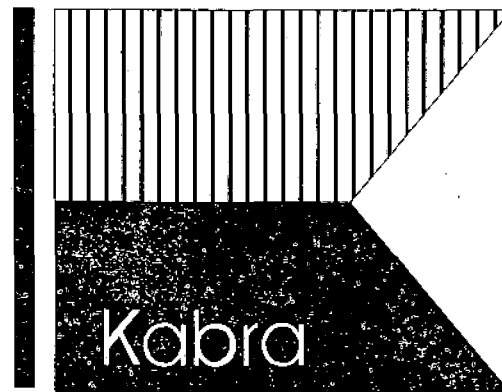




**KABRA DRUGS LIMITED**



◆ 19TH ANNUAL REPORT 2007-2008 ◆

**OF**

**KABRA DRUGS LIMITED**

**26, Sector A Sanwer Road , Industrial Area, Indore ( M.P.)**

**Phone no.0731-2722756,2721305 Fax 2722756**



## KABRA DRUGS LIMITED

### BOARD OF DIRECTORS

- |                           |                                   |
|---------------------------|-----------------------------------|
| 1. Shri Shyam Kabra       | Chairman and<br>Managing Director |
| 2. Shri Rajendra Bordia   | Director                          |
| 3. Shri Mahendra Mandloi  | Director                          |
| 4. Shri Madhusudan Sharma | Director                          |

### ◆ Auditors ◆

M/s. Agrawal Jhavar Associates  
Chartered Accounts

Report Junction.com

### ◆ BANKERS ◆

**Bank of Baroda**

### ◆ REGD OFFICE & WORKS ◆

26, Sector "A" Sanwer Road, Industrial Area,  
INDORE 452 003

### ◆ LISTING ◆

Mumbai Stock Exchange , Mumbai  
Madhya Pradesh Stock Exchange, Indore



## KABRA DRUGS LIMITED

### REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March 2008:

### **FINANCIAL RESULTS**

(Rs. in Lacs)

Particulars	2007-2008	2006-2007
Sales & Other Income	204.04	127.50
Total Expenditure	158.43	116.51
Profit (loss) before depreciation, and tax	45.61	10.99
Less: Depreciation	39.00	26.06
Provision for Income Tax	--	--
Provision for FBD	(0.081)	
Profit (Loss) after depreciation & tax	6.53	(15.17)

### DIVIDEND

The Board of Directors to conserve the resources of the Company and to maintain the liquidity has decided not to declare dividend on Equity Shares for the year ended 31<sup>st</sup> March 2008.

### PERFORMANCE

#### **Company's Overall Performance**

During the year under review, your Company has received income from operations amounting to Rs.204.04 Lacs as compared to Rs.127.50 Lacs. Your Company has earned profit of Rs.6.53 lacs as compared to loss of Rs.15.17 Lacs in the previous year.

### FIXED DEPOSIT

Your Company has not accepted any public deposit under Section 58A of the Companies Act, 1956 during the year.

### DIRECTORS

- (1) In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajendra Bordia will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.
- (2) In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shashi Bapat will retire by rotation at the ensuing Annual General Meeting.
- (3) To appoint Shri madhusudan Sharma as director of the company who will liable to retire by rotation



## KABRA DRUGS LIMITED

### **AUDITORS**

Messrs Agrawal Jhavar Associates, Chartered Accountants, Indore, will retire at the conclusion of the ensuing Annual General Meeting. The Board proposes their re-appointment as Statutory Auditor to audit the accounts of the Company for the year 2008-09. You are requested to consider their re-appointment.

### **AUDITORS REPORT**

The Notes to the Accounts, referred to in the Auditor's Report, are self-explanatory and therefore, do not call for any further comments or explanations.

### **CORPORATE GOVERNANCE**

Your Company has complied with the requirements of corporate governance as per clause 49 of the Listing Agreements with Stock Exchanges. A detailed report on Corporate Governance is annexed to this Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance has been obtained and is enclosed with this Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that-

- (i) In the preparation of Annual Accounts, the applicable accounting standards have been followed;
- (ii) The Directors have selected such accounting policies as mentioned in Schedule K of the Annual Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on the going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE AND OUTGO**

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in annexure 'A' forming part of this report. The energy conservation measures implemented during the year include installation of fan-less cooling towers, energy efficient pumps.

### **PARTICULARS OF EMPLOYEES**



## KABRA DRUGS LIMITED

The particulars prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 are not applicable in the case of any of the employees of the Company.

### INDUSTRIAL RELATIONS

Relation between the Management and its employees have been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels.

### ACKNOWLEDGEMENT

The Directors wish to convey their appreciation for the co-operation received from Your Company's bankers and various Government agencies. The Directors also wish to thank the Shareholders, Employees, Customers and Suppliers for their support and co-operation.

**For and on behalf of the Board of Directors**

Indore, 27 <sup>th</sup> August, 2008	Shyam Kabra Chairman cum Managing Director
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## KABRA DRUGS LIMITED

### ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

#### I Company's Philosophy

Your Company's Philosophy on code of Corporate Governance is based on attainment of high level of transparency, accountability, and adequate disclosures and economic value addition. All employees are guided by the Company's policies on important issues, including our relationship with consumers, stakeholders and Government.

#### II Board of Directors

As per Listing Agreement, the Board should have an optimum combination of executive and non-executive Directors with not less than 50% of the Board consisting of non-executive Directors. In case of a non-executive Chairman, at least one-third of the Board should consist of Independent Directors and in the case of an executive Chairman at least half of the Board should be Independent Directors.

The Board of Directors of company has a mix of Executive and Non Executive Directors. The Chairman of the Board of your Company is an Executive director. The Board of Directors of the Company consists of 4 Directors, of which 2 are non-executive as on 31<sup>st</sup> March 2008. During the year, 7 Meetings of the Board of Directors of the Company were held on 28.04.2007, 27.06.2007, 29.07.2007, 01.10.2007, 28.10.2007, 28.01.2008 and 31.03.2008. The maximum gap between any two meetings did not exceed four months.

The particulars of the Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also the number of other directorships and committee memberships as on date are as follows.

Name of Director	Category	No. of Board Meetings attended	Attend-ance in last AGM	No. of other Direc torship	Committee Membership	
					Chai rman	Mem ber
Mr. Shyam Kabra	Promoter -Executive Director	7	Yes	-	1	1
Mr. Madhusudan Sharma	Independent	7	Yes	-	1	2
Mr. Rajendra Boardia	Independent	7	Yes	-	1	1
Mr. Mahendra Mandloi	Independent	7	Yes	-	-	2



## KABRA DRUGS LIMITED

### III Audit Committee

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensuring accurate and proper disclosure and the transparency, and quality of financial reporting. The committee also reviews the financial and risk management policies, and the adequacy of internal control systems of the Company, and meets Statutory Auditors periodically.

Your Company has an Audit Committee consisting of three Independent Directors as its members, and the Audit Committee Meetings were held on 28.04.2007, 29.07.2007, 28.10.2007, and 28.01.2008. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Madhusudan Sharma	4	4
Mr. Rajendra Boardia	4	4
Mr. Mahendra Mandloi	4	4

### IV Remuneration Committee

The Remuneration Committee has approved the terms of remuneration of the Whole Time Directors. The Committee had meet on the 29<sup>TH</sup> day of April 2007, during the year 2007-2008. The composition of the remuneration committee is as follows:

Mr. Shyam Kabra, Mr. Rajendra Boardia and Mr. Mahendra Mandloi.

### V Shareholders and Investor's Grievance Committee

The Board has constituted the shareholders and Investors Grievance Committee during the year to look into the redress of investors' complaints. There were no complaints pending for reply as on 31<sup>st</sup> March 2008 and no share transfers pending for registration as on the said date.

### VI General Body Meetings

The details of Annual General Meetings held in last 3 years are as under:

Year	Venue	Date	Time
2004-2005	26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003	30.09.2005	10.00 A.M.
2005-2006	26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003	30.09.2006	10.00 A.M.
2006-2007	26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003	29.09.2007	02.00 P.M.



## KABRA DRUGS LIMITED

### VII Disclosure

- i) During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related parties' transaction viz., Promoters, Directors or the Management, their subsidiaries or relatives that had a potential conflict with the interest of the Company at large.
- ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review.

### VIII Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after the Board has approved them. These are widely published in national and regional newspapers.

### IX General Shareholders Information

#### Annual General Meeting

Date 29.09.2008

Time: 02.00 P.M.

Venue: 26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003

#### Date of Book Closure

The Register of Members and Share Transfer Register of the Company will remain close from Thursday, 27<sup>th</sup> September 2008 to Saturday 29<sup>th</sup> September, 2008 (both days inclusive).

#### Financial Calendar 2007-2008

1	First Quarter Results	JULY 07
2	Second Quarter & Half Yearly Results	OCT 07
3	Third Quarter Results	JAN 08
4	Annual Report	June, 2008

#### Listing of Securities

##### Name of the Stock Exchanges

The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Stock Code 532005	The Madhya Pradesh Stock Exchanges 2 <sup>nd</sup> Floor, Palika Plaza M.T.H. Compound Indore 452001
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## KABRA DRUGS LIMITED

Your Company confirms that it has paid annual listing fees to the Stock Exchanges Mumbai and M.P. Stock Exchange Indore for the year 2008-09 and as such there are no arrears.

### Market Price Data

The Company's Equity Shares are not traded in the Stock Exchanges due to suspension of trading. Therefore High/low of market price of the Company's equity shares not available.

### Registrar & Transfer Agent

As per the directives of SEBI, the Company has appointed M/s. M/s. Ankit Consultancy Pvt. Ltd., 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Square, A.B. Road, Indore 452 001 as its registrar and Share Transfer Agent and all the Share transfer and the relating queries may please be forwarded to the Share Transfer Agent directly at their address.

### Share Transfer Systems

Shares received for transfer in physical form are registered and dispatched within thirty days of receipt of the documents. If shares are under objection then the same are returned within fifteen days. Request for dematerialization of shares are processed within fifteen days.

### Distribution of Shareholding

Distribution of Shareholding as on 31<sup>st</sup> March 2008, is as under:

Shareholding of nominal value of Rs. Rs.	No. of Shareholders	% of Share holders	No. of Ordinary shares	% of share holding
Up to 1000	7581	93.12		
1001 - 2000	453	5.56		
2001 - 3000	44	0.54		
3001 - 4000	18	0.22		
4001 - 5000	13	0.16		
5001 - 10000	18	0.22		
10001 - 20000	7	0.09		
20001 - 30000	1	0.01		
30001 - 40000	0	0.00		
40001 - 50000	0	0.00		
50001 - 100000	1	0.01		
100001 & above	5	0.06		
Total	8141	100		



## KABRA DRUGS LIMITED

The Shareholding Pattern as on 31<sup>st</sup> March 2008 is given below:

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	1282800	29.23
2	Private Corporate Bodies	1400	0.03
3	Indian Public	3104400	70.74
	Total	4388600	100.00

### Dematerialization of Shares and Liquidity

As on 31<sup>st</sup> March 2008, and all the Equity were in physical form.

### Address for Correspondence

Shareholders may address their communications to.

Mr. Arvind Poal,  
Compliance Officer,  
Kabra Drugs Limited,  
26, Sector "A" Sanwer Road,  
Industrial Area,  
Indore 452 003