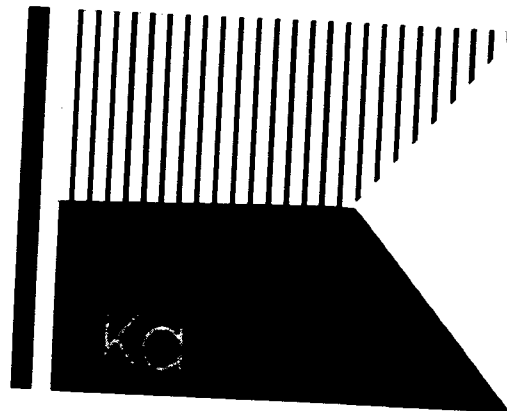




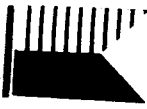
KABRA DRUGS LIMITED



◆ 21TH ANNUAL REPORT 2009-2010 ◆

OF

KABRA DRUGS LIMITED



KABRA DRUGS LIMITED

BOARD OF DIRECTORS

1. Shri Shyam Kabra	Chairman and Managing Director
2. Shri Madhusudan Sharma	Director
3. Shri Rajendra Boardia	Director
4. Shri Mahendra Mandloi	Director

◆ AUDITORS ◆

M/s. Agrawal Jhavar Associates
Chartered Accounts

* BANKERS * BANK OF INDIA

◆ REGD OFFICE & WORKS ◆

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

◆ LISTING ◆

Bombay Stock Exchange Limited, Mumbai
Madhya Pradesh Stock Exchange, Indore



KABRA DRUGS LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of Kabra Drugs Limited, will be held at the 26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003 on Thursday, the 30th September, 2010 at 2:00 P.M., to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010 and Profit & Loss Account of the Company for the year ended on that date, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Madhusudan Sharma, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint M/s Agrawal Jhavar Associates, Chartered Accountants, Indore as Auditors of the Company and to fix their remuneration.

Indore, 24.05.2010

By Order of the Board


Shyam Kabra
Chairman cum Managing Director




KABRA DRUGS LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS MEETING.
2. The Register of Members and Share Transfer Register of the Company will remain close from Thursday, 23rd September 2010 to Thursday 30th September, 2010 (both days inclusive).
3. Shareholders desiring any information as regards the accounts, are requested to write to the Company at least 10 days before the annual General Meeting to enable the Management to keep the information ready.
4. Members are requested to kindly bring their copies of the Annual Report at the Annual General Meeting.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. All documents relevant to the business to be transacted at this meeting will be available for inspection at the Registered Office of the Company during office hours on all the working days prior to the Annual General Meeting.

Indore,
Date 24.05.2010

By Order of the Board

Shyam Kabra
Chairman cum Managing Director



KABRA DRUGS LIMITED

Details of Directors seeking appointment /re appointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Madhusudan Sharma
Date of Birth	4 th October 1950
Date of Appointment	
Expertise in specific functional area.	
Qualification	
List of outside Directorship held	Nil
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee - Member Remuneration Committee - Member

Done



KABRA DRUGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 21th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2010:

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Sales & Other Income		
Total Expenditure	371.47	244.06
Profit (loss) before depreciation, and tax	319.05	192.88
Less: Depreciation	52.42	51.18
Provision for Income Tax	35.20	38.72
Provision for FBT	-(1.09)	(1.19)
Profit (Loss) after depreciation & tax	16.13	(0.15)
		11.19

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 31st March 2010.

PERFORMANCE

Company's Overall Performance

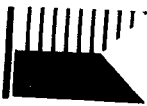
During the year under review, your Company has received income from operations amounting to Rs.371.47 Lacs as compared to Rs.244.06 Lacs. Your Company has earned profit of Rs.16.13 lacs as compared to Profit /loss of Rs 11.19 Lacs in the previous year.

FIXED DEPOSIT

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

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Madhusudan Sharma, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.



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 2010-11. 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.



KABRA DRUGS LIMITED

PARTICULARS OF EMPLOYEES

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

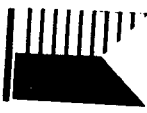
The Directors wish to convey their appreciation for the co-operation received from Your Company's bankers and various Government agencies. The Directors also wish to thank the Shareholders, Employees, Customers and Suppliers for their support and co-operation.

For and on behalf of the Board of Directors

Shyam Kabra
Chairman cum Managing Director

Indore

Date - 24.05.2010



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 31st March 2010. During the year, 5 Meetings of the Board of Directors of the Company were held on 30.04.2009, 31.07.2009, 27.08.2009, 16.10.2009 and 30.01.2010. 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-torshi-p	Committee Membershi-p	
					Chai-rman	Me-mbe-r
Mr. Shyam Kabra	Promoter – Executive Director	5	Yes	-	-	-
Mr. Madhusudan Sharma	Independent	5	Yes	-	1	2
Mr. Rajendra Boardia	Independent	5	Yes	-	1	2
Mr. Mahendra Mandloi	Independent	5	Yes	-	1	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 30.04.2009, 31.07.2009, 16.10.2009, and 31.01.2010. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Rajendra Boardia	4	4
Mr. Mahendra Mandloi	4	4
Mr. Madhusudan Sharma	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 30TH day of April 2009, during the year 2009-2010. The composition of the remuneration committee is as follows:

Mr. Madhusudhan Sharma, 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 31st March 2010 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
2006-2007	26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003	29.09.2007	10.00 A.M.
2007-2008	26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003	29.09.2008	02.00 P.M.
2008-2009	26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003	30.09.2009	02.00 P.M.

