

11th ANNUAL REPORT

1998 - 1999



KAMRON

LABORATORIES LIMITED

BOARD OF DIRECTORS

Shri Kamlesh J. Laskari	-	Chairman & Managing Director
Smt Ranak K. Laskari	-	Director
Shri Bharat U. Patel	-	Director
Shri H.L.Khar	-	GLIC Nominee
Dr. Mahendra P. Shah	-	Director
Dr. S.L.Chopra	-	Director

COMPANY SECRETARY

~~Mr.~~ Gopal Thaker

AUDITORS

M/s. Deepak Soni & Associates
Chartered Accountants
Ahmedabad - 380 006.

BANKERS

Bank of Baroda
Delhi Chakla Branch,
Ahmedabad - 380 001

REGISTERED OFFICE & FACTORY

737, RAKANPUR VILLAGE,
SOLA-SANTEJ ROAD. TA. KALOL (N.G.),
DIST. MEHSANA, NORTH GUJARAT - 382 721.

11th Annual General Meeting

Date : 29th September, 1999
Day : Wednesday
Time : 11-00 A.M.
Venue : 737, Rakanpur Village,
Sola-Santej Road,
Ta. Kalol (N.G.)
Dist. Mehsana
North Gujarat-382 721

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Members are requested to send all correspondence pertaining to shares to the registered office of the Company only.

KAMRON LABORATORIES LIMITED**NOTICE**

NOTICE is hereby given that the 11th Annual General Meeting of the members of KAMRON LABORATORIES LIMITED will be held at the Registered Office at 737, Rakanpur Village, Sola Santej Road, Ta. Kalol, Dist. Mehsana (North Gujarat) 382 721 on Wednesday 29th September 1999 at 11.00 a.m. to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1999 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To declare the dividend on preference shares
3. To appoint a director in place of Shri Bharat U. Patel who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Smt. Ranak K Laskari who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/S Deepak Soni & Associates, Chartered Accountants, as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

6. SPECIAL BUSINESS :

RE-APPOINTMENT OF MR. KAMLESH LASKARI AS A MANAGING DIRECTOR :

To consider and if thought fit, to pass with or without modification(s), the following resolution as an

Ordinary Resolution :

"RESOLVED THAT pursuant to the provision of Section 198, 269, 309, 310, 311 and other applicable provision if any of the companies act 1956 the company hereby approves the re-appointment of Mr. Kamlesh J. Laskari as Managing Director of the company for the period of Five years with effect from 1st Oct 1999. on the terms and conditions including the remuneration as set out in the draft of agreement to be entered in to by the company with him and submitted to the meeting duly initialed by the Director

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary and/or alter and/or modify the terms and conditions of the agreement including remuneration, commission and perquisites payable to Mr. Kamlesh J. Laskari in accordance with the changes that

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may be effected in schedule XIII of the companies act 1956. and/or any comments and/or modification that may be made by the central government in that behalf from time to time without any further reference to the company in General Meeting.

07. SPECIAL RESOLUTION :

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

"RESOLVED THAT pursuant to Sections 80,81 and other applicable provision, if any, of the Companies Act, 1956 (including amendments to or re-enactments thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into by the company with the stock exchanges and subject to approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and alterations as may be prescribed by them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the company (hereinafter referred to as "The Board") thinks fit in the interest of the company, the Board be and is hereby authorised to issue, offer, and allot redeemable cumulative preference shares of the face value Rs.10 each of an aggregate value up to Rs.5,00,000/- (Rs. Five Lac Only.) at such rate of dividend, premium, if any, as may be determined by the Board in one or more private offerings including private placements, in Indian market(s) to investors (whether financial institutions, banks, mutual funds, companies and/or any other body corporate, trust, local bodies and/or any other person) and whether or not such investors are members of the company, on such terms and conditions and in such tranches as may be decided by the Board in its absolute discretion."

"RESOLVED FURTHER that without prejudice to the generality of the above, the Board be and is hereby authorised to determine as to when the said preference shares are to be issued, the type or types of the preference share to be issued, the class or classes of the investors to whom such preference shares are to be offered, the number and the value of the preference shares to be issued in each tranches, including but not limited to terms relating to dividend, premium or redemption or early redemption at the option of the company and/ or the investors, terms for accumulation of dividends and all such terms as are provided in offering of like nature."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is authorised to do all such acts, deeds, matters, and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay any fees and commissions and incur expenses in relation thereto."

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"RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the preference shares and utilisation of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval there to expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the power herein conferred to any committee of directors or managing or whole time director(s) or any officer(s) of the company to give effect to the aforesaid resolution."

By order of the Board
Gopal Thaker
 Company Secretary

Ahmedabad

25 th August 1999

Registered Office:

737.Rakanpur Village, Sola Santej Road,
 Ta. Kaiol, Dist. Mehsana, (North Gujarat) 382 721

NOTES :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy, in order to be effective, must be lodged with the Company at its Registered Office not later than forty eight hours before the commencement of the Annual General Meeting.
2. Register of the members and share transfer books of the Company will remain closed from 27th September 1999 to 10th October 1999.both day inclusive.
3. The dividend on the preference shares, when approved, will be made payable to those members whose names appear on the Register of the Members on 27th September 1999.
4. Members are requested to intimate the change in their address, if any, to the Company immediately.

By order of the Board
Gopal Thaker
 Company Secretary

25th August 1999
 Ahmedabad

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ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the companies Act 1956. In conformity with the provisions of Section 173 of the companies Act, 1956, the following Explanatory statement sets out all the material facts relating to the Special business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No .6

The Board of Directors had approved the re-appointment of Mr. Kamlesh Laskari, Managing Director of the Company for a further period of five years w.e.f. 1st Oct 1994. His present terms of appointment expires on 30th Sep 1999. The Board of directors at their meeting held on 25th Aug 1999 has re-appointed him as a Managing Director of the company for a further period of five years w.e.f. 1st Oct 1999 subject to obtaining the requisite approval of the members of the company at the ensuing Annual General Meeting. The material provisions of the Agreement to be entered into with Mr. Kamlesh Laskari for his re-appointment referred to are as under:

Salary :

Rs. 20,000/- per month which may be varied by the board of Directors , but not to exceed Rs.50,000/-per month

Commission :

At a rate not exceeding 1% of the net profit of the Company in addition to Salary and perquisites, the actual amount to be determined by the Board of Directors or a committee thereof for each Financial Year.

Perquisites :

Accommodation (furnished or otherwise) or house rent allowance in lieu thereof ; reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water , furnishings and repair of the house ; medical reimbursement, medical insurance and leave travel concession, for himself and his family; personal accident insurance , club fees etc. in accordance with the rules of the company or as may be agreed to by the Board of Directors and the Managing Director , such perquisites and allowances presently to be restricted to maximum of annual salary.

"Family" in relation to the Managing Director means :

- (i) The spouse and children of the individual ; and
- (ii) The parents, brothers and sister of the individual or any of them, wholly or mainly dependent on the individual.

for the purpose of calculating the above ceiling, perquisites shall be evaluated as per income tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual costs.

Provisions of car for use on the company's business and telephone at the Managing Directors residence will not be considered perquisites.

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The Managing Director shall also be eligible for the following perquisites, which shall not be included in computation of ceiling on the Managing Director's remuneration as aforesaid.

- (a) The company's contribution to Provident fund and Superannuation or Annuity fund, to the extent these either singly or together are not taxable under the income Tax act 1961.
- (b) Gratuity payable to the Managing Director as per the Rules of the Company.
- (c) Encashment of leave at the end of the Managing Director tenure.

Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the tenure of the managing director, the salary and perquisites payable to Mr. Kamlesh Laskari Managing Director shall not be reduced, but at all times shall be subject to the provisions as regards minimum remuneration, notified by the Central Government and any amendments thereto.

The draft agreement between the company and Mr. Kamlesh Laskari Managing Director is available for inspection by the members of the company at the Registered office of the company between 10.00 a.m. and 12.00 noon on any working day upto the date of the Annual General Meeting.

This may also be treated as an abstract of the draft agreements to be entered into between Mr. Kamlesh Laskari and the Company Pursuant to section 302 of the Companies Act, 1956.

Mr. Kamlesh Laskari is concerned or interested in the Resolution. Smt Ranak K. Laskari and Mr. Bharat. U Patel being relatives, deem to be concerned or interested. No other Directors are concerned or interested in the Resolution.

The Directors recommend Resolution set out in item no 6 of the notice for the approval of members

Item No 7

It is proposed to raise further capital by issue of preference shares to maintain the continuity of the capital structure of the company. The detailed terms and conditions of the issue will be determined by the Board of Directors depending upon the nature of the needs and the prevailing market conditions. In terms of proposed resolution, approval is being sought to empower the Board to issue and allot preference share to investors who may not be members of the company. The consent of the Members in the General Meeting would therefore, be necessary pursuant to section 80 and 81 of the Companies Act, 1956 and the listing agreement with the stock exchanges.

The Board of Directors recommend the resolution for your approval. None of the directors of the Company is in any way interested in the said resolution.

By order of the Board
Gopal Thaker
 Company secretary

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To,
The Members,
KAMRON LABORATORIES LIMITED,

Your Directors hereby presents their ELEVENTH Annual Report with audited accounts of the Company for the year ended 31st March' 1999.

1. FINANCIAL RESULTS :

	Current Year (1998-99)	Previous Year (1997-98)
Profit before interest, amortization of expenses, depreciation and tax	5127471	4524287
Less : Interest	3004730	2488839
Profit after interest but before amortization of expenses and depreciation	2122741	2035448
Less : a) Amortization of expenses of Public issue	843990	843990
b) Amortization of preliminary expenses	13341	13341
Less : Depreciation	1148892	1156181
Profit before tax	116518	21936
Less : Appropriations :		
(a) Transfer to general reserve	5000	1000
(b) Proposed dividend @ 11% on 180 Cumulative Redeemable Preference Shares	106	198
(c) Tax on distributed Profits	12	20
Profit for the year	111400	20718
Credit/(Debit) balance of previous year	800357	779639
Balance carried to Balance Sheet	911757	800357

2. DIVIDEND :

Your Directors are pleased to recommend dividend @ 11% on cumulative-preference shares of the Company. for pro-rata period from 1/4/98 till the date of redemption of preference share . However due to inadequate profits your directors do not recommend any dividend to equity share holders. It

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will be beneficial to the share holders to strengthen company's future plans by retaining the profits for internal requirements of R & D expansion and infrastructural support for growth plans .

3. REVIEW OF OPERATIONS :

The over all economic scenario during the year continued to remain depressed .This sentiments also remained low through out the year in view of the uncertain political scenario. This subdued economic scenario for the second successive year is reflected in the sales and income from operation being higher by Rs.503.82 Lacs as compare to Previous year Rs. 421.43 Lacs . However your company's management has continued to rationalise its product lines and concentrate on production of more value added products.

4. EXPORTS :

Your company has augmented its export performance in the second successive year by exploring new export market and by appointing new agents. Our export sales registered an increase of Rs. 112.41 Lacs as compare to Rs.6.76 Lacs .

5. FUTURE OUT LOOKS :

The worst seems to be over recent economic data shows that the economy is picking up despite uncertain political scenario. Historically low inflation rate and continued investments by foreign institutions in the share market would add greater impetus to the revival .The need of the hour is to consolidate . Your company continues to emphasis on dynamic adaptation to change through prompt and strategic positioning , repositioning of products and services to meet the consumers needs.

6. INSURANCE :

All the properties of the Company's including Factory building plant and machinery stocks are adequately insured.

7. AUDITORS :

M/S Deepak Soni & Associates, Chartered Accountants Ahmedabad retires but as they are eligible for reappointment , your Directors recommended that they be reappointed as Auditors of the Company as per subsection 224 (1B) of the companies ACT, 1956.

8. PARTICULARS OF EMPLOYEES :

Information as required by the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) Rules, 1975, : NIL as there is no employee drawing salary in excess of prescribed limits.

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9. DISCLOSURE UNDER SECTION 217(I) (e) READ WITH (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 :

The Statement pursuant to Section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) rules, 1988 is attached as part of this report as annexure A.

10. PRODUCTION PLANTS, SAFETY AND ENVIRONMENT :

The Company's plant is non-hazardous and non-polluting. The Company has planted several trees to improve the green environment.

11. DIRECTORS :

During the year Shri Ketan Naik has resigned due to personal reasons. The Board sincerely expresses its gratitude for the guidance and directions provided during the year.

In accordance with the requirement of Companies Act 1956 Shri. Bharat U. Patel and Smt. Ranak K Laskari Director of the Company retires by rotation at the ensuing AGM and being eligible offer themselves for reappointment.

12. DEPOSITS :

Your company has not invited or accepted any deposits from share holders and during the year within the meaning of section 58 A of the Companies Act 1956.

13. Y2K COMPLIANCE:

The process of Y2K compliance is under active implementation by way of upgradation of hardware and / or Software and/or data storage/ retrieval systems the company expect that the process would be completed on or before end 1999.

14. ACKNOWLEDGEMENT :

The Board of directors here by place on record their appreciation for the unstinted support and contribution of the employees. The Directors also express their sincere thanks to the Bank of Baroda and GSFC, GIIC and suppliers for their continued support and confidence in the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

KAMLESH J. LASKARI
CHAIRMAN

Ahmedabad
Date: 25th August 1999