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KABRA DRUGS LIMITED

11TH ANNUAL REPORT 1999-2000



KABRA DRUGS LIMITED

BOARD OF DIRECTORS

- | | | |
|----|-------------|-----------------------------------|
| 1. | SHYAM KABRA | CHAIRMAN AND
MANAGING DIRECTOR |
| 2. | VASANT SHAH | DIRECTOR |
| 3. | C. S. RAVI | DIRECTOR |

AUDITORS

DHARMENDRA AGRAWAL & CO.
CHARTERED ACCOUNTS

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BANKERS

BANK OF BARODA
DENA BANK



REGD. OFFICE & WORKS

26, SECTOR "A" SANWER ROAD, INDUSTRIAL AREA
INDORE - 452 003 (MP)



LISTING

M.P. STOCK EXCHANGE, INDORE
MUMBAI STOCK EXCHANGE, MUMBAI

KABRA DRUGS LIMITED

DIRECTORS REPORT

To,
The Members,
Kabra Drugs Limited

Your Directors are presenting their Eleventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL PERFORMANCE

	31.03.2000	(Rs. in Lacs) 31.03.1999
Profit (Loss) before interest, Tax and depreciation	(94.46)	(115.41)
Depreciation	25.91	26.67
	(120.37)	(142.08)
Interest	112.53	164.96
Provision for Tax	-	0.30
For earlier		
Net Profit (Loss) after Tax	(232.90)	(307.34)
Add : Profit brought forward	(486.75)	(179.41)
From previous year		
Balance carried to Balance Sheet	(719.65)	(486.75)

COMPANY'S PERFORMANCE

The Company's overall performance for the year ended under review is not satisfactory. The turnover decreased to Rs. 93.45 Lacs against Rs. 131.69 Lacs representing a falldown over previous year and Reported a operational loss before interest & depreciation of Rs. 94.46 Lacs and a net loss of Rs. 232.90 Lacs.

DIVIDENDS

In view of losses directors are unable to recommended any dividend.

DIRECTORS

1. Shri Vasant Shah who is appointed during the year as Director of the company for filling casual vacancy create by resignation by Shri Ajay Namdeo will retire at the forthcoming Annual General Meeting and being eligible and offer himself for re-appointment.
2. Shri C.S. Ravi who is appointed during the year as Director of the company for filling casual vacancy create by death of Shri R.P. Sharma will retire at the forthcoming Annual General Meeting and being eligible offer and himself for re-appointment.

AUDITORS

M/S. Dharmendra Agrawal & Co., Chartered Accountants, retire as Auditors of the Company, at the end of this Annual General Meeting. And being eligible for re-appointment until the conclusion of next annual general meeting your directors recommended their appointment.

FIXED DEPOSITS

The Company did not accept any deposits from public during the year.

INDUSTRIAL RELATIONS

There were labor unrest during the year and due to this the performance of the company was badly affected. The Company continued to maintain harmonious and cordial relations with its workers in all its divisions, which enabled it to achieve higher performance levels on all fronts.

AUDITORS' OBSERVATIONS

The observations of Auditors as referred to in the Auditors Report are suitably explained in Notes to the Accounts.

PERSONNEL

During the year there was no employee drawing remuneration in excess of the ceilings provided under Section 217 (2-A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rule, 1975.

B.I.F.R.

The company had filed a reference U/s 15(1) of Sick Industrial Company Act 1985 to the of B.I.F.R. the declaring the company as Sick Industrial Company as per the provision of Section 3(1)(0) of the Sick Industrial Companies (Special Provision) Act, 1985 the said reference of the company has been rejected by the BIFR as non maintainable, against which company has preferred an Appeal before AAIFR. To set aside the order of BIFR.

LOSS BY FIRE

On 27.02.2000 fire occurred in the factory which resulted in loss of Rs. 17,81,532.00/-. The company has filed the necessary claim with insurance company.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988 with respect to these matters is appended hereto and forms part of this Report.

KABRA DRUGS LIMITED

ACKNOWLEDGMENTS

The Directors wish to thank the Government Authorities, Financial Institutions, Bankers, other Business Associates, and Shareholders for the cooperation and encouragement extended to the Company. The Directors also place on record their deep appreciation for the contributions made by the employees at all levels.

PLACE : INDORE

DATE : 2nd May' 2000

For and on behalf of the Board
SHYAM KABRA

CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE

Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988.

A. CONSERVATION OF ENERGY

- | | | |
|----|------------------------------------------------------------------------------------------------|-------------------------|
| a. | Energy conservation measures take. | |
| b. | Additional investments and proposals being implemented for reduction of consumption of energy. | |
| c. | Impact of above on energy consumption. | |
| d. | Total energy consumption | As per Form - A Annexed |

B. TECHNOLOGY ABSORPTION FORM "B"

Research and Development (R & D)

- | | | |
|----|-----------------------------------------------------------|---------------------------------|
| 1. | Specific areas in which R & D carried out by the company. | BIO PROJECT |
| 2. | Benefits derived as a results of above. TO BE RESULTS. | BENEFIT ARE YET |
| 3. | Future plan of action | CONTINUE THE PROJECT. |
| 4. | Expenditure on R & D | No separate accounting is done. |

Technology absorption, adaptation and innovation.
Efforts made towards technology absorption adaptation and innovation and benefits derived as a result thereof.

NIL

Information regarding imported Technology.

NIL

C. Foreign exchange earnings & outgo.

- | | | |
|----|----------------------------------------|-----|
| 1. | Export Activities. | NIL |
| 2. | Total foreign exchange earned & outgo. | NIL |
| a) | Earnings | NIL |
| b) | Outgo (Rs.) | NIL |

FORM - A

(See Rule 2)

Form for Disclosure of particulars with respect to conservation of Energy

(A) Power & Fuel Consumption.

(i)	Electricity	31.03.2000	31.03.99
		Year	Year
(a)	Purchased Units	1,50,498.00	1,48,172.00
	Total Amounts (Rs.)	7,83,618.00	7,11,634.00
	Rate/Unit. (Rs.)	5.21	4.80
(b)	Own Generation	NIL	NIL
(ii)	L.D.O.		
(a)	Quantity (in liters)	43,200	45400
	Amount (Rs.)	4,46,120.00	4,69,194.00
	Rate per unit (Rs.)	10.33	10.33

(B) Consumption per unit of production

Since the Company manufacture different types of Ether, derivatives and pharmaceutical Formulations, it is not practicable to give consumption per unit of production.

For and on behalf of the Board
SHYAM KABRA

PLACE : INDORE

DATE : 2nd May' 2000

CHAIRMAN AND MANAGING DIRECTOR

KABRA DRUGS LIMITED**AUDITOR'S REPORT**

To,
The Members,
Kabra Drugs Limited,
INDORE

We have audited the attached Balance Sheet of Kabra Drugs Limited, INDORE as at 31st March 2000 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto.

We report as follows :-

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, We annex hereto a statement on the matters specified in the order.
2. Further to our comments in the annexure referred to in paragraph (1) above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept so far as appears from our examination of the books.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to explanations given to us and on the basis of such other checks as we considered appropriate the said accounts read together with and subject to the notes thereon. [SCHEDULE "O"]
- Give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31st March, 2000.
 - ii) In the case of the Profit & Loss account, of the Loss of the company for the year ended on 31st March 2000.

PLACE : INDORE
DATE : 2nd May' 2000

for **DHARMENDRA AGRAWAL & CO.**
CHARTERED ACCOUNTANTS

ANNEXURE TO THE AUDITORS' REPORT

(**DHARMENDRA AGRAWAL**)
PROPRIETOR

(Referred to in paragraph (i) of our report of even date)

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the Management at reasonable intervals during the year and we are informed that no significant discrepancies have been noticed on such verification, as compared to records available.
2. None of the fixed assets have been re-valued during the year.
3. Physical verification has been conducted by the management of finished goods, raw materials and other stocks during the year at reasonable intervals.
4. In our opinion, the procedure of physical verification followed by the management in respect of goods and stocks are adequate and reasonable.
5. As informed to us, no material discrepancies were noticed on verification of stocks as compared to book records.
6. In our opinion and as evidenced by our examination of stock records and as per the information & explanation given to us, valuation of stocks is fair and proper in accordance with normally accepted accounting principles and on the same basis as following in preceding year. We have however not verified the stocks at the year end.
7. The company has not taken any loans and advances from parties noted in the register maintained under section 301 and 370 (1C) of the Companies Act, 1956.
8. The company has not given any loans and advances to parties noted in the register maintained under section 301 and 370 (1C) of the Companies Act, 1956, which is not prejudice to the interest of the company.
9. No other loan or advance in the nature of loan has been given by the company, except temporary business advances which are being adjusted regularly.
10. In our opinion and as per the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of goods, stocks, equipments, plant and machinery and other assets and for sale of goods.
11. In our opinion and according to the information and explanations given to us, there are no purchases during the year of stores, raw materials or components for a value aggregating to Rs. 50,000 or more, in pursuance of a contract from the parties entered in the register maintained under section 301 of the Companies Act 1956.
12. As informed to us, the Company has a proper procedure of ascertainment and accounting of unserviceable or damaged stores, raw materials and finished goods.
13. We have been informed that the Company has complied with the provisions of section 58-A of the Companies Act, 1956 and the relevant rules.
14. There is no salable by-product or scrap of major value.
15. The Company has internal audit system commensurate to its business.
16. As explained to us, the maintenance of cost accounting records as a system is in the stage of implementation though the cost and other data are calculated on similar methodology.
17. It was informed to us that the Provident fund and ESI dues have been regularly deposited during the year and there is no arrear at the year end.
18. As informed to us and as per the records shown, no undisputed amounts in respect of Sales Tax, Wealth Tax and customs duty, were payables as on Balance Sheet date for a period of more than six months from the date they became payable.
19. We are informed that no personal expenses have been charged to revenue account.
20. The Company is a Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985. We have informed that the company had filed reference U/s 15(1) of SICA however the same has been struck down by the Board as non maintainable.
21. In the case of trading activities of the company, further report that there were no damaged goods therein.

PLACE : INDORE
DATE : 2nd May' 2000

for **DHARMENDRA AGRAWAL & CO.**
CHARTERED ACCOUNTANTS

(**DHARMENDRA AGRAWAL**)
PROPRIETOR