

17th ANNUAL REPORT 2004-2005



KAMRON LABORATORIES LIMITED**SEVENTEENTH ANNUAL REPORT 2004 - 2005****BOARD OF DIRECTORS**

Shri Kamlesh J. Laskari	-	Chairman & Managing Director
Smt Ranak K. Laskari	-	Director
Shri H.L.Khar	-	Director (GIIC Nominee)
Dr. Mahendra P. Shah	-	Director
Dr. S.L.Chopra	-	Director
Shri Ram K. Khadka	-	Director

AUDITORS

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

BANKERS

Bank of Baroda
Delhi Chakla Branch,
Ahmedabad - 380 001

COMPANY LAW CONSULTANTS :

M/s. Mehta Hurkat & Associates,
Company Secretaries, Ahmedabad.

REGISTERED OFFICE & FACTORY

737, Rakanpur Village,
Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar, North Gujarat - 382 721.

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17th Annual General Meeting

Date : 27th September, 2005
Day : Tuesday
Time : 11-00 A.M.
Venue: 737, Rakanpur Village,
Sola-Santej Road,
Ta. Kalol (N.G.)
Dist. Gandhinagar
North Gujarat-382 721

KAMRON LABORATORIES LIMITED

NOTICE

NOTICE is hereby given that the SEVENTEENTH 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. Gandhinagar (North Gujarat) 382 721 on Tuesday the 27th day of September 2005 at 11.00 a.m. to transact the following business:

Ordinary Business :

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005 and the Balance Sheet as on that date alongwith Directors' Report thereon.
2. To appoint a director in place of Shri Ram K. Khadka, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

REGISTERED OFFICE

737, Rakanpur Village,
Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar, North Gujarat - 382721.

By order of the Board

KAMLESH J. LASKARI
Chairman & Managing Director

Date : 30th June, 2005

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND 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 TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of the members and Share Transfer Books of the Company will remain closed from Tuesday, the 6th September, 2005 to Tuesday, the 27th September, 2005 (both days inclusive).
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - (a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - (b) Notify immediately the Change if any, in the registered address, to the Company.

KAMRON LABORATORIES LIMITED

DIRECTORS' REPORT

To,
Dear Shareholders,
KAMRON LABORATORIES LIMITED,

The Directors present the SEVENTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2005.

1. FINANCIAL RESULTS:

	Current Year 2004-2005	Previous Year 2003-2004 (Rs. in lacs)
Profit before interest, depreciation	65.36	41.46
Less : Interest	29.05	23.88
Cash Profit	36.31	17.58
Less : Depreciation	18.07	17.15
Profit before tax	18.24	0.43
Less : Provision for Taxtion	-	-
Profit after Tax	18.24	0.43
Add : Opening balance in Profit & Loss Account (Loss)	(17.60)	(18.03)
Balance carried to Balance Sheet (Loss)	0.64	(17.60)

2. DIVIDEND :

In view of insufficient profits, the Directors are unable to recommend any dividend on the equity shares for the year under review.

3. OPERATIONS :

The sales of the Company during the year under review would have been higher but for the imposition of VAT. There was reluctance of stockists to purchase goods during March-2005 which had affected the sales. The Company has commenced Vigorous efforts to increase sales in domestic as well as Export Markets. The management is hopeful of better results in the year 2005-2006.

The Company has obtained WHO - GMP Certificate for its Tablets and Capsules manufacturing facility in December 2004. The Company has obtained consolidated consent and authorisation from Gujarat Pollution Control Board in February 2005 for its manufacturing facilities.

The Company earned Profit before Interest and depreciation of Rs. 65.36 Lacs during the year under review compared to Rs. 41.46 Lacs during 2003-04. The Cash Profit for the year was Rs.36.31 Lacs compared to Rs. 17.58 Lacs during 2003-04 and Net Profit during the year under review was Rs.18.24 Lacs compared to Net Profit of Rs.0.43 Lacs during 2003-04.

KAMRON LABORATORIES LIMITED

4. RESEARCH AND DEVELOPMENT :

The Quality Control and R & D Department of your Company has shown satisfactory performance during the year under review.

5. DIRECTORS :

One of your Directors viz. Shri Ram K. Khadka retires by rotation in terms of Articles of Association of the Company. He, however, being eligible offers himself for reappointment.

6. DIRECTOR'S RESPONSIBILITY STATEMENT.

Pursuant to the requirement of section 217 (2AA) of the Companies Act 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the Annual Accounts, the applicable Accounting standards had been followed alongwith proper explanation relating to material departures.
- (II) That the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affair of the company at 31st March, 2005 and the Profits of the company for the year.
- (III) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (IV) That the Directors had prepared the annual accounts on a going concern basis.

7. DEMATERIALISATION OF EQUITY SHARES :

To facilitate holding of securities in dematerialised / electronic form, the Company is making arrangement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. PERSONNEL AND H. R. D. :

The industrial relations continued to remain cordial and peaceful and your company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

9. CORPORATE GOVERNANCE :

The Report on Corporate Governance as per Clause 49 of the Listing agreements is annexed.

10. LISTING :

The Equity shares of the Company are listed on Ahmedabad, Mumbai and Delhi Stock Exchanges.

11. GENERAL :

11.1 INSURANCE :

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc.

11.2 AUDITORS :

The present Auditors of the Company M/s. Deepak Soni & Associates, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956. The notes of Auditors regarding non-provision of doubtful debts and advances have been explained in Note No. 12 of Schedule 16 to the accounts.

KAMRON LABORATORIES LIMITED

11.3 PARTICULARS OF EMPLOYEES :

None of the employees of the Company is drawing remuneration requiring disclosure of information under Section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

11.4 DEPOSITS :

At the end of the financial Year under Report, no fixed deposit remained unclaimed by the deposit holder which was due for repayment.

12. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :

A. Conservation of energy :

- a) Energy conservation measures taken : Nil
- b) Proposals for reduction of consumption of energy : Nil
- c) Impact of the above measures : Nil

FORM - A

Disclosure of particulars with respect to Conservation of Energy

1. Power & Fuel Consumption :

i. Electricity:	<u>2004-05</u>	<u>2003-04</u>
a. Purchased units (units)	146746	182170
Total Amount (Rupees)	816223	926200
Rate/Unit (in Rs. per units)	5.56	5.08
b. Own Generation		
Through Diesel Generator Unit	324	328
Total Liters	450	550
Unit per Ltr. of Diesel Oil	1.37	1.67
Cost/Unit (Rs.)	44.70	39.41
2. Furnace Oil/L.D.O. :		
Quantity (K.Ltrs)	4560	5700
Total Amount (Rs.)	103284	107716
Avg. Rate (in Rs. per 1 Ltr.)	22.65	18.89

- 2. Technology absorption : Not applicable.
- 3. Foreign Exchange earning : During the year the foreign exchange and expenditures outgoings has been to the extent of
Rs. Nil
(Previous year Rs 230836/-)
The Foreign exchange earnings are
Rs. Nil (F.O.B.)
(Previous year Rs. Nil)

B. Consumption per unit of production :

	<u>2004-05</u>	<u>2003-04</u>
Electricity (Kwh)	0.0071873	0.0080088
L.D.O. (Ltr)	0.0002233	0.00025059
Diesel (Ltr)	0.0000220	0.000024179

KAMRON LABORATORIES LIMITED

13. ACKNOWLEDGMENT :

Your directors express their sincere thanks and appreciation to Promoters, Shareholders, Suppliers and Customers for their constant support and co-operation.

Your directors also place on record their greatful appreciation and co-operation received from Bank of Baroda, GIIC Ltd. and Employees of the Company.

For and on behalf of the Board

Place : Ahmedabad

Date : 30th June, 2005

Kamlesh J. Laskari

Chairman & Managing Director



KAMRON LABORATORIES LIMITED

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1.COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-a-vis the Stock Exchange Listing Agreement is presented below:

2.BOARD OF DIRECTORS:

a) Composition and Category of Directors :

Name of Directors	Category of Directorship	No. of other Directorships	Committee 1)Membership/ 2)Chairmanship in other	No.of Board Meetings attended	Attendance at the AGM held on 27-09-2004
Kamlesh J. Laskari Chairman & Managing Director	Executive	--	--	6	Y
Ranak K. Laskari	Non-executive	--	--	6	Y
H.L. Khar (GIIC Nominee)	Independent Non-executive	1	--	3	Y
Dr. Mahendra P. Shah	Independent Non-executive	--	--	6	N
Dr. S.L. Chopra	Independent Non-executive	1	--	6	N
R.K. Khadka	Independent Non-executive	--	--	-	N

* Private Companies excluded

KAMRON LABORATORIES LIMITED

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting :

Name of the Director	Shri Ram K. Khadka
Date of Birth	24-08-1966
Date of Appointment	30-09-2002
Expertise in Specific Functional areas	Marketig and Management
Public Companies in which Directorship held	-----
Chairman/Member of the Committees of the Company	-----
Chairman/Member of the Committees of other companies	-----

c) Board Procedures :

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation business plans, budgets, investment opportunities, Statutory Compliance etc. The meetings of the Board of Directors were held on 29-06-2004, 26-07-2004, 25-10-2004, 20-11-2004, 27-01-2005 and 16-03-2005.

3. AUDIT COMMITTEE :

The Audit Committee consists of the following Directors:

Name of the Director	Expertise	Function of the Committee	Attendance
H. L. Khar Ranak K. Laskari Dr. S. L. Chopra	All members are Non-executive. Chairman is independent Director and majority are independent. One member has through financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system internal control procedures and risk management policies	All the members were present at the meeting held on 29.6.04 & 25.10.2004.

KAMRON LABORATORIES LIMITED

4. REMUNERATION COMMITTEE :

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members:

1. H. L. Khar, Chairman - Non-executive Independent.
2. Ranak K. Laskari, Member - Non-executive
3. Dr. S. L. Chopra, Member - Non-executive Independent.

All the members attended the meetings held on 29th June, 2004 and 25th October, 2004.

Details of remuneration paid

1. Shri Kamlesh J. Laskari, Managing Director was paid Rs. 7,76,935/- as managerial remuneration during the year 2004-05.
2. Sitting Fees are paid to Directors for attending meetings, No Commission or Stock Option has been offered to the Directors.

5. SHARE HOLDERS/INVESTORS' GRIEVANCES COMMITTEE :

The Board has constituted a Shareholders/Investors Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, Share Transfer, Non-receipt of Balance Sheet, Dividend Warrants etc.

Shri Kamlesh J. Laskari, Chairman & Managing Director and Ms. Ranak K. Laskari, Director are the Members of the Committee.

The Company received 11 complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March, 2005.

Shri Kamlesh J. Laskari, Chairman & Managing Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS :

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2001-2002	30-09-2002	11.00 a.m.	737, Rakanpur Village Sola-Santej Road, Taluka: Kalol(N.G.), Dist.: Gandhinagar - 382 721.
2002-2003	29-09-2003	11.00 a.m.	
2003-2004	27-09-2004	11.00 a.m.	

Persuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.