



KABRA DRUGS LIMITED



◆ 22ND ANNUAL REPORT 2010-2011 ◆

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 22ND 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 Friday, the 30th September, 2011 at 2:00 P.M., to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011 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. Rajendra Bordia, 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.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the re-appointment of Shri Shyam Kabra as Managing Director of the company to hold office of Managing Director for a period of Five year from 1st October, 2011 to 30th September, 2016 on a monthly remuneration of Rs.50, 000/- (Rupees Fifty Thousand) P.M..

Resolved further that the company hereby approves increase in remuneration mentioned above payable to Mr. Shyam Kabra up to 40% per annum, as may be decided by the Board from time to time, plus perks as set out in the explanatory statement to this resolution.

RESOLVED FURTHER THAT Mr. Rajendra Bordia, Director of the Company be and is hereby authorised to do all the necessary acts, deeds, matters, formalities and such other things as may be considered necessary, expedient, usual, incidental or proper to give effect to the above resolution."

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force), the Company in general meeting hereby accords its consent to the holding of office or place of profit as a member of management team by Mrs. Kusum Kabra, a relative of Mr. Shyam Kabra, Managing Director of the Company, with effect from 1st April 2011 on a monthly salary of Rs.50,000 (inclusive of all allowances and perquisites).

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be and in the manner required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any Director or to any Officer to give effect to the resolution hereof."

By Order of the Board

Indore, 31.07.2011

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 Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is annexed hereunder and forms part of the Notice.
3. The Register of Members and Share Transfer Register of the Company will remain close from Friday, 23rd September 2011 to Friday 30th September, 2011 (both days inclusive).
4. 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.
5. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
6. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
7. Members are requested to quote their folio number in all correspondence.
8. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
9. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

By Order of the Board

Indore,
Date 31.07.2011

Shyam Kabra
Chairman cum Managing Director



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.4: Ordinary Resolution

The Board of Directors of the Company at its Meeting held on 31.7.2011 has re-appointed Mr. Shyam Kabra as a Managing Director for a period of Five years with effect from October 1, 2011. The said re-appointment is subject to the approval of the shareholders in general meeting.

The terms of reappointment and remuneration of Mr. Shyam Kabra, inter alia, contain the following principal terms and conditions:

1. **PERIOD:**
Five years (from 1st October, 2011 to 30th September, 2016)
2. **SALARY:**
Rs.50, 000/- (Rupees Fifty Thousand) per month with an increment up to 40% per annum, as may be decided by the Board from time to time.
3. **PROVIDENT FUND CONTRIBUTION:**
The Company's contribution to the provident fund will be in accordance with its rules and regulations.
4. **PERQUISITES:**
Perquisites will be allowed in addition to salary, the perquisites shall be valued as per Income Tax Rules, 1962. However the amount of perquisites shall be restricted to annual salary. For this purpose, perquisites will be as follows:-

Unfurnished Residential Accommodation:

Rent-free unfurnished accommodation

Free Gas Electricity and Water

Will be provided with Gas, Electricity and water.

Domestic Servants:

The following domestic servants shall be provided:

- Two Watchman
- Two Sweepers
- One Cook
- One Assistant Cook

Medical Reimbursement:

Actual expenses incurred on Medical Treatment for self and family.

Leave Travel Concession:

For self and family once in a year



KABRA DRUGS LIMITED

Club Fees:

Fees of clubs subject to a maximum of two clubs excluding admission and life membership fee.

Personal Accident Insurance:

For an amount, the annual premium of which does not exceed Rs. 5000/-.

5. **GRATUITY:**

Gratuity at the rate not exceeding half a month's salary for each completed year of service.

Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals, being obtained.

The Board of Directors recommends the resolutions for your approval.

None of the Directors except Mr. Shyam Kabra is interested or concerned in this resolution.

Item No.5: Special Resolution

Mrs. Kusum Kabra is the wife of Mr. Shyam Kabra, Managing Director. She holds a B.Com. Degree from Davi Ahilya vishvavidhyalay Indore and has completed MCOM in Accounting and Finance from The D.A.V.V.

Subject to approval of the shareholders by way of special resolution at the ensuing Annual General Meeting, she has been appointed by the Board of Directors of the Company to hold an office or place of profit as a member of management team with effect from 1st April 2011 on a monthly salary of Rs.50,000 (inclusive of all allowances and perquisites).

As per the provisions of section 314 of the Companies Act, 1956 read with those under Director's Relative (Office or Place of Profit) Rules, 2011, holding of office or place of profit subject to the payment of remuneration as aforesaid requires consent of the shareholders by way of special resolution as envisaged in section 314 of the Companies Act, 1956 and the Rules thereunder.

Except for Mr. Shyam Kabra, none of the other Directors of the Company are concerned or interested in the resolution.



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. Rajendra Bordia
Date of Birth	22 nd October 1964
Date of Appointment	27 th June 2006
Expertise in specific functional area.	Production and Technical
Qualification	M. Sc.
List of outside Directorship held in Limited Companies	Nil
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee - Member Remuneration Committee – Member Shareholder Committee – Chairman



KABRA DRUGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 22nd Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2011:

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	<u>2010-2011</u>	<u>2009-2010</u>
Sales & Other Income	574.46	371.47
Total Expenditure	520.49	319.05
Profit (loss) before depreciation, and tax	53.97	52.42
<u>Less: Depreciation</u>	35.02	35.20
Provision for Income Tax	-(4.36)	-(1.09)
Provision for FBT		
Profit (Loss) after depreciation & tax	14.59	16.13

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 2011.

BUSINESS REVIEW

Year under review proved to be turn around for the company in terms of Sales target of the Company. The revenue realization was Rs. 574.46 Lacs as compare to previous Year of Rs. 371.47 Lacs. The Company has earned net Profit for the year Rs. 14.59 Lacs as compare to previous year figure of Rs. 16.13 Lacs. Company has reported excellent sale during the year under review and accepted new challenges of new economic reforms and Global Markets.

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. Rajenrdra Bordia, 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 2011-12. 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management discussion and Analysis Report have been attached and forms part the Directors Report.

LISTING AGREEMENTS REQUIRMENTS:

The securities of your company are listed at, Mumbai Stock Exchange, Mumbai. trading in company's securities remain suspended at Stock Exchange for various reasons including non-submission of documents and all possible steps are being taken by the management to get shares traded at the floor of the Exchange.

BUY-BACK OF SHARES

There was no buy-back of shares during the year under review.

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 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.



KABRA DRUGS LIMITED

INSURANCE

The assets of the Company are adequately insured against the loss of fire, natural calamities and such other risk considered by management of the Company.

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

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

Relations 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
Date – 31.07.2011

Shyam Kabra
Chairman cum Managing Director