



23rd ANNUAL REPORT
2010-11



TWENTY THIRD ANNUAL REPORT 2010-11

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
Ahmedabad

AUDITORS

M/s. Deepak Soni & Associates
Chartered Accountants
Ahmedabad

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.

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/ documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their email address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company, as the case may be, in the interest of the environment.

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NOTICE

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

Date : 30th September, 2011
Day : Friday
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, 2011 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Ms. Ranak K. Laskari, who retires by rotation and, being eligible, offers herself 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. 625.74 lacs (Rupees Six hundred twenty five lacs and seventy four 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 modifying 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."

5. To consider and, if thought fit to, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 314(1B) and other applicable provisions, if any of the Companies Act, 1956, Mr. Rohan K. Laskari, a relative of Mr. Kamlesh Laskari, Managing Director and Ms. Ranak K. Laskari, Director of the Company, be and is hereby promoted as Chief Executive to hold an office or place of profit under the Company w.e.f 1st October, 2010 on a gross total monthly remuneration of Rs. 19,900/- and further subject to necessary approval of members by way of Special Resolution to be obtained at the Annual General Meeting of the Company for the Financial year 2010-11."

REGISTERED OFFICE

737, Rakanpur Village,
Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar - 382 721.
Date : 25th July, 2011.

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 & 5 as 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 THAN 48 HOURS BEFORE THE TIME OF MEETING.

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3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Wednesday, the 21st September, 2011 to Friday, the 30th September, 2011 (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 Nos. 4 & 5 of the accompanying notice dated 25th July, 2011 and should be taken as forming part of the notice.

In respect of Item No. 4:

Bank of Baroda, Ahmedabad (the Bank) has enhanced Financial Assistance to Rs. 625.74 lacs (Rupees Six hundred twenty five lacs and seventy four thousand only). 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 Resolutions.

In respect of Item No. 5:

In view of increase in responsibilities shouldered by Mr. Rohan K. Laskari who was appointed by the Board of Directors of the Company as Territory Business Executive w.e.f. 6th July, 2009 and was promoted as Chief Manager of the Company w.e.f. 1st February, 2010, it is proposed to further promote him as Chief Executive of the Company w.e.f. 1st October, 2010 as he was having proper academic qualification and experience, at a monthly remuneration of Rs. 19,900/- and on other terms and conditions as mentioned in a statement. As per the provisions of the Section 314(1)(b) of the Companies Act, 1956, Mr. Rohan K. Laskari is a relative of Managing Director Mr. Kamlesh Laskari and Ms. Ranak K. Laskari, Director of the Company and hence consent of the shareholders is required by way of Special Resolution. The Board of Directors had approved his appointment as Chief Executive of the Company in their meeting held on 1st October, 2010.

As per the provisions of Sections 314(1)(b) and all other applicable provisions, if any, of the Companies Act, 1956, Special Resolution will be required for holding office and place of profit of the Company.

Draft Agreement of his promotion as Chief Executive is 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.

Mr. Kamlesh Laskari and Ms. Ranak Laskari is concerned or interested in the business since it relates to promotion of Mr. Rohan K. Laskari as Chief Executive of the Company holding office or place of profit and, therefore, they did not participate in the business nor took part in the voting. Except them, none of the other Directors is in any way concerned or interested in the aforesaid resolution.

REGISTERED OFFICE

737, Rakanpur Village,
Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar - 382 721.
Date : 25th July, 2011.

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the TWENTY THIRD ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2010-11 ended 31st March, 2011.

(Rs. in lacs)

1. FINANCIAL RESULTS :

Particulars	2010-11	2009-10
Profit before Interest, Depreciation & Taxation	83.34	82.69
Less : Interest	39.23	40.32
Profit Before Depreciation & Taxation	44.10	42.37
Less : Depreciation	29.25	28.16
Profit before tax	14.86	14.21
Less : Provision for Taxtion	4.60	4.60
Profit after Tax	10.26	9.61
Add : Opening Balance of Profit & Loss Account	69.51	59.90
Balance carried to Balance Sheet	79.77	69.51

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. 1113 lacs compared to Rs. 973 lacs during 2009-10. 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 2011-12.

The Company earned Profit before Interest and Depreciation of Rs.83.34 lacs during the year under review compared to Rs. 82.69 lacs during 2009-10. The Profit before Depreciation & Taxation for the year was Rs. 44.10 lacs during the year under review compared to Rs. 42.37 lacs during 2009-10. The Net Profit during the year under review was Rs. 10.26 lacs compared to Net Profit of Rs. 9.61 lacs during 2009-10.

4. RESEARCH & DEVLEOPMENT :

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. Ms. Ranak K. Laskari retires by rotation in terms of Articles of Association of the Company. She, however, being eligible offers herself for reappointment.

6. FINANCE:

The Company is enjoying working capital facilities and term loan from Bank of Baroda. The Company is regular and payment of interest as well as principal.

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, 2011 being end of the Financial Year 2010-11 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 have been explained in 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.

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 :

i. Electricity:	2010-11	2009-10
a. Purchased		
Units	146312	159380
Total Amount (Rs)	896998	981911
Rate/Unit Rs.	6.13	6.16
b. Own Generation Through Diesel Generator		
Unit	118	110
Total Litres	210	109
Unit per Ltr. of Diesel Oil	1.78	0.99
Cost/Unit (Rs.)	42.21	39.77
ii. Furnace Oil/L.D.O. :		
Quantity (K.Ltrs)	-	6500
Total Amount (Rs.)	-	277883
Average Rate (in Rs.per 1 Ltr.)	-	42.75
iii. Furnace Diesel :		
Quantity (K.Ltrs)	17924	8728
Total Amount (Rs.)	737993	456180
Average Rate (Rs.per 1 Ltr.)	41.17	52.27
2. Consumption per unit of production :		
Electricity (Kwh)	0.0083671	0.0072151
L.D.O. (Ltr)	0.0000000	0.0002943
Diesel (Ltr)	0.0010250	0.0004000

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. NIL (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,

Place : Ahmedabad
Date : 25th July, 2011

Kamlesh J. Laskari
Chairman & Managing Director

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 24 th September, 2010 Yes(Y)/No(N)
Kamlesh J. Laskari Chairman & Managing Director	Executive	—	—	6	Y
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	Ms. Ranak K. Laskari
Date of Birth	30-09-1962
Date of Appointment	06-07-1988
Expertise in specific functional areas	Management & Finance
List of Public Limited Companies in which Directorships held	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Audit & Shareholders' Grievances Committee
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 15-05-2010, 09-08-2010, 01-10-2010, 13-11-2010, 14-02-2011 and 18-03-2011.