contract without payment being received in cash.	
2. 9,20,36,620	Equity Shares of Rs.2/- each (Previous Year 9,20,36,620 Equity Shares of Rs.2/- each) have been allotted as fully paid up Bonus Shares by Capitalisation of Rs.7,00,000/- from Share Premium Account, Rs.16,83,50,000/- from Capital Redemption Reserve and Rs.1,50,23,240/- from General Reserve.	
3. 33,45,450 & 7,24,240	Equity Shares of Rs.2/- each (Previous Year 33,45,450 & 7,24,240 of Rs. 2/- each) fully paid, were allotted to the Shareholders of erstwhile Neomer Ltd. & Darshak Ltd., respectively, pursuant to the Scheme of amalgamation / merger without payment being received in cash.	
4.	In terms of decision of the Board of Directors dated 14th November, 2008 the Company offered to buy back its equity shares of face value of Rs.2/- each, upto a maximum amount of Rs. 3,300 Lacs at a maximum price of Rs. 55/- per share through the methodology of "Open market purchases through stock exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). After completion of regulatory formalities, the Company commenced the buy back on 8th December, 2008.	
	As on March 31, 2009 the Company has bought back 12,62,844 equity shares at an average price of Rs. 31.46 for a total consideration of Rs. 396.76 Lacs which is about 12.02% of the total buy – back size of Rs. 3,300 Lacs. The Company has extinguished 12,62,719 on or before 31st March, 2009. The rest 125 shares were extinguished on 15th April, 2009.	

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

B Reserves and Surplus

(Rs. in Lacs)

As at 31st March	2009		2008	
REVALUATION RESERVE:				
CAPITAL RESERVE:				
As per last Balance Sheet	65.00		35.00	
Add: Capital Subsidy Received during the year	–	65.00	30.00	65.00
CAPITAL REDEMPTION RESERVE :				
As per last Balance Sheet	–		–	
Add: Transfer from General Reserve for Buy back	25.26	25.26	–	–
DEBENTURE REDEMPTION RESERVE :				
As per last Balance Sheet	–		–	
Add: Transferred from Profit & Loss Account	750.00	750.00	–	–
SHARE PREMIUM ACCOUNT:				
As per last Balance Sheet	4,057.47		6,974.23	
Less: Transfer to Profit & Loss Account	–	4,057.47	2,916.76	4,057.47
GENERAL RESERVE:				
As per last Balance Sheet	19,272.12		24,530.12	
Less : Transfer to Profit & Loss Account	–		10,258.00	
Less : Utilised for Equity Shares Buy Back	396.76		–	
Less : Reversal of Deferred Tax Asset on account of Intangible assets pursuant to the order of Hon'ble Gujarat High Court	1,126.94		–	
Add : Transferred from Profit & Loss Account	72.83	17,821.25	5,000.00	19,272.12
PROFIT AND LOSS ACCOUNT:				
Surplus as per Profit & Loss Account		7,589.60		7,972.76
		30,308.58		31,367.35

C Secured Loans

As at 31st March	2009		2008	
A. From Financial Institutions, Banks and NBFC:				
1. 10.80% Non-Convertible Debentures (Against first hypothecation charge on all movable plant & machinery ranking pari-passu with other lenders.) (Redeemable in three equal instalments commencing from June 2010.)		7,500.00		7,500.00
2. Foreign Currency Loans: External Commercial Borrowing (Against first hypothecation charge on all movable plant and machinery ranking pari-passu with other lenders.) (Due within one year Rs. 2,182.16 Lacs) (Previous Year Rs. 1,824.18 Lacs)		7,053.11		6,704.17
3. Rupee Loans: (Against first hypothecation charge on all movable plant and machinery ranking pari-passu with other lenders.)		–		2,000.00
		14,553.11		16,204.17
B. From Banks for Working Capital: (Against first hypothecation charge on stocks and book-debts ranking pari-passu with other lenders.)		7,023.23		11,550.52
		21,576.34		27,754.69

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

D Unsecured Loans

(Rs. in Lacs)

As at 31st March	2009		2008	
Fixed Deposits From:				
Public	3,345.03		2,037.85	
Shareholders	45.85	3,390.88	50.05	2,087.90
{Due within one year Rs. 1,012.50 Lacs (P.Y. Rs. 211.15 Lacs)}				
Short Term Loans From:				
Banks	14,000.00		12,067.12	
{Due within one year Rs. 2,700 Lacs (P.Y. Rs. 10,000 Lacs)}				
Associates	-		420.00	
Others	14.25	14,014.25	17.10	12,504.22
Commercial Paper {Maximum outstanding during the year Rs.150 Crores. (Previous year Rs. 90 Crores)}		8,500.00		-
		25,905.13		14,592.12

E Fixed Assets

Assets	Gross Block				Depreciation Block				Net Block	
	As on 01/04/2008 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	As on 31/03/2009 Rs.	As on 01/04/2008 Rs.	Deductions/ Adjustments Rs.	Total Depreciation for the year ended 31/03/2009 Rs.	As on 31/03/2009 Rs.	As on 31/03/2008 Rs.	
Freehold Land	251.45	-	0.02	251.43	-	-	-	-	251.43	251.45
Leasehold Land	542.19	1,092.59	-	1,634.78	7.90	-	5.78	13.68	1,621.10	534.29
Buildings	7,940.71	1,345.92	0.13	9,286.50	1,093.02	0.04	264.13	1,357.10	7,929.40	6,847.69
Employees Quarters	89.38	-	-	89.38	57.51	-	1.19	58.70	30.68	31.87
Plant and Machinery	44,499.16	4,359.26	13.73	48,844.69	19,224.58	11.58	3,035.00	22,248.00	26,596.69	25,274.58
R & D Equipment	5,477.65	739.39	-	6,217.04	2,849.15	-	413.09	3,262.24	2,954.80	2,628.50
Furniture & Fixtures	743.12	31.30	-	774.42	301.41	-	37.89	339.30	435.12	441.71
Office Machinery	517.15	38.47	-	555.62	129.71	-	28.67	158.38	397.24	387.44
Vehicles	489.08	42.87	7.89	524.06	224.51	6.74	44.81	262.57	261.49	264.57
Pre-Operative Expenses	-	1.56	-	1.56	-	-	0.31	0.31	1.25	-
Total	60,549.89	7,651.36	21.77	68,179.48	23,887.79	18.36	3,830.87	27,700.28	40,479.20	36,662.10
	(51,407.36)	(27,215.87)	(18,073.34)	(60,549.89)	(20,862.91)	(251.84)	(3,276.72)	(23,887.79)	(36,662.10)	-

Notes:

- Sales proceeds are deducted from gross cost where cost is unascertainable.
- Buildings : Include Rs. 2,500/- (Rs. 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.

* Figures in brackets are in respect of the previous year.

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

F Investments (at cost)

(Rs. in Lacs)

As at 31st March	Nos.	Face Value Rs.	2009		2008	
LONG TERM INVESTMENT:						
I. In Shares, Debentures and Bonds:						
1. Quoted:						
a. Bonds						
12% Industrial Finance Corporation of India (Maturity date 13-01-2012) (Face Value Rs. 12,77,500/-)	1,277	1,000	13.03		13.03	
6.75% Tax-free US-64 Bonds (35,900 Bonds sold during the year)	–	100	–	13.03	35.90	48.93
b. Equity Shares (Fully paid up):						
Jyoti Ltd.	84,900	10	1.43		1.43	
Panasonic Battery India Ltd.	72,824	10	14.12		14.12	
Paushak Ltd. (24,012 shares acquired during the year)	5,99,098	10	275.52		266.26	
Purak Vinimay Ltd.	1,09,000	10	10.90		10.90	
Less: Provision for diminution in value of Investment			(10.90)		(10.90)	
Krebs Biochemicals Ltd.	100	10	0.15		0.15	
Xechem International Inc., USA	91,42,857		289.73		289.73	
Less : Provision for diminution in value of Investment			(289.73)			
{Aggregate Market Value of Quoted Investments Rs. 303.74 Lacs (Previous Year Rs. 446.90 Lacs)}				291.22		571.69
2. Unquoted:						
a. Equity Shares (Fully paid up):						
Shreno Ltd.	2,54,171	100	200.26		200.26	
Alembic Export Ltd.	22,500	10	2.25		2.25	
Incozen Therapeutics Pvt. Ltd. (10,00,000 shares acquired during the year)	10,00,000	10	300.00		–	
Sierra Investments Ltd.	100	10	0.01	502.52	0.01	202.52
b. Preference shares (Fully paid up):						
5% Non-Cumulative Redeemable Preference Share of Pran Agro Services Pvt. Ltd.	500	100		0.50		0.50
c. Others:						
Equity Shares (Fully paid up):						
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. (370 shares acquired during the year)	407	100	1.14		0.03	

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

F Investments (at cost) - Contd.

(Rs. in Lacs)

As at 31st March	Nos.	Face Value Rs.	2009		2008	
Pran Agro Services Pvt. Ltd. {Rs. 170/- (Previous Year Rs. 170/-)}	17	10	-	-	-	-
Pragati Sahakari Bank Ltd.	500	10	0.05		0.05	
Swaminarayan Co-op. Bank Ltd.	2,505	25	0.63		0.63	
Rhizen Pharmaceuticals SA (50,000 shares of CHF 1/- each acquired during the year)	50,000	-	22.28			-
Shivalik Solid Waste Management Ltd. (18,000 shares acquired during the year)	18,000	10	1.80	25.94	-	0.75
II. In Properties :						
Equity Shares (Fully paid up) :						
Baroda Industrial Development Corporation Ltd.	6	1,000	0.06		0.06	
Ganesh Co-op. Housing Society Ltd. {Rs. 100/- (Previous Year Rs. 100/-)}	2	50	-		-	
Gujarat Urban Housing Company	10	100	0.01		0.01	
Morning Star Co-op. Housing Society Ltd. {Rs. 50/- (Previous Year Rs. 50/-)}	1	50	-		-	
				0.07		0.07
III. Others :						
8% Optionally Convertible Note of Xechem			462.35			462.35
International Inc. U.S.A. Less : Provision for diminution in value of Investment			(462.35)	-		
CURRENT INVESTMENTS						
In Shares, Debentures and Bonds:						
Quoted:						
Equity Shares (Fully paid up):						
Housing Development Finance Corporation Ltd. (26,000 shares sold during the year & 21,000 shares acquired during the year)	-	10	-		135.49	
Less : Provision for diminution in value of Investment {Aggregate Market Value of Quoted Investments NIL (Previous Year Rs. 118.99 Lacs)}			-	-	(16.50)	118.99
				833.28		1,405.80
Details of Purchase and Sales of Units During the Year :						
Particulars		No. of Units			No. of Units	
Reliance Mutual Fund		-			98,21,891.77	
Tata Mutual Fund		-			2,29,58,033.10	
DBS Chola Mutual Fund		-			5,59,18,068.02	

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

G Inventories

(Rs. in Lacs)

As at 31st March	2009		2008	
Stores & Spares	565.24		340.30	
Packing Materials	1,082.57		975.97	
Raw Materials	9,455.90	11,103.71	9,302.44	10,618.71
Stock in Trade:				
Finished Goods	11,966.03		8,440.06	
Material in Process	769.15	12,735.18	1,222.43	9,662.49
		23,838.89		20,281.20

H Sundry Debtors (Unsecured considered goods)

As at 31st March	2009		2008	
Over Six Months (Net)		1,659.26		1,639.92
Others		19,641.09		21,414.02
		21,300.35		23,053.94

I Cash and Bank Balances

As at 31st March	2009		2008	
Cash on hand		39.02		17.42
Bank Balances:				
With Scheduled Banks:				
In Current Accounts	1,412.76		1,760.99	
In Unpaid Dividend Accounts	114.58		85.37	
In Deposit Accounts	2.35	1,529.69	2.35	1,848.71
With Other Banks:				
Pragati Sahakari Bank Ltd.				
In Current Accounts {Maximum balance during the year Rs. 15.65 Lacs (Previous Year Rs. 29.04 Lacs)}		9.26		(0.49)
		1,577.97		1,865.64

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

J Loans and Advances (Unsecured, considered good unless otherwise specified)

(Rs. in Lacs)

As at 31st March	2009		2008	
Advances recoverable in cash or in kind or for value to be received		6,691.89		5,567.50
Advances to Subsidiary		-		-
Staff Members and Corporates		3333.23		782.81
Tender and Other Deposits		1515.20		1481.71
Income Tax / Wealth Tax / FBT Paid	3,940.24		3,091.76	
Less: Provision of Income Tax / Wealth Tax / FBT	2,763.83	1176.41	2,285.98	805.78
		12,716.73		8,637.80

K Current Liabilities and Provisions

As at 31st March	2009		2008	
A. CURRENT LIABILITIES				
Creditors: Dues to Micro and Small Enterprises		3.46		88.83
Other Creditors		16,915.77		13,599.51
Trade Deposits & Advances		1,150.91		1,172.70
Investor Education and Protection Fund shall be credited by:				
Unclaimed Dividend		114.59		85.40
Unclaimed Matured Deposits		9.80		23.18
Unclaimed Interest on Matured Deposits		3.79		7.43
Interest accrued but not due		617.62		241.52
		18,815.94		15,218.57
B. PROVISIONS:				
Provision for Gratuity		265.74		-
Provision for Leave encashment		515.76		453.10
Proposed Dividend		548.77		2,076.82
Corporate Dividend Tax		93.26		352.96
		1,423.53		2882.88

Schedules

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

L Sales and Income from Operations

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
Sales: Domestic	67,831.36		71,075.75	
Export	44,651.11	1,12,482.47	31,148.00	1,02,223.75
Export Incentives		884.76		437.71
		1,13,367.23		1,02,661.46

M Other Income

For the Year ended 31st March	2009		2008	
a. Dividend:				
Others	3.21	3.21	9.01	9.01
b. Other Income:				
Rent	91.80		72.58	
Insurance Claims	92.35		34.19	
Profit on sale of Fixed Assets (Net)	21.78		51.08	
Profit on sale of Investments (Net)	1.41		492.40	
Excess Provision no longer required	7.37		2.35	
Bad Debts Written off now realised	-		0.63	
Miscellaneous Income	296.12	510.83	432.64	1,085.87
		514.04		1,094.88

N Raw Material & Packing Material Consumption

For the Year ended 31st March	2009		2008	
Opening Stock		10,278.41		4,291.13
Add: Purchases		43,575.79		39,053.01
		53,854.20		43,344.14
Less: Closing Stock		10,538.47		10,278.41
		43,315.73		33,065.73
Less: Insurance Claim Received		2.50		53.90
		43,313.23		33,011.83
(Increase)/Decrease in Stock of Finished Goods and Material in Process:				
Opening Stock:				
Material in Process	1,222.43		636.47	
Finished Goods	8,440.06	9,662.49	7,133.84	7,770.31
Less: Closing Stock:				
Material in Process	769.15		1,222.43	
Finished Goods	11,966.03	12,735.18	8,440.06	9,662.49
		(3,072.69)		(1,892.18)

Schedules

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Manufacturing Expenses

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
Power and Fuel		3,807.64		2,804.88
Repairs and Maintenance of Machinery		747.54		652.23
Manufacturing and Labour Charges		1,964.22		1,553.08
Stores & Spares Consumption		1,540.95		1,506.90
Laboratory, Analytical and Technology Expenses		965.15		594.93
		9,025.50		7,112.02

Employees' Cost

For the Year ended 31st March	2009		2008	
Salaries, Wages, Bonus & Gratuity		11,998.94		8,910.71
Contribution to Provident, Gratuity, E.S.I. and other Funds		910.44		645.56
Welfare Expenses		259.82		205.58
		13,169.20		9,761.85

Research & Development Expenses

For the Year ended 31st March	2009		2008	
Material Consumption		834.08		568.99
Employees' Cost				
Salaries, Wages, Bonus & Gratuity	1,500.85		1274.13	
Contribution to Provident, Gratuity, E.S.I. and other Funds	66.62	1,567.47	61.04	1,335.17
Utilities - Power		204.26		71.86
Utilities - Others		85.79		82.56
Bio-Study Expenses		417.66		1,332.81
Others		920.74		947.46
		4,030.00		4,338.85

Schedules

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

R Marketing & Selling Expenses

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
Marketing Expenses & Selling Commission		2,527.84		2,307.12
Publicity and Medical Literature		4,299.67		3,920.79
Freight and Forwarding Charges		1,884.52		1,743.56
		8,712.03		7,971.47

S Other Expenses

For the Year ended 31st March	2009		2008	
Rent		243.38		99.69
Bank Charges and Brokerage		215.17		150.90
Rates and Taxes		264.36		372.27
Insurance		234.87		215.48
Communication Expenses		989.31		631.73
Professional Fees		940.88		789.75
Donations		4.52		37.34
Travelling		3,520.91		2,300.19
Repairs and Maintenance:				
Building and Roads	56.92		66.03	
Others	317.25	374.17	377.06	443.09
Auditors Fees and Expenses		35.70		30.42
Managerial Remuneration		585.70		901.55
Director Sitting Fees		6.75		3.45
Miscellaneous Expenses		480.43		423.84
Provision for Diminution in Investments		-		16.50
Provisions for Doubtful Debts		345.00		984.90
		8,241.15		7,401.10

T Notes Forming Part of Consolidated Financial Statements**1. Basis of Preparation:**

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

2. Principles of Consolidation:

- A) The CFS comprise the financial statement of Alembic Limited (The Holding Company) and its Subsidiary. The Financial Statements of both Companies are in line with generally accepted accounting principles in India.
- B) Inter Company transactions have been eliminated on consolidation.

3. Companies Include In Consolidation:

Subsidiary	Country of Incorporation	Proportion of Ownership Interest As On 31.03.2009
Alembic Global Holding SA	Switzerland	100%

4. Accounting Policies:

The accounting policies of the Holding Company and that of its subsidiary are similar and as per generally accepted accounting principles in India.

5. Translation of Accounts:

In Consolidated Accounts, the Accounts of subsidiary company have been translated into INR considering as non-integral operations of the Company as prescribed under AS-11 "foreign currency transaction".

6. EPS:

Profit after tax but before Non Recurring Items available for equity shareholders	1,833.78
Profit after tax available for equity shareholders	1,081.70
Weighted average numbers of equity shares	13,83,39,838
Basic and diluted Earnings per share before Non-Recurring Items (Face Value per share Rs 2/- each)	1.33
Basic and diluted Earnings per share after Non-Recurring Items (Face Value per share Rs 2/- each)	0.78

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.**
Chartered Accountants

CHIRAYU R. AMIN
Chairman & Managing Director

DR. B.R. PATEL
Director

PRANAV N. PARIKH
Director

PARESH SARAIYA
Director

RAGHUVIR M. AIYAR
Partner
Membership No.38128

K.G. RAMANATHAN
Director

PRANAV AMIN
Director

R.K. BAHETI
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009

Cash Flow

CONSOLIDATED STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and non-recurring items:		1,664.84		9,105.08
Add:				
1. Depreciation	3,830.87		3,276.72	
2. Interest Paid	4,990.87		3,610.70	
3. Year End Foreign Exchange Conversion (Net)	3,536.18		-	
4. Foreign Currency Translation Reserve	48.19		-	
5. Provision for Diminution in value of Investments	-	12,406.11	16.50	6,903.92
Less:				
1. Interest Received	984.74		305.27	
2. Dividend Received	3.21		9.01	
3. Profit on Sale of Fixed Assets (Net)	21.78		51.08	
4. Year End Foreign Exchange Conversion (Net)	-		81.03	
5. Profit on Sale of Investments (Net)	1.41	1,011.14	492.40	938.79
Operating profit before change in working capital		1,3059.81		15,070.21
Changes in Working Capital				
Add/(Less):				
1. Inventories	(3,557.69)		(7,972.02)	
2. Trade payable	2,737.71		4,612.31	
3. Trade receivables	3,764.58		(6,461.33)	
4. Loans and Advances	(3,381.75)	(437.15)	(1,149.17)	(10,970.21)
Cash generated from operation		12,622.66		4,100.00
Add/(Less):				
1. Advance Tax Paid Refundable		-		(675.00)
2. Income Tax (Net)		(313.25)		(326.62)
Cash flow before Non-Recurring Items		12,309.41		3,098.38
Add:				
1. Profit on sale of land		-		2,255.26
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)		12,309.41		5,353.64
B. CASH FLOW FROM INVESTING ACTIVITIES:				
1. Sale of Fixed Assets	25.19		190.12	
2. Sale of Investments (Net)	-		1,151.15	
3. Interest Received	766.64		426.31	
4. Dividend Received	3.21	795.04	9.01	1,776.59
Less:				
1. Purchase of Fixed Assets	6,172.09		6,658.34	
2. Purchase of Intangible Assets	-		17,631.65	
3. Purchase of Investments (Net)	178.15	6,350.24	-	24,289.99
NET CASH UTILISED IN INVESTING ACTIVITIES (B)		(5,555.20)		(22,513.40)

Cash Flow

CONSOLIDATED STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES

Contd.

(Rs. in Lacs)

For the Year ended 31st March	2009		2008	
C. CASH FLOW FROM FINANCIAL ACTIVITIES:				
Inflow:				
1. Proceeds from Borrowings (Net)	373.88		8,927.78	
2. Capital Subsidy Received	–	373.88	30.00	8,957.78
Outflow:				
Less:				
1. Proceeds of Shares Buy Back	396.76		–	
2. Interest paid	4,618.41		3,502.40	
3. Dividend Paid	2,047.63		1,365.35	
4. Corporate Dividend Tax Paid	352.96	7,415.76	235.30	5,103.05
NET CASH GENERATED IN FINANCIAL ACTIVITIES (C)		(7,041.88)		3,854.73
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(287.67)		(13,305.03)
Cash and Cash Equivalents as at 31/3/2008		1,865.64		15,170.67
Cash and Cash Equivalents as at 31/3/2009		1,577.97		1,865.64

As per our report of even date

For and on behalf of the Board of Directors

For **K.S. AIYAR & CO.**
Chartered Accountants**CHIRAYU R. AMIN**
Chairman & Managing Director**DR. B.R. PATEL**
Director**PRANAV N. PARIKH**
Director**PARESH SARAIYA**
Director**RAGHUVIR M. AIYAR**
Partner
Membership No.38128**K.G. RAMANATHAN**
Director**PRANAV AMIN**
Director**R.K. BAHETI**
Director, President - Finance
& Company Secretary

Mumbai: 8th May, 2009

Vadodara: 8th May, 2009



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