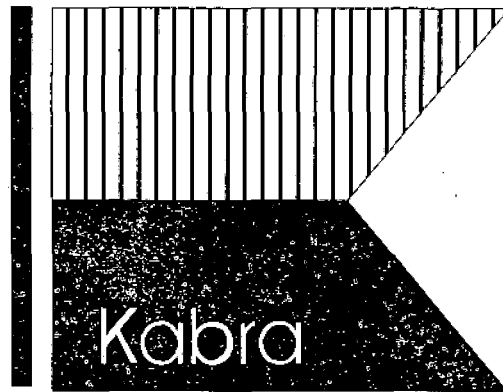




**KABRA DRUGS LIMITED**



◆ 19TH ANNUAL REPORT 2007-2008 ◆

OF

**KABRA DRUGS LIMITED**

**26, Sector A Sanwer Road, Industrial Area, Indore ( M.P.)**

**Phone no.0731-2722756,2721305 Fax 2722756**



# KABRA DRUGS LIMITED

## BOARD OF DIRECTORS

- |                           |                                   |
|---------------------------|-----------------------------------|
| 1. Shri Shyam Kabra       | Chairman and<br>Managing Director |
| 2. Shri Rajendra Bordia   | Director                          |
| 3. Shri Mahendra Mandloi  | Director                          |
| 4. Shri Madhusudan Sharma | Director                          |

### ◆ Auditors ◆

M/s. Agrawal Jhwar Associates  
Chartered Accounts

### ◆ BANKERS ◆

**Bank of Baroda**

### ◆ REGD OFFICE & WORKS ◆

26, Sector "A" Sanwer Road, Industrial Area,  
INDORE 452 003

### ◆ LISTING ◆

Mumbai Stock Exchange , Mumbai  
Madhya Pradesh Stock Exchange, Indore



# KABRA DRUGS LIMITED

## REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March 2008:

### **FINANCIAL RESULTS**

(Rs. in Lacs)

Particulars	2007-2008	2006-2007
Sales & Other Income	204.04	127.50
Total Expenditure	158.43	116.51
Profit (loss) before depreciation, and tax	45.61	10.99
Less: Depreciation	39.00	26.06
Provision for Income Tax	--	--
Provision for FBD	(0.081)	
Profit (Loss) after depreciation & tax	6.53	(15.17)

### **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 31<sup>st</sup> March 2008.

### **PERFORMANCE**

#### **Company's Overall Performance**

During the year under review, your Company has received income from operations amounting to Rs.204.04 Lacs as compared to Rs.127.50 Lacs. Your Company has earned profit of Rs.6.53 lacs as compared to loss of Rs.15.17 Lacs in the previous year.

### **FIXED DEPOSIT**

Your Company has not accepted any public deposit under Section 58A of the Companies Act, 1956 during the year.

### **DIRECTORS**

- (1) In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajendra Bordia will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.
- (2) In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shashi Bapat will retire by rotation at the ensuing Annual General Meeting.
- (3) To appoint Shri madhusudan Sharma as director of the company who will liable to retire by rotation



# 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 2008-09. 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.

## 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 Schedule K of 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.

## 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



## KABRA DRUGS LIMITED

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

Relation 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,  
27<sup>th</sup> August, 2008

Shyam Kabra  
Chairman cum Managing Director



# KABRA DRUGS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

### I Company's Philosophy

Your Company's Philosophy on code of Corporate Governance is based on attainment of high level of transparency, accountability, and adequate disclosures and economic value addition. All employees are guided by the Company's policies on important issues, including our relationship with consumers, stakeholders and Government.

### II Board of Directors

As per Listing Agreement, the Board should have an optimum combination of executive and non-executive Directors with not less than 50% of the Board consisting of non-executive Directors. In case of a non-executive Chairman, at least one-third of the Board should consist of Independent Directors and in the case of an executive Chairman at least half of the Board should be Independent Directors.

The Board of Directors of company has a mix of Executive and Non Executive Directors. The Chairman of the Board of your Company is an Executive director. The Board of Directors of the Company consists of 4 Directors, of which 2 are non-executive as on 31<sup>st</sup> March 2008. During the year, 7 Meetings of the Board of Directors of the Company were held on 28.04.2007, 27.06.2007, 29.07.2007, 01.10.2007, 28.10.2007, 28.01.2008 and 31.03.2008. The maximum gap between any two meetings did not exceed four months.

The particulars of the Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also the number of other directorships and committee memberships as on date are as follows.

Name of Director	Category	No. of Board Meetings attended	Attend-ance in last AGM	No. of other Direc-torship	Committee Membership	
					Chai-rman	Mem-ber
Mr. Shyam Kabra	Promoter -Executive Director	7	Yes	-	1	1
Mr. Madhusudan Sharma	Independent	7	Yes	-	1	2
Mr. Rajendra Boardia	Independent	7	Yes	-	1	1
Mr. Mahendra Mandloi	Independent	7	Yes	-	-	2



# KABRA DRUGS LIMITED

## III Audit Committee

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensuring accurate and proper disclosure and the transparency, and quality of financial reporting. The committee also reviews the financial and risk management policies, and the adequacy of internal control systems of the Company, and meets Statutory Auditors periodically.

Your Company has an Audit Committee consisting of three Independent Directors as its members, and the Audit Committee Meetings were held on 28.04.2007, 29.07.2007, 28.10.2007, and 28.01.2008. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Madhusudan Sharma	4	4
Mr. Rajendra Boardia	4	4
Mr. Mahendra Mandloi	4	4

## IV Remuneration Committee

The Remuneration Committee has approved the terms of remuneration of the Whole Time Directors. The Committee had meet on the 29<sup>TH</sup> day of April 2007, during the year 2007-2008. The composition of the remuneration committee is as follows:

Mr. Shyam Kabra, Mr. Rajendra Boardia and Mr. Mahendra Mandloi.

## V Shareholders and Investor's Grievance Committee

The Board has constituted the shareholders and Investors Grievance Committee during the year to look into the redress of investors' complaints. There were no complaints pending for reply as on 31<sup>st</sup> March 2008 and no share transfers pending for registration as on the said date.

## VI General Body Meetings

The details of Annual General Meetings held in last 3 years are as under:

Year	Venue	Date	Time
2004-2005	26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003	30.09.2005	10.00 A.M.
2005-2006	26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003	30.09.2006	10.00 A.M.
2006-2007	26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003	29.09.2007	02.00 P.M.



# KABRA DRUGS LIMITED

## VII Disclosure

- i) During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related parties' transaction viz., Promoters, Directors or the Management, their subsidiaries or relatives that had a potential conflict with the interest of the Company at large.
- ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review.

## VIII Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after the Board has approved them. These are widely published in national and regional newspapers.

## IX General Shareholders Information

### Annual General Meeting

Date 29.09.2008

Time: 02.00 P.M.

Venue: 26, Sector "A" Sanwer Road, Industrial Area, Indore 452 003

### Date of Book Closure

The Register of Members and Share Transfer Register of the Company will remain close from Thursday, 27<sup>th</sup> September 2008 to Saturday 29<sup>th</sup> September, 2008 (both days inclusive).

### Financial Calendar 2007-2008

1	First Quarter Results	JULY 07
2	Second Quarter & Half Yearly Results	OCT 07
3	Third Quarter Results	JAN 08
4	Annual Report	June, 2008

### Listing of Securities

#### Name of the Stock Exchanges

The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Stock Code 532005	The Madhya Pradesh Stock Exchanges 2 <sup>nd</sup> Floor, Palika Plaza M.T.H. Compound Indore 452001
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## KABRA DRUGS LIMITED

Your Company confirms that it has paid annual listing fees to the Stock Exchanges Mumbai and M.P. Stock Exchange Indore for the year 2008-09 and as such there are no arrears.

### Market Price Data

The Company's Equity Shares are not traded in the Stock Exchanges due to suspension of trading. Therefore High/low of market price of the Company's equity shares not available.

### Registrar & Transfer Agent

As per the directives of SEBI, the Company has appointed M/s. M/s. Ankit Consultancy Pvt. Ltd., 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Square, A.B. Road, Indore 452 001 as its registrar and Share Transfer Agent and all the Share transfer and the relating queries may please be forwarded to the Share Transfer Agent directly at their address.

### Share Transfer Systems

Shares received for transfer in physical form are registered and dispatched within thirty days of receipt of the documents. If shares are under objection then the same are returned within fifteen days. Request for dematerialization of shares are processed within fifteen days.

### Distribution of Shareholding

Distribution of Shareholding as on 31<sup>st</sup> March 2008, is as under:

Shareholding of nominal value of Rs. Rs.	No. of Shareholders	% of Share holders	No. of Ordinary shares	% of share holding
Up to 1000	7581	93.12		
1001 - 2000	453	5.56		
2001 - 3000	44	0.54		
3001 - 4000	18	0.22		
4001 - 5000	13	0.16		
5001 - 10000	18	0.22		
10001 - 20000	7	0.09		
20001 - 30000	1	0.01		
30001 - 40000	0	0.00		
40001 - 50000	0	0.00		
50001 - 100000	1	0.01		
100001 & above	5	0.06		
Total	8141	100		



## KABRA DRUGS LIMITED

The Shareholding Pattern as on 31<sup>st</sup> March 2008 is given below:

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	1282800	29.23
2	Private Corporate Bodies	1400	0.03
3	Indian Public	3104400	70.74
	Total	4388600	100.00

### Dematerialization of Shares and Liquidity

As on 31<sup>st</sup> March 2008, and all the Equity were in physical form.

### Address for Correspondence

Shareholders may address their communications to.

Mr. Arvind Poal,  
Compliance Officer,  
Kabra Drugs Limited,  
26, Sector "A" Sanwer Road,  
Industrial Area,  
Indore 452 003



# KABRA DRUGS LIMITED

## ANNEXURE

Companies (Disclosed of particulars in the reports of board of director) rules, 1988.

<b>A. Conservation of Energy</b>		
a.	Energy Conservation measures take.	: Nil
b.	Additional investments and proposals being implements for reduction of consumption of energy.	: Nil
c.	Impact of above on energy consumption	: Nil
d.	Total energy consumption	: As per Form - A Annexed
<b>B. Technology Absorption Form "B"</b>		
<u>Research and Development (R &amp; D)</u>		
1.	Specific areas in which R & D Carried out by the Company	:
2.	Benefits Derived as a result of above.	:
3.	Future plan of action	:
4.	Expenditure on R & D	:
<u>Technology absorption, adaptation innovation.</u>		
Efforts made towards technology absorption adoption & innovation and benefits derived as a result thereof.		: Nil
Information regarding important Technology		: Nil
<b>C. Foreign Exchange Earnings &amp; Outgo</b>		
1.	Export Activities	: Nil
2.	Total foreign exchange earned & outgo.	
	a) Earnings	: Nil
	b) Outgo (Rs.)	: Nil



# KABRA DRUGS LIMITED

Form "A"  
(See Rules 2)

Form for Disclosure of particulars with respect to conservation of Energy

A	Power & Fuel Consumption	31/03/2008	31/03/2007
	<u>Electricity</u>		
	Purchased Units	316260	422265
	Total Amounts (Rs.)	1464174	1939999
	Rate / Unit (Rs.)	4.62	4.60
	Own Generation	Nil	Nil
	1. <u>L. D.O</u>		
	a) Quantity (in Litters)	400	2300
	b) Amount (Rs)	13872	84755
	Rate Per Unit (Rs.)	34.68	37.00
<b>B.</b>	<b>Consumption per unit of Product</b>		
	Since the Company manufactures different types of ether, Derivatives and pharmaceutical Formulations, it is not practicable to give consumption per unit of production.		



# KABRA DRUGS LIMITED

## Auditor's Report

To,  
THE MEMBERS OF KABRA DRUGS LIMITED  
INDORE,

We have audited the attached Balance sheet of M/s KABRA DRUGS LIMITED as at 31<sup>st</sup> March, 2008 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. And it also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's report) order, 2003, issued by the Central Govt. in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure A statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion the company as required by law has kept proper books of accounts so far as it appears from our examination of the books.
- (iii) The Balance Sheet and Profit and Loss Account and cash flow Statement dealt with by this report are in agreement with the books of accounts.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) Based on the written representation made by the directors of the company and the information's and explanations as made available as on 31<sup>st</sup> March 2008 the directors of the company do not prima facie have any disqualification as referred to in amended section 274 (1) (g) of the Companies Act, 1956.



## KABRA DRUGS LIMITED

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act. 1956.
- (vii) Attention is drawn to note No. 9 regarding balance Confirmation note no. 10 regarding current Assets Note no. 17 & 19 regarding employee retirement benefit
- (viii) Subject to Para (vii) above in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act. 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2008.
  - (b) In the case of the Profit and Loss Account of the Profit of the company of the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

FOR AGRAWAL JHAVAR ASSOCIATES  
CHARTERED ACCOUNTANT

PLACE : INDORE  
DATED : 27<sup>th</sup> August 2008

(DHARMENDRA AGRAWAL)  
PARTNER  
M.N. 77507



## KABRA DRUGS LIMITED

### ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2008 OF KABRA DRUGS LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :-

- (1) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets except for certain moveable assets, pertaining to the R&D for development of anti cancer drugs which need to be updated;
- (2) As explained to us stocks have been physically verified by the Management at the close of the year which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. **The results of the physical verification, have not been compared with the book records and hence discrepancies, if any, have not been identified;**
- (3) The Company has not disposed off any substantial part of its fixed assets as to affect its going concern;
  - (i) As explained to us, inventories of stores, spares and materials have been physically verified by the Management, at the close of the year.
  - (ii) The procedure, as explained to us, which are followed by the Management for physical verification of inventories, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (4) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventories. Discrepancies notices on physical verification of inventory as compared to book records, where were not material, have been properly dealt with in the books of account;
- (5) According to information and explanations given to us, the Company has not granted any loan, secured/unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956;
- (6) According to the information and explanations given to us, the Company has not taken unsecured loans from companies listed in the register maintained under Section 301 of the Companies Act, 1956;
- (7) In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of raw material and spares.
- (8) On the basis of the audit procedures performed by us, and according to the information, explanations and representations made to us, we are of the opinion that, there were no transactions in which directors were interested as contemplated under Section 297 and sub section (6) of Section 299 of Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act;



## KABRA DRUGS LIMITED

- (9) As informed to us, the Company has not accepted any deposits from the public;
- (10) As informed to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records for the Company under Section 209 (1) (d) of the Companies Act, 1956 for its procedure;
- (11) According to the records of the Company and the information and explanations given to us, **the Company has not been regular in depositing undisputed dues of investor Education and Protection Fund, Provident Fund, Income Tax deducted at source, Services Tax and Profession Tax.**
- (a) On the basis of our examination of the documents and records of the Company, there were no disputed dues in respect of Wealth tax, Services, Custom duty, Excise duty and Cess. However, the following disputed statutory dues have not been deposited with the appropriate authorities :

Nature of Dues	Amount in Rs. Lacs	Forum where dispute is pending
Central Excise Act	2.94	Commissioner (Appeals)
State Excise Act	47.50	M.P.High Court
Labor Act	61.53	Labor Court, Indore

- (12) The accumulated losses of the Company, at the end of the current financial year, is less than fifty percent of its net worth.
- (13) Based on our audit procedures and according to the information and explanations given to us. The Company has no loan liabilities from any financial institute as on balance sheet date
- (14) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- (15) On the basis of our examination of the documents and records of the Company, the Company is not dealing in or trading in shares, securities, debentures and other investment;
- (16) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;
- (17) The Company has not obtained any term loans during the year;
- (18) According to the information and explanations given to us and on an overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usage of funds, we are of the opinion that, prima facie, short term funds have not been used for long term purposes;
- (19) The Company has not made any preferential allotment of shares during the year;
- (20) The Company has not issues any debentures during the year;
- (21) The Company has not raised any money by public issue during the year;





## **KABRA DRUGS LIMITED**

(22) According to the information and explanations given to us and the representations made by the Management, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For AGRAWAL JHAVAR ASSOCIATES  
CHARTERED ACCOUNTANT

**DHARMENDRA AGRAWAL**  
PARTNER

PLACE: INDORE  
DATED 27.08.2008



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE NO	31.03.2008 RS.	31.03.2007 RS.
<b>SOURCE OF FUNDS</b>			
SHAREHOLDERS FUND			
SHARE CAPITAL	A	43,886,000	43,886,000
LOAN FUNDS			
SECURED LOANS	B	0	2,900,000
UNSECURED LOANS	C	1,264,280	1,264,280
TOTAL FUNDS EMPLOYED		<u>45,150,280</u>	<u>48,050,280</u>
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS [ NET ]	D	48,592,702	52,492,938
CURRENT ASSETS, LOANS & ADVANCES	E	5,464,331	4,146,059
LESS : CURRENT LIABILITIES AND PROVISIONS	F	30,460,817	30,795,987
NET CURRENT ASSETS		<u>24,996,486</u>	<u>26,649,928</u>
PROFIT & LOSS A/C		<u>21,554,062</u>	<u>22,207,269</u>
TOTAL FUNDS APPLIED		<u>45,150,280</u>	<u>48,050,280</u>
NOTES ON ACCOUNTS	K		

As per our report of even date  
For AGRAWAL JHAVAR ASSOCIATES  
CHARTERED ACCOUNTANT

For & on behalf of the Board

(DHARMENDRA AGRAWAL)  
PARTNER

SHYAM KABRA  
CHAIRMAN &  
MANAGING DIRECTOR

RAJENDRA BORDIA  
DIRECTOR

PLACE : INDORE  
DATE : 27.08.2008



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2008

PARTICULARS	SCHEDULE NO	2007-2008 RS.	2006-2007 RS.
<b>INCOME</b>			
SALES		18,902,566	11,330,926
INCREASE/(DECREASE) IN STOCKS	G	616,305	454,000
OTHER INCOME		884,956	964,706
<b>TOTAL</b>		<b>20,403,827</b>	<b>12,749,632</b>
<b>EXPENDITURE</b>			
MATERIAL COST	H	9,656,040	6,222,269
OPERATING COST	I	3,843,802	3,629,764
ADMINISTRATIVE & SELLING EXP.	J	2,342,532	1,798,785
DEPRECIATION	D	3,900,234	2,606,046
<b>TOTAL</b>		<b>19,742,608</b>	<b>14,256,863</b>
PROFIT (LOSS) BEFORE TAX		661,219	(1,507,231)
PROVISION FOR INCOME TAX		0	0
PROVISION FOR FBT		(8,012)	(10,133)
PROFIT (LOSS) FOR THE YEAR		653,207	(1,517,364)
BROUGHT FORWARD BALANCE		(22,207,269)	(19,948,074)
EARLIER YEAR ADJUSTMENT		0	(741,831)
BALANCE CARRIED TO BALANCE SHEET		<b>(21,554,062)</b>	<b>(22,207,269)</b>
EARNING PER SHARE BASIC & DITULTED		0.09	0.09

#### NOTES ON ACCOUNTS

K

As per our report of even date

For & on behalf of the Board

For AGRAWAL JHAVAR ASSOCIATES  
CHARTERED ACCOUNTANT

(DHARMENDRA AGRAWAL)  
PERTNER  
MANAGING DIRECTOR

SHYAM KABRA  
CHAIRMAN &

RAJENDRA BORDIA  
DIRECTOR

PLACE : INDORE  
DATE - 27.08.2008



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

### SCHEDULES ATTACHED TO AND FORMING PART OF FINAL ACCOUNTS RELATING TO THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	31.03.2008 RS.	31.03.2007 RS.
<b>SCHEDULE - "A" : SHARE CAPITAL:</b>		
AUTHORISED: 50 lacs Equity Shares of Rs.10/- each	50,000,000	50,000,000
ISSUED: 4592300 Equity Shares of Rs.10/- each	45,923,000	45,923,000
SUBSCRIBED AND CALLED UP : 4388600 Equity Shares of Rs 10/- each	43,886,000	43,886,000
Less: unpaid calls	0	0
<b>PAID UP CAPITAL</b>	<b>43,886,000</b>	<b>43,886,000</b>
<b>SCHEDULE "B" : SECURED LOANS</b>		
From Bank of Baroda ,Sitlamata Bazar Branch, Indore ( Secured by hypothecation of plant & machineries and by personal guarantee some of past & present Directors mortgage of factory land and building at Plot no.26, Sector A Sanwer Road, Indore	0	2,900,000
<b>TOTAL</b>	<b>0</b>	<b>2,900,000</b>



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

PARTICULARS

31.03.2008  
RS.

31.03.2007  
RS.

### SCHEDULE - "C": UNSECURED LOANS

From Indian Public Ltd.Companies

1,264,280

1,264,280

**TOTAL**

**1,264,280**

**1,264,280**

**SCHEDULE - "D": FIXED ASSETS**



20

Sr. No.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		TOTAL AS ON 01/4/2007	ADDITIONS DURING THE YEAR	DEDUCTIONS	TOTAL AS ON 31/03/2008	AS ON 01/4/2007	PROVIDED FOR THE YEAR	WRITTEN BACK DURING THE YEAR	TOTAL AS ON 31/03/2008	AS ON 31/03/2008	AS ON 01.04.2007
1	LAND	169,985	0	0	169,985	0	0	0	0	169,985	169,985
2	SITE DEVELOPMENT	165,619	0	0	165,619	81,516	5,532	0	87,048	78,571	84,103
3	FACTORY BUILDING	16,182,966	0	0	16,182,966	6,569,754	540,511	0	7,110,265	9,072,701	9,613,212
4	PLANT & MACHINERY	38,235,974	0	0	38,235,974	21,864,695	1,816,209	0	23,680,904	14,555,070	16,371,279
5	ELECTRICAL INSTALLATIONS	592,209	0	0	592,209	493,317	41,869	0	535,186	57,023	98,892
6	LABORATORY EQUIPMENTS	3,036,686	0	0	3,036,686	1,725,624	144,243	0	1,869,867	1,166,820	1,311,062
7	AIR CONDITIONERS	61,000	0	0	61,000	38,759	2,037	0	40,796	20,204	22,241
8	OFFICE EQUIPMENTS	322,001	0	0	322,001	322,001	0	0	322,001	0	0
9	VEHICLE	42,280	0	0	42,280	42,086	194	0	42,280	0	194
10	FURNITURE & FIXTURES	573,413	0	0	573,413	530,268	40,540	0	570,808	2,605	43,145
11	RESORT ( LEASE HOLD )	32,000	0	0	32,000	3,879	2,262	0	6,141	25,859	28,121
12	PLANT & MACHINERY	24,750,702	0	0	24,750,702	0	1,306,837	0	1,306,837	23,443,865	24,750,702
<b>TOTAL</b>		<b>84,164,836</b>	<b>0</b>	<b>0</b>	<b>84,164,836</b>	<b>31,671,899</b>	<b>3,900,234</b>	<b>0</b>	<b>35,572,133</b>	<b>48,592,702</b>	<b>52,492,936</b>

**KABRA DRUGS LIMITED**



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

PARTICULARS	31.03.2008 RS.	31.03.2007 RS.
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### SCHEDULE - "E": CURRENT ASSETS, LOANS & ADVANCES ADVANCES

#### A : CURRENT ASSETS :

##### INVENTORIES

Raw Materials	760,685	1,686,151
Finished Goods	1,125,555	509,250
Packing Material	389,712	477,318

Sub-total	<b>2,275,953</b>	<b>2,672,719</b>
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##### SUNDRY DEBTORS

(Unsecured, considered good)

Due over six months	117,776	245,943
Within six months	1,329,873	0

Sub-total	<b>1,447,649</b>	<b>245,943</b>
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##### CASH & BANK BALANCES

Cash in hand	211,369	44,621
with Scheduled Banks		
- in current accounts	233,275	308,596
- in fixed deposit accounts	67,550	67,550

Sub-total	<b>512,194</b>	<b>420,767</b>
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##### DEPOSITS

	409,691	337,691
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TOTAL CURRENT ASSETS	<b>4,645,487</b>	<b>3,677,120</b>
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#### B : LOANS AND ADVANCES

(Recoverable in cash or in kind or  
for value to be received)

Advances for Capital Goods	128,177	128,177
Trade & other Advances	199,911	42,705
Excise Duty Modvat	811	811
Advance to Staff	195,240	2,540
Excise duty PLA a/c	294,705	294,705

TOTAL LOANS AND ADVANCES	<b>818,844</b>	<b>468,938</b>
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GRAND TOTAL	<b>5,464,331</b>	<b>4,146,059</b>
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# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

PARTICULARS	31.03.2008 RS.	31.03.2007 RS.
<b>SCHEDULE -"F": CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Trade	18,007,388	27,378,522
- Advance from suppliers	10,205,838	0
- Others	582,535	1,710,012
	<hr/>	<hr/>
Outstanding expenses & other payables	28,795,761	29,088,534
Statutory liabilities	455,910	360,423
	1,209,145	1,347,030
	<hr/>	<hr/>
<b>TOTAL</b>	<b>30,460,817</b>	<b>30,795,987</b>

## SCHEDULE -"G": INCREASE/(DECREASE) IN STOCKS

STOCK AT FINISHED GOODS CLOSE	1,125,555	509,250
LESS : STOCKS OF FINISHED GOODS AT COMMENCEMENT	509,250	55,250
	<hr/>	<hr/>
<b>INCREASE/(DECREASE) IN STOCKS</b>	<b>616,305</b>	<b>454,000</b>





# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

PARTICULARS	2007-2008 RS.	2006-2007 RS.
<b>SCHEDULE -"H": MATERIALS COST</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	1,686,152	1,632,695
Add : Purchases (Net)	6,061,714	4,436,193
	<u>7,747,866</u>	<u>6,068,888</u>
Closing Stock	<u>760,688</u>	<u>1,686,152</u>
	<b>6,987,178</b>	<b>4,382,736</b>
<b>PACKING MATERIAL CONSUMED</b>		
Opening Stock	477,318	147,704
Add : Purchases (Net)	2,581,256	2,169,147
	<u>3,058,574</u>	<u>2,316,851</u>
Less : Closing Stock	389,712	477,318
	2,668,862	1,839,533
<b>TOTAL</b>	<b>9,656,040</b>	<b>6,222,269</b>

## SCHEDULE -"I": OPERATING COST

Chemicals & Testing	0	3,318
Stores consumed	667,365	321,439
Wages and salaries, Bonus	1,536,933	1,094,766
Electric Power and fuel	1,535,486	2,024,754
Machinery repairs	350	6,426
Building reparis	13,190	28,820
Medical & Workers welfare	42,373	46,532
Insurance	20,889	28,126
Factory Expenses	27,216	75,583
<b>TOTAL</b>	<b>3,843,802</b>	<b>3,629,764</b>



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED,

PARTICULARS	2007-2008 RS.	2006-2007 RS.
<b>SCHEDULE-"J": ADMINISTRATIVE AND SELLING EXP.</b>		
Staff Salary	550,823	737,825
Director salary	393,240	420,000
Stationery printing & Books	9,836	22,578
Communication Expenses	61,221	69,648
Conveyance & Vehicle expenses	7,003	4,819
Office expenses	65,928	58,991
Service tax	4,620	6,164
Legal Expenses	61,488	130,049
Advertisement	811	2,500
Auditors remuneration	20,000	20,000
Professional charges	48,000	34,000
Contribution to E.S.I.,P.F.Labour -	300,972	194,330
Other Repairs	17,174	17,325
Donation	12,514	20,100
Property tax	40,000	10,000
Professional tax payable	5,000	5,000
Gratuity	19,524	0
Bank charges AND Interst	611,160	9,115
Entry tax	106,765	36,341
Traveling Exp.Director	6,453	0
<b>TOTAL</b>	<b>2,342,532</b>	<b>1,798,785</b>



# KABRA DRUGS LIMITED

## SCHEDULE "K" NOTES ON ACCOUNTS PART 1: A: SIGNIFICANT ACCOUNTING POLICIES

Financial statement have been prepared under historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles in India and the provision of the Companies Act, 1956 as adopted consistently by the company.

### (1) SYSTEM OF ACCOUNTING

The company adopts mercantile system of accounting and the financial statements are prepared under historical cost convention and on accrual basis. Retirement benefit, post assessments demands, claims, subsidy, and uncertain routine exp. And income to the extent these are not material, are accounted for on cash basis.

### (2) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized

### (3) FIXED ASSETS AND DEPRECIATION

All fixed assets are stated at cost of acquisition including installation and incidental costs. Depreciation is provided from date of use on straight line method as per the provisions of schedule 14 of the companies Act, 1956.

No addition / deletion took place in fixed assets during the year. No amortization has been made in respect of premium paid for the leasehold land since grant of lease is for a long period. Depreciation on Bio-project Assets is not provided in the accounts since the development could not be commercialized.

### (4) INVENTORIES

Inventories are valued as certified by management on following basis.

Raw material and packing materials	At Cost
Finished goods	At estimated realizable value
Work in process, stores and spares etc.	At estimated realizable value

Obsolete, defective and unserviceable stocks are provided for, where required.

### (5) TRANSACTION IN FOREIGN CURRENCY

The company has not incurred any transaction in foreign currency during the year.



## KABRA DRUGS LIMITED

### (6) CONTINGENT LIABILITIES

These are separately disclosed in the financial statements by way of notes to the accounts. Contingent liabilities are not recognized but are disclosed in the notes, contingent assets are neither recognized nor disclosed in the financial statements.

### (7) CONTINGENT LIABILITIES AS ON BALANCE SHEET DATE

- a) HON. M.P has given probable liability under sales tax and excise acts on purchase of denatured spirit, relating to 1991-92. High Court has granted a stay. ( Rs.47.50 lacs) Estimated amount due.
- b) Case relating to dismissal of 21 workers in 1997. Labor court has ruled against the company ordering payment of entire salary to employees for Rs. 6153705/- for the intermittent period. The company has preferred an appeal in the high court.

### (8) PROVISION FOR TAXATIONS

Deferred tax resulting from timing difference between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that asset will be realized in future.

### (9) BALANCE CONFIRMATION

Balance confirmation from various parties were not obtained and these are as per books and believed as correct as per management.

### (10) CURRENT ASSETS

The current assets, loan and advances have a value on realisation in the ordinary course of business, at least equal to the amount at which these are stated in balance sheet and the provision for all known liabilities have been adequately made and not in excess of the amount reasonably necessary.

### (11) REVENUE RECOGNITION

Sales are recognised on dispatch of goods to the customers, which normally results in transfer of title in the goods.

- (12) The company has only one business segment 'Manufacturing of Drugs'. Further, since virtually all sales are effected in the domestic market, there is only one geographical segment. Therefore, the disclosure requirements of "Segment Reporting" are not applicable to the company.

- (13) Related party disclosures as required as per accounting standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountant of India, are as below;



# KABRA DRUGS LIMITED

## a. List of related parties and relation ships

Related party and there relationship	
Key Management Personnel	Shri Shyam Kabra, Managing Director
Manager	Smt. Kusum Kabra (Spouse of MD)
Director	Shri Mahendra kumar mandloi
Director	Shri Rajendra Bordia
Director	Shri Madhusudan Sharma

Relatives of key management personal and their enterprises in which key management personnel are interested

None

Transaction during the period the period with related parties as under:

Name of the related party	Transactions	Amount (Rs. In Lacs)
Shri Shyam Kabra	Director's remuneration	2.40
Smt. Kusum Kabra	Salary	2.65
Shri Mahendra kumar mandloi	Director's remuneration	1.45
Shri Rajendra Bordia	Director	NIL
Shri Madhusudan Sharma	Director	NIL

Note: Related party relationship is as identified by the company and relied upon by the auditors.

## (14) Earning per share

Particulars	2007-08	2006-07
Net Profit (Loss) after Tax as per Profit & Loss Account(Rs. In Lacs)	6.53	(15.07)
Weighted Average number of Equity share outstanding (Nos.)	4388600	4388600
Basic and diluted Earning per Share (face valve Rs. 10/- per share)(Rs.)	0.15	(0.35)

## (15) PAYMENTS TO DIRECTORS

Chairman and Managing Director	240000 (420000)
Director	145000 (135000)



## KABRA DRUGS LIMITED

### (16) PAYMENT TO AUDITORS

Statutory audit fees	20000
Tax audit fees	10000
Taxation fees	10000
	-----
	<u>40000</u>

### (17) EMPLOYEES RETIREMENT BENEFITS

Contribution to provident fund & ESIC are charged to P&L a/c on actual basis and provision for gratuity, leave encasement etc. Retirement benefits are charges to P&L a/c on payment basis. The company has not practice to create separate reserve on actual basis.

- (18) Bank interest on F.D. which are deposited by the company with various government departments as security deposit, not provided in the accounts.
- (19) The company has accounted retirement benefits to the employees on payment basis. Provision for gratuity and other benefits are not provided in balance sheet.
- (20) Disclosures of sundry creditors under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "interest on Delayed Payments to small scale and Ancillary industrial Undertakings Act, 1993". The company has no creditors in this category.
- 21) Sales are net of Excise Duty & Sales Tax.
- (22) Previous years figures are given in brackets & have been regrouped & rearranged wherever necessary.
- (23) The quantitative data of opening stock, purchase, production, sales, closing stock, shortage/ excess & valuation of stock are taken to be correct as appearing in respective ledger accounts & as certified by the management.
- (24) Cash balance at the end of the year has been taken as certified by the management.
- (25) The audit have been completed with the help of available voucher, cash memos, invoices & other information given in the cash book, ledger, & explanation given by the management.



# KABRA DRUGS LIMITED

## Quantitative Data

Note : Figures given in brackets are for previous year.

Signature to schedule "A" to "K".  
As per our report of even date

For AGRAWAL JHAVAR ASSOCIATES  
CHARTERED ACCOUNTANT

For & on behalf of the board

DHARMENDRA AGRAWAL  
PARTNER

SHYAM KABRA  
CHAIRMAN &  
MANAGING DIRECTOR

RAJENDRA BOARDIA  
DIRECTOR

PLACE :- INDORE  
DATE :- 27<sup>th</sup> August 2008



[A] CLASS OF GOODS MANUFACTURED : ETHER AND PHARMACEUTICALS FORMULATION .  
 [B] PARTICULARS OF PRODUCTION , FINISHED GOODS MANUFACTURED , STOCKS AND TURNOVER.

YEAR 2007-2008

VALUE IN RS.000

PARTICULARS	UNIT	OPENING STOCK		PRODUCTION QUANTITY	SALES LESS RETURN		CLOSING STOCK	
		QUANTITY	VALUE		QUANTITY	VALUE	QUANTITY	VALUE
<b>ETHER</b>								
ANAESTHETIC	LITRES	3350 (-)	509.25 (-)	76354 (36134)	75533 (29434)	7774.61 (2835.227)	4171 (6700)	500.55 (509.25)
SOLVENT	LITRES			4850 (9105)	4850 (9105)	527.45 (885.735)	-	-
LIQUIED	LITRES	(1313)	(55.25)	29207 (23280)	29207 (24593)	2887.59 (1871.115)	0 0	0.00 0.00
INJECTION/EYE/ EAR DROP	NOS.			1113549 (962469)	839239 (962469)	2715.62 (3121.462)	274310	625.00
EYE/EAR DROP	NOS.			219210 (0)	219210 (0)	537.23 (0)		
SOFT GEL CAPSULE	NOS.			57038800 (42604400)	57038800 (42604400)	4248.16 (2320.51)		
WATER FOR INJECTION	NOS.			277600 (345760)	277600 (345760)	211.915 (296.875)		
<b>TOTAL</b>		<b>3350</b> <b>(1313)</b>	<b>509.25</b> <b>(55.25)</b>	<b>(43764019)</b>	<b>(43758591)</b>	<b>18902.57</b> <b>(11330.92)</b>	<b>(6700)</b>	<b>1125.55</b> <b>(509.25)</b>





## KABRA DRUGS LIMITED

### RAW /PACKING MATERIAL AND STORES AND SPARES CONSUMED TO PROFIT AND LOSS A/C

ITEM NAME	UNIT	31.03.2008		31.03.2007	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
RAW MATERIAL	KG	12691	2640.99	8891	2166.735
	LITRES	221387	4345.68	90875	2216.000
	TOTAL		6986.67		4382.735
	SAY		6987		4382

a] Value of Imports on CIF Basis	0	0
b] Expenditure materials consumed	0	0
c] Value of Imported materials Consumed	0	0
d] Remittance in foreign currency	nil	nil
e] Earnings in foreign currency	nil	nil

LICENCED INSTALLED CAPAICTY .  
CERTIFIED BY THE MANAGEMENT AND RELIED BY THE AUDITORES  
(BEING TECHNICAL MATTERS)

	UNIT	LICENCED	INSTALLED
ETHER	LACS LTRS	N.A.	9
LIQUID	LACS NOS.	N.A.	100
CAPSULES	LACS NOS.	N.A.	1200
TABLETS	LACS NOS.	N.A.	6000
INJECTABLES	LACS NOS.	N.A.	150
S.G.CAPSULES	LACS NOS.	N.A.	3000

## RAW MATERIAL

YEAR OF 2007-2008

RS.IN 000

PARTICULARS	UNITS	OPNING STOCK		RECEIPTS		ISSUE FOR PRODUCTION		CLOSING STOCK	
		QUAN TITY	VALUE	QUAN TITY	AMOUNT	QUAN TITY	VALUE	QUAN TITY	VALUE
CHLOROMPHINICOL IP.	KG	0	00.00	75	133.83	75	133.83	0	0.00
CLOXACILLINSODI.STERILE	KG	10	28.600	0	00.00	10	28.60	0	0.00
CHOLECALCIFEROL	KG	40	6.41	190	29.87	230	36.28	0	0.00
GELATINE POWDER	KG	500	52.56	5400	533.73	5010	512.42	890	73.88
GLYCERINE	KG	0	0.00	250	11.48	250	11.48	0	0.00
LIGNOCAIN HYDRO IP	KG	0	0.00	25	17.50	25	17.50	0	0
METHYL SAILICYLATE	LTR	6.50	1.15	45	7.65	51.50	8.80	0	0
OIL	LTR	0	1045	66.24	00.00	1045	66.24	0	0.00
PETROLIUM JEELY	KG	0	0.00	1020	70.05	1020	70.05	0	0
SORBITOL IP	LTR	0	0.00	300	7.49	300	7.49	0	0
VITAMIN PLANATE	KG	40	159.30	85	370.31	114.20	490.45	10.800	39.16
TERMIND SEED POWDER	KG	0	0.00	100	2.55	50	1.23	50	1.32
AMPICILLIN SOD.STR IP	KG	30	78.00	20	70.00	45	131.40	5	1.66
ANALGIN IP	KG	105	43.12	100	36.00	205	79.12	0	0.00
CHLOROBUTOL IP	KG	0	0.00	5	2.63	5	2.63	0	0.00
DEXANETHAZONE SODI BI PHOSPHATE	KG	0	0.00	2	103.30	2	103.30	0	0.00
GENTAMYCINE SULPHATE	KG	15	81.52	15	72.63	30	154.15	0	0.00
BENZOIC ACID	KG	0	0.00	475	77.10	475	77.10	0	0.00
COLTAR BLACK	KG	0	0.00	504	18.85	504	18.85	0	0.00
POTASH ALUM	KG	0	0.00	1200	46.25	1200	46.25	0	0.00
RECTIFIED SPIRIT	KG	1000	61.00	0	00.00	1000	61.00	0	0.00





PARTICULARS	UNITS	OPNING STOCK		RECEIPTS		ISSUE FOR PRODUCTION		CLOSING STOCK	
		QUAN TITY	VALUE	QUAN TITY	AMOUNT	QUAN TITY	VALUE	QUAN TITY	VALUE
RECTIFIED SPIRT L-2	LTR	0	0	2000	98.73	600	36.00	1400	62.73
PARACETAMOL IP	KG	0	0.00	25	4.38	25	4.38	0	0.00
SULPHAMETHAZONE IP	KG	0	0.00	5	7.54	0	0.00	5	7.54
CAUSTIC SODA	KG	0	0.00	1570	5.23	1570	5.23	0	0
ELWA	KG	250	33.31	1200	157.38	1250	164.45	200	26.23
SODIUM BY SULPHATE	KG	250	5.69	750	25.10	1000	30.78	0	0.00
HYDROFLORIC	LTR	0	0.00	3540	15.93	3000	13.63	540	2.30
CEFTRIZONE SOD STERILE	KG	35	216.67	10	64.99	45	281.67	0	0.00
CEFOTOXIME SOD.STERILE	KG	20	124.55	20	158.00	30	204.45	10	78.10
DICLOFANIC SOD.IP	KG	0	0.00	50	24.71	50	24.71	0	0.00
DENATURED SPIRIT	LTR	36685	794.28	200000	3775.24	214887	4133.68	21798	435.84
TOTAL		38986.50	1686.15	220026	6061.71	234078.7	6987.66	24933.880	761.20

As per our report of even date  
 For AGRAWAL JHAVAR ASSOCIATES  
 CHARTERED ACCOUNTANT

For & on behalf f the Board

**DHARMENDRA AGRAWAL**  
 PARTNER

**SHYAM KABRA**  
 CHAIRMAN &  
 MANAGING DIRECTOR

**RAJENDRA BOARDIYA**  
 DIRECTOR

PLACE : INDORE  
 DATE : 27<sup>th</sup> August 2008



# KABRA DRUGS LIMITED

## Balance Sheet Abstract and company's general Business profile.

<b>I Registration Details</b>	
Registration No.	10-05438
Balance Sheet Date	31.03.2008
<b>II. Capital Raised during the year (Amount in Rs. Thousands)</b>	
Capital issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil
<b>III. Position of mobilization and Deployment of Funds (Amount in Rs. Thousand)</b>	
Total Liabilities	Total Assets
45150	45150
<b>Sources of Funds</b>	
Paid up Capital	Reserves and surplus
43886	-
Secured Loans	Unsecured Loans
0	1264
<b>Application of Funds</b>	
Net Fixed Assets	Investment
48592	Nil
Net Current Assets	Misc. Expenditure
24996	0
Accumulated Loss	
21554	
<b>IV. Performance of Company (Amount in Rs. Thousand)</b>	
Turnover*	Total Expenditure
20404	19743
*includes Other Income Profit / Loss Before Tax	Profit / Loss After Tax
661	653
Earnings per Share in Rs.	Dividend Rate %
0.35	Nil
<b>V. Generic Names of Three Principal Production / Services of the Company</b>	
(As per monetary terms)	
Items code no. (ITC Code)	29091100
Product Description	DIETHYL ETHER
Item Code No. (ITC Code)	30049054
Product Description	Atenolol Formulations in tables.
Items Code No. (ITC Code)	30042008
Product Description	Cephalexin Formulations thereof in capsules Etc.
Signature to Schedule "A" to "O"	



# KABRA DRUGS LIMITED

**As per our report of even date**

For Agrawal Jhaver Associates Chartered Accountant	For & on behalf of the Board	
<b>DHARMENRA AGRAWAL</b> PARTNER	<b>SHYAM KABRA</b> CHAIRMAN & MANAGING DIRECTOR	<b>RAJENDRA</b> <b>BOARDIYA</b> DIRECTOR

Place : **INDORE**

Date : **27<sup>th</sup> August 2008**



# KABRA DRUGS LIMITED

## AUDITORS' REPORT: -

We have verified the attached Cash Flow statement of Kabra Drugs Limited derived from audited financial statements and the books and records maintained by the Company for the years ended 31<sup>st</sup> March, 2008' and found the same in agreement therewith. The statement has been prepared by the company in accordance with the requirements of listing agreement with Stock Exchanges.

For Agrawal Jhavae Associates  
Chartered Accountant

**Dharmendra Agrawal**  
Partner

Place: Indore


Date: - 27.08.2008.

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH,2008**

<b>A: CASH FLOW FROM OPERATING ACTIVITIES :</b>	<b>2007-08</b>	<b>2006-07</b>
	Rs in Lakhs	Rs in Lakhs
	=====	=====
Net profit before tax and extraordinary items	6.61	-15.07
Adjustments for :		
1 Depreciation	39	26.06
2 interest/Other income Received	0	0
3 Interest Expenses	0	0
5 Investment ( Loss)	0	0
4 Miscellaneous Expendebyre [ Amortised ]	0	26.06
	-----	-----
Operating profit before working capital changes	45.61	10.99
Adjustments for :		
1 Trade and other receivables	-16.14	11.18
2 Inventories	3.97	-8.37
3 Trade Payables	-3.45	130.21
	-----	-----
	-15.62	133.02
Cash Generated from operations :	29.99	144.01
1 Interest paid	0	0
Cash Flow Before extraordinary items	29.99	144.01
Income Tax & FBT	-0.08	-0.1
1 Extraordinary items	0	-7.41
	-----	-----
Net cash from operating activities [A]	29.91	136.5
	-----	-----
<b>B: CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	0	-7.95
Sale of Fixed assets	0	0
Purchase of Investments	0	0
Sale of investments	0	0
Interest/Other Income received	0	0
	-----	-----
Net Cash from investing activities [B]	0	-7.95
	-----	-----
<b>C: CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of share capital	0	1.75
Proceeds from long term borrowings	-29	-143
Proceeds from short term borrowings	0	0
Intercompany Deposits	0	12.45
	-----	-----
Net Cash from in financing activities [C]	-29	-128.8
	-----	-----
Net increase(decrease) in Cash and Cash equivalents [ A+B+C+ ]	0.91	-0.25
Cash and Cash equivalents as at 1st April [ Opening Balance ]	4.21	4.46
Cash and Cash equivalents as at 31st March [ Closing Balance ]	5.12	4.21

Indore  
Dated : 27.08.2008

For and on behalf of the Board

  
Shyam Kabra  
Chairman & Managing Director



# KABRA DRUGS LIMITED

## NOTICE

Notice is hereby given that the 19<sup>th</sup> 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 Monday, the 29<sup>th</sup> September, 2008 at 2:00 P.M., to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2008 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 though fit , to pass with or without medication(s) the following resolution an Ordinary Resolution :

" RESOLVED THAT Shri Madhusudan Sharma is appointed as an Additional Director of the Company under Section 260 of the Articles of Association who will hold office until the next annual General Meeting under Section 260 of the Company Act , 1956 and is liable retire by rotation.

Indore, 27 <sup>th</sup> August, 2008	<p style="text-align: right;"><b>By Order of the Board</b></p> <p style="text-align: right;">Shyam Kabra Chairman cum Managing Director</p>
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# 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 Register of Members and Share Transfer Register of the Company will remain close from Tuesday, 23<sup>rd</sup> September 2008 to Monday 29<sup>th</sup> September, 2008 (both days inclusive).
3. 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.
4. Members are requested to kindly bring their copies of the Annual Report at the Annual General Meeting.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. All documents relevant to the business to be transacted at this meeting will be available for inspection at the Registered Office of the Company during office hours on all the working days prior to the Annual General Meeting.

Indore, 27 <sup>th</sup> August, 2008	<p style="text-align: right;"><b>By Order of the Board</b></p> <p style="text-align: right;">Shyam Kabra Chairman cum Managing Director</p>
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## 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)

<b>Name of Director</b>	Mr. Rajendra Bordia
<b>Date of Birth</b>	22 <sup>nd</sup> October, 1964
<b>Date of Appointment</b>	27 <sup>th</sup> June 2006
<b>Expertise in specific functional area.</b>	18 Years
<b>Qualification</b>	Mechanical Engg.
<b>List of outside</b>	Nil
<b>Directorship held</b>	
<b>Chairman / Member of the Committee of the Board of Directors of the Company</b>	Audit Committee - Member Remuneration Committee Member



# KABRA DRUGS LIMITED

## KABRA DRUGS LIMITED

Regd. Office & Work : Plot No. 26 Sector-A, Sanwer Road, Industrial Area, Indore

Regd. Folio No. ....

No. of Share Held .....

### PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member / members of KABRA DRUGS LIMITED, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

filling him / her \_\_\_\_\_ of \_\_\_\_\_

as my / our to vote for me / our behalf at the Sixteen Annual General Meeting of the Company to be held at 26, Sector-A, Sanwer Road, Industrial Area, Indore - 452 003, any adjournment thereof.

Signed this \_\_\_\_\_  
\_\_\_\_\_ 2008



\_\_\_\_\_ day of \_\_\_\_\_

Note :

- The proxy must be deposited / mailed at / to the Registered Office the Company at the mentioned address not less than 48 hours before the time of holding the meeting.
- A proxy need not be member.

## KABRA DRUGS LIMITED

Regd. Office & Work : Plot No. 26 Sector-A, Sanwer Road, Industrial Area, Indore

### ATTENDANCE SLIP

19th Annual General Meeting  
29.08.2008

Regd. Folio No. ....

No. of Shares held .....

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I here by record my presence at the Fourteen General Meeting of the Company held at Plot No. 26, Sector-A, Sanwer Road, Industrial Area.

Members / Proxy Name in

Block letters \_\_\_\_\_

Member's / Proxy's

Signature \_\_\_\_\_

Note : Please fill in this attendance slip and handover at the Entrance of the meeting hall.

**KABRA DRUGS LIMITED**

**19th ANNUAL REPORT  
2007-2008**

**BOOK-POST  
PRINTED MATTER ONLY**

TO, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ANNUAL REPORT**



**KABRA DRUGS LIMITED**

WORKS & REGD. OFFICE : Plot No. 26, Sector A, Sanwer Road,  
Industrial Area, INDORE - 452 003 (M.P.)

