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KAMRON LABORATORIES LIMITED

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20th ANNUAL REPORT
2007-08

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KAMRON LABORATORIES LIMITED

TWENTIETH ANNUAL REPORT 2007 - 08

BOARD OF DIRECTORS

Shri Kamlesh J. Laskari	-	Chairman & Managing Director
Ms. Ranak K. Laskari	-	Director
Dr. Mahendra P. Shah	-	Director
Dr. S.L.Chopra	-	Director
Shri Ram K. Khadka	-	Director

BANKERS

Bank of Baroda
Delhi Chakla Branch,
Ahmedabad

AUDITORS

M/s. Deepak Soni & Associates
Chartered Accountants
Ahmedabad

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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 - 382 721.

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NOTICE

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the members of **KAMRON LABORATORIES LIMITED** will be held as scheduled below:

Date	:	6th September, 2008
Day	:	Saturday
Time	:	10.30 a. m.
Place	:	Registered Office of the Company at: 737, Rakanpur Village, Sola - Santej Road, Taluka: Kalol (N. Guj.), Dist: Gandhinagar - 382 721.

to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as on that date along with Directors' Report thereon.

2. To appoint a Director in place of Dr. Mahendra P. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit to, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act,1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of Bank of Baroda (the Bank) to secure Financial Assistance of Rs. 242.85 lacs (Rupees two hundred forty two lacs and eighty five thousand only) lent and advanced/agreed to be lent/advanced to the Company by the Bank together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to the Bank under the Agreements entered into/ to be entered into by the Company in respect of the said Financial Assistance."

   "RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to finalise with the Bank the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

Date : 30th June, 2008

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

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NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item No. 4 set out in the Notice is annexed hereto.
2. 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 THAT 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, the 2nd September, 2008 to Saturday, the 6th September, 2008 (both days inclusive).
4. 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.
5. 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.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 of the accompanying notice dated 30th June, 2008 and should be taken as forming part of the notice.

In respect of Item No. 4:

Bank of Baroda, Delhi Chakla Branch, Ahmedabad (the Bank) has enhanced Financial Assistance to Rs. 242.85 lacs (Rupees two hundred forty two lacs and eighty five thousand only) vide Letter of Sanction No. GO/ACR/SME/GDM/02/1944 dated 26th February, 2008. The Financial Assistance sanctioned by the Bank are to be secured by hypothecation of goods/ Machinery/ Book Debts and other movables and also Mortgage over the fixed assets/ immovable properties of the Company situated at factory located at 737, Rakanpur, Sola- Santej Road, Taluka- Kalol, Dist. Gandhinagar.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copy of Sanction Letter, Agreement, Deed of Hypothecation, correspondence of the Company with the Bank and copies of the relevant documents are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Your Directors recommend the Resolution.

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

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

Date : 30th June, 2008

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DIRECTORS' REPORT

Dear Shareholders,

The Directors present the TWENTEITH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2007-08 ended 31st March, 2008.

(Rs. in lacs)

1. FINANCIAL RESULTS :

Particulars	2007-08	2006-07
Profit before Interest, Depreciation & Taxation	74.28	73.07
Less : Interest	39.10	30.24
Cash Profit	35.18	42.83
Less : Depreciation	21.66	20.14
Profit before tax	13.52	22.69
Less : Provision for Taxtion	2.02	-
Profit after Tax	11.50	22.69
Add : Opening balance of Profit & Loss Account	44.86	22.17
Balance carried to Balance Sheet	56.36	44.86

2. DIVIDEND :

In view of insufficient profits and with a view to conserve the resources for the working capital requirement, the Directors are unable to recommend any dividend on the Equity Shares for the year under review.

3. OPERATIONS :

The Sales and Operating Income of the Company during the year under review have been increased to Rs. 770.22 lacs compared to Rs. 714.18 lacs during 2006-07. 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 2008-09.

The Company earned Profit before Interest and Depreciation of Rs.74.28 lacs during the year under review compared to Rs. 73.07 lacs during 2006-07. The Cash Profit for the year was Rs. 35.18 lacs during the year under review compared to Rs. 42.83 lacs during 2006-07. The Net Profit during the year under review was Rs. 11.50 lacs compared to Net Profit of Rs. 22.69 lacs during 2006-07.

4. RESEARCH & DEVLELOPMENT :

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. Dr. Mahendra P. Shah retires by rotation in terms of Articles of Association of the Company. He, however, being eligible offers himself for reappointment.

6. FINANCE:

The Company is enjoying working capital facilities and term loan from Bank of Baroda.

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7. DIRECTORS' 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 along with proper explanation relating to material departures;

(ii) that the Directors had selected such accounting policies 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 31st March, 2008 being end of the Financial Year 2007-08 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.

8. DEMATERIALISATION OF EQUITY SHARES :

The Company is in the process of making arrangement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

9. 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.

10. CORPORATE GOVERNANCE :

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

11. LISTING :

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

12. GENERAL :

12.1 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.

12.2 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 and remarks of Auditors regarding non-provision of doubtful debts and advances have been explained in Note No. 11 of Schedule 16 to the accounts.

12.3 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.

12.4 DEPOSITS :

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

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13. 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 and Fuel Consumption :

	2007-08	2006-07
i. Electricity:		
a. Purchased		
Units	**161662**	189514
Total Amount (Rs)	**8586894**	985411
Rate/Unit Rs.	**5.30**	5.20
b. Own Generation Through Diesel Generator Unit	**115**	295
Total Litres	**130**	365
Unit per Ltr. of Diesel Oil	**1.13**	1.24
Cost/Unit (Rs.)	**40.68**	43.71
ii. Furnace Oil/L.D.O. :		
Quantity (K.Ltrs)	**5900**	9850
Total Amount (Rs.)	**202075**	352630
Avg.Rate (in Rs.per 1 Ltr.)	**34.75**	35.80

2. Consumption per unit of production :

Electricity (Kwh)	**0.0118107**	0.0107486
L.D.O. (Ltr)	**0.0004310**	0.0005586
Diesel (Ltr)	**0.0000095**	0.0000207

B. Technology Absorption : Not applicable.

C. Foreign Exchange Earning/Outgo : During the year under review, the Foreign Exchange expenditures and outgoings has been to the extent of Rs. 321600/- (Previous year Rs. NIL).

The Foreign exchange earnings and are Rs. NIL (F.OB.) (Previous year Rs. NIL)

14. 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 grateful appreciation and co-operation received from Bank of Baroda and employees of the Company.

For and on behalf of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

Place : Ahmedabad
Date : 30th June, 2008

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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-à-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 companies	No.of Board Meetings attended	Attendance at the AGM held on 14th September 2007 Yes(Y)/No(N)
Kamlesh J. Laskari Chairman & Managing Director	Executive	—	—	6	N
Ranak K. Laskari	Non-executive	—	—	6	Y
Dr. Mahendra P. Shah	Independent Non-executive	—	—	6	Y
Dr. S.L. Chopra	Independent Non-executive	1	—	6	Y
R.K. Khadka	Independent Non-executive	—	—	—	N

* Private Companies excluded

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

Name of the Director	Dr. Mahendra P. Shah
Date of Birth	29-07-1946
Date of Appointment	31-05-1993
Expertise in specific functional areas	Management and Medicine
List of Public Limited Companies in which Directorships held	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Nil
Chairman/Member of the Committees of Directors of other Companies	Nil

   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, and investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 15-04-2007, 29-06-2007, 31-07-2007, 26-10-2007, 31-01-2008 and 03-03-2008.

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3. AUDIT COMMITTEE :

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Function of the Committee	Attendance
Dr. S. L. Chopra Dr. Mahendra P. Shah Ms. Ranak K. Laskari	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	Majority were present at the meeting held on 29-06-2007, 31-07-2007, 26-10-2007 & 31-01-2008.

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. Dr. S. L. Chopra, Chairman - Non-executive Independent.
2. Dr. Mahendra P. Shah, Member - Non-executive Independent
3. Shri Ram K. Khadka, Member - Non-executive

Majority members attended the meetings held on 29-06-2007 & 31-01-2008.

Details of remuneration paid:

1. Shri Kamlesh J. Laskari, Managing Director was paid Rs. 17,46,277/- as managerial remuneration during the year 2007-08.
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 constitutes 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 2008.

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
2004-2005	27-09-2005	11.00.a.m.	737, Rakanpur Village, Sola-Santej Road, Taluka:Kalol(N.G.), Dist.: Gandhinagar - 382 721.
2005-2006	29-09-2006	10.30 a.m.	
2006-2007	14-09-2007	10.30 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.

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